

ENTERPRISE DISTRICT NO. 3 OF RAPIDS PARK
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 1986

EXHIBIT C

OPERATING ACTIVITIES	
Net income	\$ 344,503
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	432,443
Amortization of investment premium and discount and debt expense	(1,188)
Changes in operating assets and liabilities:	
Accounts receivable	(26,633)
Inventories	38,082
Prepaid expenses	(28,458)
Accrued interest receivable	(3,428)
Accounts payable	(23,387)
Accrued expenses	481
Customers' notes deposits	28,923
Other current liabilities	32
NET CASH PROVIDED BY OPERATING ACTIVITIES	718,483
NONCAPITAL FINANCING ACTIVITIES	-8-
CAPITAL AND RELATED FINANCING ACTIVITIES	
Contributed capital	58,725
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	58,725
INVESTING ACTIVITIES	
Purchases of fixed assets and construction	(832,382)
Proceeds from maturities of investments	418,088
Purchases of investments	(253,418)
NET CASH USE IN INVESTING ACTIVITIES	(667,712)
DECREASE IN CASH AND CASH EQUIVALENTS	(127,008)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	718,121
CASH AND CASH EQUIVALENTS, END OF YEAR	591,113
CLASSIFIED AS:	
Current Assets	5549,008
Restricted Assets	78,453
TOTAL	5627,461

The accompanying notes are an integral part of the financial statements.

WATERWORKS DISTRICT NO. 3 OF RAPIDES PARISH
DECEMBER 31, 1964

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Waterworks District No. 3 of Rapides 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. The more significant of the District's accounting policies are described below.

REPORTING ENTITY

Upon the presentation of a petition by property owners to the Louisiana Legislature, the Rapides Parish Police Jury was made responsible for creating a water district to utilize certain water facilities at Camp Livingston which had been abandoned. As a result, Waterworks District No. 3 of Rapides Parish was created by an ordinance of the Rapides Parish Police Jury on February 8, 1949. The District provides water to many individual, commercial, and municipal customers primarily in Ward 19 of Rapides Parish.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB. Generally, component units are legally separate organizations for which the elected officials or appointed board members of the primary government are financially accountable. Some of the criteria considered under "legally separate organization" are the capacity for the organization to incur its own debt, the right for the organization to sue and be sued in its own name without recourse to the primary government, and the right to buy, sell, lease, and mortgage property in its own name. Some of the criteria used to consider "financially accountable" include appointment of a voting majority of the organization's governing body, ability for primary government to impose its will on the organization, whether the organization has the potential to provide specific financial benefits to, or impose specific financial burdens on the primary government, and financial dependence of the organization. Based upon the application of these criteria, only the operating activities of the Waterworks District No. 3 of Rapides Parish are included in these financial statements.

The Waterworks District No. 3 of Rapides Parish operates autonomously from the other Parish agencies. Therefore, the Waterworks District No. 3 of Rapides Parish reports as an independent reporting entity. This report includes all funds which are controlled by or dependent upon the Waterworks District No. 3 of Rapides Parish.

WATERWORKS DISTRICT NO. 3 OF RAPID CITY
DECEMBER 31, 1994

NOTES TO FINANCIAL STATEMENTS

FUND ACCOUNTING

A fund is a separate accounting entity with a self-balancing set of accounts. The District only has one fund - the general fund. It is considered a proprietary fund. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Where goods or services are provided to outside parties, such as customers receiving water, the proprietary fund is considered an enterprise fund.

BASES OF ACCOUNTING

All proprietary funds are accounted for on a flow of resources resource measurement basis. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is categorized into contributed capital and retained earnings components. Proprietary fund-type operating statements present revenues (e.g., revenues) and expenses (e.g., expenses) in net total assets.

The accrual basis of accounting is followed by the District. Under this method, revenues are recorded when earned and expenses are recorded at the liabilities are incurred.

CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include amounts in demand deposits as well as short-term investments generally maturing within three months of the date required by the District.

INVESTMENTS are stated at cost or amortized cost.

INVENTORY

Inventory of pipe, fittings and other construction materials are stated at the lower of average cost or market, primarily on a first-in, first-out basis.

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 1994, are recorded as prepaid items.

RESTRICTED ASSETS

Certain proceeds related to customers' meter deposits are classified as restricted assets on the balance sheet because their use is limited by applicable laws and regulations. The meter fund is used to account for customers' meter deposits received from and returned to customers.

