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SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH  
RAPIDES PARISH POLICE JURY  
Alexandria, Louisiana

FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2008  
WITH SUPPLEMENTAL INFORMATION SCHEDULES

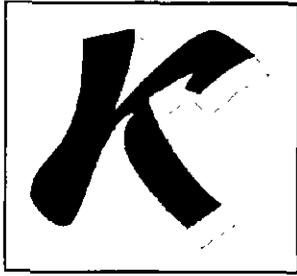
Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the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

Release Date 7/22/09

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SEWERAGE DISTRICT NO.1 OF RAPIDES PARISH  
RAPIDES PARISH POLICE JURY  
Alexandria, Louisiana

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## Roland D. Kraushaar

Certified Public Accountant

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### INDEPENDENT AUDITOR'S REPORT

BOARD OF COMMISSIONERS  
SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH  
RAPIDES PARISH POLICE JURY  
Alexandria, Louisiana

I have audited the accompanying financial statements of Sewerage District No. 1 of Rapides Parish, a component unit of the Rapides Parish Police Jury, as of and for the year ended December 31, 2008, as listed in the forgoing table of contents. These financial statements are the responsibility of management of the District. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and with 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 financial statements referred to above present fairly, in all material respects, the financial position of Sewerage District No. 1 of Rapides Parish at December 31, 2008, and the results of operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 17, 2009, on my consideration of the internal control over financial reporting and my tests of compliance with certain provisions of laws, regulations, contracts, and grants.

The financial information for the preceding year which is included for comparative purposes was taken from the financial statements for that year in which I expressed an unqualified opinion.

My audit was made for the purpose of forming an opinion on the financial statements. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of Sewerage District No. 1 of Rapides Parish. Such information has been subjected to the procedures applied in the audit of the financial statements and in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Roland D. Kraushaar  
Certified Public Accountant

June 17, 2009

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH  
 RAPIDES PARISH POLICE JURY  
 Alexandria, Louisiana

Statement A

BUSINESS-TYPE ACTIVITIES

COMPARATIVE BALANCE SHEET  
 December 31, 2008 and 2007

	2008	2007
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 1,034,047	\$ 504,654
Receivables:		
Accounts (net)	15,768	14,797
Special Assessments (net)	635	1,871
Accrued interest	244	2,208
Fixed Assets (net)	3,171,085	2,283,319
TOTAL ASSETS	\$ 4,221,779	\$ 2,806,849
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts payable	\$ 10,681	\$ 5,992
Contracts payable	180,886	-
Deposits payable	16,737	16,668
Deferred revenues	11,738	13,194
Note payable	992,000	-
Accrued interest	9,382	-
Total Liabilities	\$ 1,221,424	\$ 35,854
Fund Equity:		
Contributed capital	\$ 1,864,268	\$ 1,657,473
Retained earnings	1,136,087	1,113,522
Total Fund Equity	\$ 3,000,355	\$ 2,770,995
TOTAL LIABILITIES AND FUND EQUITY	\$ 4,221,779	\$ 2,806,849

See notes to financial statements

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH  
 RAPIDES PARISH POLICE JURY  
 Alexandria, Louisiana  
 BUSINESS-TYPE ACTIVITIES

Statement B

Comparative Statement of Revenues, Expenditures, and Changes in Retained Earnings  
 For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>OPERATING REVENUES</u>		
Sewerage service and tap fees	\$ 420,922	\$ 418,332
 <u>EXPENSES</u>		
Public works-sanitation-sewerage collection and disposal:		
Current:		
Personal service - per diem	\$ 9,090	\$ 9,000
Operating service	356,361	319,811
Depreciation	105,081	102,116
Total operating expenses	<u>\$ 470,532</u>	<u>\$ 430,927</u>
 <u>OPERATING INCOME (LOSS)</u>	 <u>\$ (49,610)</u>	 <u>\$ (12,595)</u>
 <u>NONOPERATING REVENUES(EXPENSES)</u>		
Interest earnings	\$ 5,740	\$ 16,030
Special assessments fees	1,158	1,058
Recovery of assessments written off	753	467
Interest expense	(9,382)	-
Miscellaneous	703	445
Total nonoperating revenues	<u>\$ (1,028)</u>	<u>\$ 18,000</u>
 <u>NET INCOME (LOSS)</u>	 <u>\$ (50,638)</u>	 <u>\$ 5,405</u>
 <u>ADD DEPRECIATION OF FIXED ASSETS ACQUIRED WITH CONTRIBUTED CAPITAL</u>	 <u>73,203</u>	 <u>70,288</u>
 <u>NET INCREASE (DECREASE) IN RETAINED EARNINGS</u>	 <u>\$ 22,565</u>	 <u>\$ 75,693</u>
 <u>RETAINED EARNINGS AT BEGINNING OF YEAR</u>	 <u>1,113,522</u>	 <u>1,037,829</u>
 <u>RETAINED EARNINGS AT END OF YEAR</u>	 <u>\$ 1,136,087</u>	 <u>\$ 1,113,522</u>

See notes to financial statements

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH  
RAPIDES PARISH POLICE JURY  
Alexandria, Louisiana  
BUSINESS-TYPE ACTIVITIES

Statement C

Comparative Statement of Cash Flows  
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Cash from operating revenues	\$ 418,495	\$ 418,566
Cash for operating expenses	<u>(360,762)</u>	<u>(347,877)</u>
Net cash provided (required) by operating activities	<u>\$ 57,733</u>	<u>\$ 70,689</u>
 Cash flows from non capital financing activities		
Special assessments and interest	\$ 1,158	\$ 1,058
Increase (decrease) in customer deposits	69	39
Miscellaneous	<u>1,457</u>	<u>912</u>
Net cash provided (used) by non capital financing activities	<u>\$ 2,684</u>	<u>\$ 2,009</u>
 Cash flows from capital and related financing activities		
Contribution from Individuals	\$ 262,347	\$ -
Sewer System Improvements	(992,847)	(1,718)
Bond Anticipation Note	992,000	-
Grant from RUS	17,650	-
Increase in Contracts Payable	180,886	-
Cash from debt service funds	<u>1,236</u>	<u>1,411</u>
Net cash provided (used) by capital and related activities	<u>\$ 451,272</u>	<u>\$ (307)</u>
 Cash flows from investing activities		
Interest on investments	\$ 5,740	\$ 16,030
(Increase) decrease in accrued interest	<u>1,964</u>	<u>746</u>
Net cash provided(used) by investment activities	<u>\$ 7,704</u>	<u>\$ 16,776</u>
 Net increase (decrease) in cash and equivalents	 \$ 529,393	 \$ 89,167
 Cash and equivalents at beginning of year	 <u>504,654</u>	 <u>415,487</u>
 Cash and equivalents at end of year	 <u>\$ 1,034,047</u>	 <u>\$ 504,654</u>
 Reconciliation of operating income (loss) to net cash provided (required) by operating activities		
Operating income (loss)	<u>\$ (49,610)</u>	<u>\$ (12,595)</u>
 Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	\$ 105,081	\$ 102,116
Change in assets and liabilities:		
(Increase) decrease in receivables	(971)	(2,154)
Increase (decrease) in deferred revenues	(1,456)	2,388
Increase (decrease) in accounts payable	<u>4,689</u>	<u>(19,066)</u>
Total adjustments	<u>\$ 107,343</u>	<u>\$ 83,284</u>
 Net Cash provided (required) by operating activities	 <u>\$ 57,733</u>	 <u>\$ 70,689</u>
See notes to financial statements		

SEWERAGE DISTRICT NO.1 OF RAPIDES PARISH  
RAPIDES PARISH POLICE JURY  
Alexandria, Louisiana  
Notes to the Financial Statements  
December 31, 2008

## INTRODUCTION

Sewerage District No. 1 of Rapides Parish was created by the Rapides Parish Police Jury under the authority of Louisiana Revised Statutes 33:3881 to manage and operate sewerage systems within the District not served by municipal systems. The District is governed by a three-member board appointed by the Rapides Parish Police Jury. At December 31, 2008, the district has approximately 1,268 customers.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. BASIS OF PRESENTATION

The accompanying financial statements of the 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 establishing governmental accounting and financial reporting principles.