WASHINGTON DISTRICT NO. 3 OF FIDELITY UNION
DECEMBER 31, 1964

NOTES TO FINANCIAL STATEMENTS

FIXED ASSETS

Fixed assets are stated at cost when purchased and at fair market value when donated to the District. Improvements that add to the value of the asset or materially extend useful lives are capitalized.

Depreciation is computed using the straight-line method over the useful lives of capitalized assets.

BAD DEBTS

Amounts due from customers are recognized as bad debts as they are considered uncollectible. Minimum losses are reserved when the customer's equity deposit is applied to any unpaid balances. In the opinion of management, all receivables were collectible and an allowance for doubtful accounts was not considered necessary.

FUND EQUITY

Contributed capital is recorded as the balance sheet when amounts are received through capital grants or through contributions from developers and customers.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

1. CASH AND CASH EQUIVALENTS AND INVESTMENTS

CASH AND CASH EQUIVALENTS. At December 31, 1964, cash and cash equivalents consisted of the following:

	TOTAL	UNRESTRICTED	RESTRICTED
petty cash and change funds	\$ 918	\$ 918	\$ -0-
cash in bank	145,458	145,543	76,458
held by broker - Daily			
U.S. Treasury Fund	188,138	188,138	---
Totals	\$442,514	\$444,699	\$76,458

INVESTMENTS. At December 31, 1964, investments consisted of a six month certificate of deposit in the amount of \$100,000 for unrestricted and U.S. Treasury obligations registered in the name of the District and held by broker, carrying value \$145,543 for unrestricted and \$76,458 for restricted investments of the

WATERWORKS DISTRICT NO. 3 OF RAPIDES PARISH
 DECEMBER 31, 1998

NOTES TO FINANCIAL STATEMENTS

money fund. The District may invest in United States bonds, Treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in Louisiana Revised Statute 39:1201, or any other federally insured investment.

Cash and cash equivalents and investments are categorized as either (1) insured or registered for which the securities are held by the District or its agent in the District's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the District's name, or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name. (In accordance with GASB 3, this category includes certificates of deposit that are collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the District's name, although balances so collateralized meet the requirements of state law. All of the amount shown in Category 3 is collateralized by securities held by the pledging financial institution's agent, but NOT in the District's name.)

	CATEGORIES			BANK BALANCES	CARRYING AMOUNT ON BOOKS
	1	2	3		
Cash and Cash Equivalents:					
Cash in bank	\$ 188,000	\$	\$281,334	\$ 389,334	\$ 389,334
Held by broker	388,338			388,338	388,338
Investments:					
Certificate of deposit			188,888	188,888	388,888
Held by Broker	1,321,893	---	---	2,131,891	1,321,893
Totals	\$1,531,431	\$-0-	\$281,334	\$3,902,563	\$1,876,443

3. ACCOUNTS RECEIVABLE - WATER SALES

Receivables arising from water services provided to customers consist of uncollected billings rendered to customers on monthly cycle billings and estimated services provided to customers between billing cycles. At December 31, 1998, these receivables were as follows:

Uncollected open billings	\$128,818
Estimated services between cycles	43,292
	\$178,110

WATERWORKS DISTRICT NO. 3 OF RAPIDS PARISH
DECEMBER 31, 1966

NOTES TO FINANCIAL STATEMENTS

4. PREPAID EXPENSES

Prepaid expenses include prepaid insurance in the amount of \$48,540. The remaining prepaid amount of \$3,755 consists of prepaid maintenance and permits.

5. FIXED ASSETS

A summary of fixed assets is as follows:

	ESTIMATED LIFE IN YEARS	AMOUNT
Land		\$ 389,350
Plant, distribution and transmission lines	5-50	11,584,400
Buildings	20	303,000
Vehicles and trailers	3-10	348,200
Furniture and fixtures	3-10	182,000
Radio equipment	5-10	29,870
Machinery and equipment	3-15	344,000
Buildings	10-20	583,000
Fencing	10-25	69,000
Total Fixed Assets		13,888,790
LESS:		
Accumulated Depreciation		5,268,400
NET FIXED ASSETS		\$ 8,620,390

Depreciation expense for the year was \$427,842.

6. CONTRACTS PAYABLE

Included in contracts payable is an old outstanding payable which is the District's remaining share of the cost of estimating water lines on water main Road. The \$261,472 is payable to the State of Louisiana Highway Department. No payable originated in 1966. No payments have been made in recent years. Amounts remaining due on other contracts at December 31, 1966, totaled \$5,388.

WATERWORKS DISTRICT NO. 3 OF RAPIDES PARISH
DECEMBER 31, 1996

NOTE TO FINANCIAL STATEMENTS

7. CONTRIBUTED CAPITAL

Changes in contributed capital during the year are as follows:

Balance, beginning of year	\$3,444,800
Plus:	
Contributions from customers - Materlines, taps, and pipe hydrants	____\$8,000
Balance, end of year	\$3,452,800

8. ACCRUED VACATION AND SICK LEAVE

Any accrued vacation or sick leave accumulated for the year is terminated at December 31 of each year for all employees. Untaken sick leave days or vacation days are not carried over into the next year. Therefore, there is no liability for accrued vacation and sick leave at December 31, 1996.

9. PENSION PLAN

Employees of the District are not covered under the State of Louisiana PFD plan. They are members of the social security system.

The District has a tax deferred employee savings plan. Under the terms of the plan, the District matches a limited portion of the employees' contributions. The District made contributions totaling \$4,186 for the year 1996.

10. NOTE TO STATEMENT OF CASH FLOWS

There were no material noncash capital or financing activities that affected recognized assets or liabilities during the year.

No interest was paid during the year.

ADDITIONAL INFORMATION

WATERWORKS DISTRICT NO. 3 OF RAPIDS PARISH
 COMPARISON OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Water sales	\$ 1,856,880	\$1,848,338	\$ 8,542
Delinquent recharges	37,800	39,188	(1,388)
Connection fees	25,500	26,000	1,000
Contributions	44,800	44,725	22,725
Interest	79,800	92,538	13,000
Other	<u>26,000</u>	<u>75,822</u>	<u>49,502</u>
totals	2,069,880	2,136,611	66,731
EXPENSES (SCHEDULE 2)	2,371,318	2,271,888	1,101,890
REVENUES OVER EXPENSES (DEFICIT)	\$(1,301,438)	\$ 864,723	\$1,174,004

(1) The District's budget included \$1,558,880 from prior retained earnings. This appropriation of prior retained earnings resulted in the adoption of a balanced budget.

RECONCILIATION OF NET INCOME

REVENUES OVER EXPENSES	\$268,558
Class:	
Capital additions	228,387
Less:	800,919
Depreciation	427,842
Contributions	<u>44,500</u>
NET INCOME (DEFICIT) \$1	\$268,558

See Independent auditor's report.

WATERWORKS DISTRICT NO. 3 OF RAPIDES PARISH
 COMPARISON OF EXPENSES - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 1994

EXPENSE BY DEPARTMENT	BUDGET	ACTUAL	SCHEDULE 2
			VARIANCE FAVORABLE (UNFAVORABLE)
Administration	\$ 489,454	\$ 464,863	\$ 24,591
Purification	414,788	279,888	134,900
Distribution	589,888	416,877	173,011
Water	375,788	93,484	282,304
Production	222,848	168,555	54,293
Wells	89,888	89,818	9,070
Capital additions	1,319,888	578,368	741,520
TOTAL	\$3,721,814	\$2,673,814	\$1,048,000

See independent auditor's report.

WATERBORO DISTRICT NO. 3 OF KAPLES PARISH
 SCHEDULE OF PER DIEM PAYMENTS - BOARD MEETINGS
 YEAR ENDED DECEMBER 31, 1986

SCHEDULE 1

	MEETINGS ATTENDED	AMOUNT
Bardola, Bruce C.	19	\$1,300
Boon, William, Jr.	13	700
Lofton, Matt D.	19	1,300
Malone, Larry D.	9	300
Price, Willie Ray	18	800
Smith, Ray L.	18	1,200
White, Eric D.	19	1,300
Hollingsworth, Tommy J.	18	1,200
Kinsley, Richard, Jr.	3	60
Jennerson, Sharon	19	570
Frans, Larline	3	170
Hobson, Wao	18	1,200
TOTAL		\$9,470

See independent auditor's report.

**COVER REPORTS REQUIRED BY
GOVERNMENT ROUTING STANDARDS**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
RELAYING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



PAYNE, MICORE & HERBERTSON LLP

ORIGINALENDORS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
RESERVEES BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Waterworks District No. 3 of
Rapides Parish

We have audited the financial statements of Waterworks District No. 3 of Rapides Parish, Bogalusa, Louisiana, for the year ended December 31, 1996, and have issued our report thereon dated June 3, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Waterworks District No. 3 of Rapides Parish is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to ensure the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Waterworks District No. 3 of Rapides Parish, for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal

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Board of Commissioners FAYNE, MOORE & HERRINGTON, LLP
Waterworks District No. 3 of
Rapides Parish

control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the 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. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Commissioners and management. However, this report is a matter of public record, and its distribution is not limited.