#### B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Rapides Parish Police Jury is the financial reporting entity for Rapides 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 Statement No. 14 established criteria for determining which component units should be considered part of the Rapides 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. These 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

SEWERAGE DISTRICT NO.1 OF RAPIDES PARISH

RAPIDES PARISH POLICE JURY

Alexandria, Louisiana

Notes to the Financial Statements

December 31, 2008

(Continued)

- 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 board and has the ability to impose its will on the District and there exists the potential for the District to provide specific financial benefits to or impose specific financial burdens on the police jury, the District was determined to be a component unit of the Rapides 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 service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

**C. FUND ACCOUNTING**

The District is organized and operated on a fund basis whereby a self-balancing set of accounts (Business-Type Activities) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs (expenses, including depreciation) of providing services on a continuing basis be financed primarily through user fees.

SEWERAGE DISTRICT NO.1 OF RAPIDES PARISH

RAPIDES PARISH POLICE JURY  
Alexandria, Louisiana  
Notes to the Financial Statements  
December 31, 2008  
(Continued)

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Business-Type Activities are accounted for on an 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 the fund are included on the balance sheet. The Business-Type Activities Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

**E. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposit accounts. Cash equivalents include amounts in time deposits and other short-term investments. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with any bank domiciled or having a branch office in the state of Louisiana, or other instruments backed by the United States Treasury.

These investments, stated at cost are classified as cash equivalents if their original due dates are 90 days or less.

**F. FIXED ASSETS AND LONG TERM LIABILITIES**

Fixed assets and accumulated depreciation of the District are included on the balance sheet of the Business-Type Activities. Fixed assets are valued at historical cost or fair market value at the time of donation. 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 life (45 years) of the sewerage system and (5 years) for all other equipment. The District has no long-term liabilities.

**G. FUND EQUITY - CONTRIBUTED CAPITAL**

Contributed capital represents sewerage facilities donated by developers and the Rapides Parish Police Jury. Contributed capital is amortized based on the depreciation recognized on the related capital assets. Depreciation is closed to the contributed capital account and is reflected as an adjustment to the net income/(loss) on Statement B.

SEWERAGE DISTRICT NO.1 OF RAPIDES PARISH

RAPIDES PARISH POLICE JURY  
Alexandria, Louisiana  
Notes to the Financial Statements  
December 31, 2008  
(Continued)

**H. BAD DEBTS AND ALLOWANCES**

Uncollectible amounts due for customers' utility receivables are recognized as bad debts when they become 120 days old. As of December 31, 2008, the District established an allowance for uncollectible accounts of \$9,487.

**2. CASH AND EQUIVALENTS**

At December 31, 2008, the District has cash and cash equivalents (book balances) as follows:

Petty Cash	\$ 100
Demand deposits	669,360
Money market accounts	54,887
Treasury bills	<u>309,700</u>
Total	<u>\$ 1,034,047</u>

Under state law, these deposits, or 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. Cash (bank balances) totaling \$ 733,164 at December 31, 2008, is entirely insured by federal deposit insurance or securities pledged by the fiscal agent bank. (GASB Category 1)

Under state law and in accordance with the District's investment policy, cash equivalents totaling \$ 309,700 at December 31, 2008, is comprised of United States Treasury Bills. Since these treasury bills are obligations of the Federal government and are being held by the broker dealer in the name of the District, they are considered insured and registered (GASB Category 1).