Fayne, Moore & Herrington, LLP
Certified Public Accountants

June 3, 1997

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS



PRYOR, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Commissioners
Waterworks District No. 3 of
Rapides Parish

We have audited the financial statements of Waterworks District No. 3 of Rapides Parish, Louisiana, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 3, 1999.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to Waterworks District No. 3 of Rapides Parish is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no material instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners and management. However, this report is a matter of public record, and its distribution is not limited.

Pryor, Moore & Herrington, LLP
Certified Public Accountants

June 3, 1999



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NO BILL THIRD DAY

Under no circumstances
shall any bill be
passed on the third day
of its introduction.

WATERWORKS DISTRICT NO. 3 OF RAPIDES PARISH

Terre, Louisiana

December 31, 1998

Under provisions of state law, this report is a public document. A copy of this report and exhibits submitted to the board of directors is released, either as printed or reproducible 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 12/31/98



PAYNE, MOORE & HERRINGTON, LLP

Chartered Public Accountants

Alexandria, Louisiana

WATERPOKES DISTRICT NO. 2
OF RAPIDS PARISH

DECEMBER 31, 1996

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FAYNE, WICKRE & HERRINGTON, LLP

Chartered Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Waterworks District No. 3 of
Rapides Parish

We have audited the accompanying balance sheet of Waterworks District No. 3 of Rapides Parish, Tingo, Louisiana, as of December 31, 1994, and the related statements of revenues, expenses, and changes in retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Waterworks District No. 3 of Rapides Parish as of December 31, 1994, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 1, 1993, on our consideration of Waterworks District No. 3 of Rapides Parish's internal control structure and a report dated June 1, 1993, on its compliance with laws and regulations.





Board of Commissioners PAVNE, MORSE & HERRINGTON, LLP
Metropolitan District No. 3 of
Regina Parish

our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole for the year ended December 31, 1996. The additional information as listed in the foregoing table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Pavne, Morse & Herrington, LLP
Certified Public Accountants

June 3, 1997

MEMPHIS DISTRICT NO. 2 OF BAPTIST UNION
 MEMPHIS, TENN.
 JANUARY 15, 1960

DISTRICT A

	ASSETS		
CHURCH ASSETS			
Cash and Cash equivalents			
Investments	9,540.00		
Real Estate	1,000.00		
Notes receivable			
Other notes	118.00		
State of Tennessee	10,000.00		
OTHER	118.00	10,000.00	10,118.00
Amounts Indebted			
Debtors	10,000.00		
Payables	118.00		
Total Current Assets	10,118.00	10,000.00	10,118.00
UNDEVELOPED ASSETS			
Real Estate			
Cash and cash equivalents	70,000.00		
Investments	100,000.00		
Notes receivable	1,000.00		
Other notes			
State of Tennessee			
OTHER			
Total Undeveloped Assets	171,000.00	171,000.00	171,000.00
LIABILITIES AND NET ASSETS			
Accounts payable			10,000.00
Notes payable			100,000.00
Amounts received			1,000.00
Other current liabilities			1,000.00
Total Current Liabilities			112,000.00
Current Assets			10,118.00
NET ASSETS			
Current Assets			10,118.00
Undeveloped Assets			160,882.00
Total Net Assets			171,000.00

The accompanying notes are an integral part of the financial statements.

MEMPHIS DISTRICT NO. 3 OF RAPID TRANSIT
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS
 YEAR ENDED DECEMBER 31, 1966

EXHIBIT B

OPERATING REVENUES			
Water sales		\$2,948,338	
Delinquent metercharges		31,708	
Commission fees		26,500	
Other		<u>70,537</u>	
Total Operating Revenues			2,378,183
Losses			
OPERATING EXPENSES (BY DEPARTMENT)			
Administration	444,963		
Purification	276,868		
Distribution	436,871		
POWER	91,894		
Production	160,886		
Waste	80,455		
Depreciation	<u>422,642</u>		
Total Operating Expenses			1,924,137
			454,046
OPERATING INCOME			
Funds			
NONOPERATING REVENUES		82,028	
Interest Income		<u>168,957</u>	
NET INCOME			
Funds			8,188,584
RETAINED EARNINGS, BEGINNING OF YEAR			18,319,324
<u>RETAINED EARNINGS, END OF YEAR</u>			<u>26,508,168</u>

The accompanying notes are an integral part of the financial statements.