SEWERAGE DISTRICT NO.1 OF RAPIDES PARISH

RAPIDES PARISH POLICE JURY  
 Alexandria, Louisiana  
 Notes to the Financial Statements  
 December 31, 2008  
 (Continued)

**3. FIXED ASSETS**

A summary of fixed assets and related depreciation at December 31, 2008 follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 28,570	\$ -	\$ 28,570
Sewerage System	\$ 5,038,886	\$ 2,598,512	\$ 2,440,374
Construction in Progress	\$ 730,710	\$ -	\$ 730,710

**4. CONTRIBUTED CAPITAL**

A summary of changes and the effects of the changes, in contributed capital follow:

Contributed Capital:	
Beginning of Year	\$ 1,657,473
Additions	279,998
Deductions:	
Depreciation charged	
Against contributions	<u>(73,203)</u>
 End of Year	 <u>\$ 1,864,268</u>

SEWERAGE DISTRICT NO.1 OF RAPIDES PARISH

RAPIDES PARISH POLICE JURY  
Alexandria, Louisiana  
Notes to the Financial Statements  
December 31, 2008  
(Continued)

**5. SPECIAL ASSESSMENTS**

The special assessments of the Governmental Fund Type - Debt Service Fund totaling \$85,008 were transferred to the Business-Type Activities Fund with an offset for the uncollectibility of the accounts during 2002. These accounts are delinquent and have been referred to legal counsel for collection. The District's legal counsel has initiated legal action against the property owners and is in the process of collecting the delinquent assessments. The balance on these assessments and the offset amounts was \$ 76,281 at December 31, 2008.

The Gardner Sewer System was accepted into the District under the condition that the system is brought up to standards in 1999. In order to accomplish this, the District financed the project after a vote of the owners agreeing to a special assessment against their properties for the major part of the cost. Liens were recorded against the properties in the amount of \$ 37,571 with an outstanding balance of \$635 at December 31, 2008. There has been no allowance set up on these accounts as the property is pledged to cover these amounts.

**6. RISK MANAGEMENT**

The District is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

The District has obtained commercial insurance for the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**7. BOND ANTICIPATION NOTES**

The District issued \$992,000 in bond anticipation notes on September 11, 2008.

**8. CONSTRUCTION IN PROGRESS**

The District entered in a contract with C. G. Logan Construction LLC in the amount of \$1,432,068. At year end the balance to complete was \$833,953.

SEWERAGE DISTRICT NO.1 OF RAPIDES PARISH  
 RAPIDES PARISH POLICE JURY  
 Alexandria, Louisiana  
 SUPPLEMENTAL INFORMATION SCHEDULE  
 December 31, 2008

PER DIEM PAID BOARD MEMBERS

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

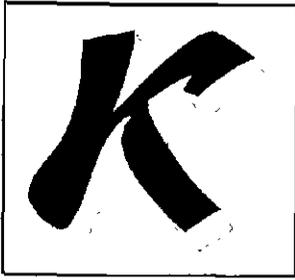
In accordance with Louisiana Revised Statute 33:3887, each board member is to receive a maximum per diem of \$90, for each board meeting they attend, not to exceed 24 regular and 12 special meetings per year.

Schedule of Per Diem Paid Board Members  
 December 31, 2008

	Number	<u>Amount</u>
Ubie Johnson	35	\$ 3,150
Robin Bonnette	30	2,700
Bob Wooley	36	<u>3,240</u>
Total		<u>\$ 9,090</u>

**Independent Auditor's Reports Required  
By Government Auditing Standards**

The following independent auditor's reports on internal control and compliance 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.



**Roland D. Kraushaar**  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

Sewerage District No. 1 of Rapides Parish  
Alexandria, Louisiana

I have audited the financial statements of the Sewerage District No. 1 of Rapides Parish as of and for the year ended December 31, 2008, and have issued my report thereon dated June 17, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing my audit, I considered the Sewerage District No. 1 of Rapides Parish's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sewerage District No. 1 of Rapides Parish's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

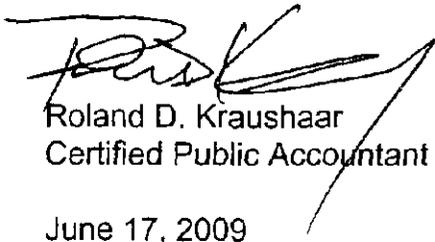
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

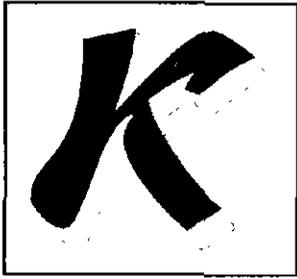
As part of obtaining reasonable assurance about whether the Sewerage District No. 1 of Rapides Parish's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could 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 or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Roland D. Kraushaar  
Certified Public Accountant

June 17, 2009



**Roland D. Kraushaar**  
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REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Sewerage District No. 1 of Rapides Parish  
Alexandria, Louisiana

I have audited the compliance of the Sewerage District No. 1 of Rapides Parish Alexandria, Louisiana with the types of compliance requirements described in the US. Office of Management and Budget (OMB) *Circular A-133* Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. The Sewerage District No. 1 of Rapides Parish's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Sewerage District's management. My responsibility is to express an opinion on the Sewerage District No. 1 of Rapides Parish's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Sewerage District No. 1 of Rapides Parish's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the Sewerage District No. 1 of Rapides Parish's compliance with those requirements.

In my opinion the Sewerage District No. 1 of Rapides Parish complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the Sewerage District No. 1 of Rapides Parish is responsible for establishing and maintaining effective internal control over compliance with the requirements, contracts, and

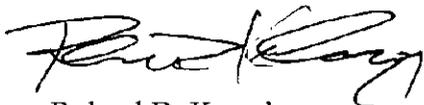
grants applicable to federal programs. In planning and performing my audit, I considered The Sewerage District No. 1 of Rapides Parish's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Sewerage District No. 1 of Rapides Parish's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Roland D. Kraushaar  
Certified Public Accountant

June 17, 2009

**Sewerage District No. 1 of Rapides Parish  
Alexandria, Louisiana**

**Schedule of Federal Awards  
For the Year Ended December 31, 2008**

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME</b>	<b>CFDA NUMBER</b>	<b>FEDERAL 2008 EXPENDITURES</b>
<b>United States Department of Agriculture Water and Waste Disposal Systems for Rural Communities</b>	<b>10.760</b>	<b><u>\$ 730,633</u></b>
<b>Total Federal Funds</b>		<b><u><u>\$ 730,633</u></u></b>

**Sewerage District No. 1 of Rapides Parish  
Alexandria, Louisiana**

**Notes to Schedule of Federal Awards  
For the Year Ended December 31, 2008**

**NOTE A - BASIS OF PRESENTATION**

**The accompanying schedule of Federal Awards includes the grant activity of the Sewer District No. 1 of Rapides Parish and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.**

**Sewerage District No. 1 of Rapides Parish  
Alexandria, Louisiana**

**Statement of Findings and Questioned Costs  
For the Year Ended December 31, 2008**

**SECTION I - SUMMARY OF AUDITOR'S REPORTS**

**Financial Statements**

Type of Auditor's Report Issued	Unqualified
<b>Internal Control Over Financial Reporting:</b>	
Material Weakness Identified	No
Reportable Conditions Identified Not Considered to be Material Weaknesses	None Reported
Non-Compliance Material to Financial Statements Noted	No

**Federal Awards**

<b>Internal Control Over Major Programs:</b>	
Material Weakness Identified	No
Reportable Conditions Identified Not Considered to be Material Weaknesses	None Reported

Type of Auditor's Report Issued on Compliance for Major Programs	Unqualified
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Any Audit Findings Disclosed that are Required to be Reported in Accordance With Circular A-133, Section .510(a)	No
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**SECTION II - IDENTIFICATION OF MAJOR PROGRAMS:**

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.760	Water and Waste Disposal Systems for Rural Communities

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.