

WATERWORKS DISTRICT NO. 3
OF THE PARISH OF BEAUREGARD
BEAUREGARD PARISH POLICE JURY
STATE OF LOUISIANA

ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Waterworks District No. 3
of the Parish of Beauregard
State of Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the major fund of Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana, a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana as of December 31, 2020, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana’s basic financial statements. The schedule of per diem paid to board members and schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of per diem paid to board members, and schedule of compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing, and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of per diem paid to board members, and schedule of compensation, benefits and other payments to agency head are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2021, on our consideration of the Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana’s internal control over financial reporting and compliance.



DeRidder, Louisiana
June 11, 2021

BASIC FINANCIAL STATEMENTS

Waterworks District No. 3 of the Parish of Beauregard
State of Louisiana

Statement A

Statement of Net Position
December 31, 2020

	Business-type Activities - <u>Enterprise Fund</u> Water and <u>Sewer</u>
ASSETS	
Cash and cash equivalents	\$ 3,436,593
Receivables:	
Accounts	396,559
Contracts	923
Inventory	276,091
Restricted cash	456,517
Capital assets not being depreciated	149,170
Capital assets being depreciated - net	<u>12,019,817</u>
 Total assets	 <u><u>\$ 16,735,670</u></u>
LIABILITIES	
Accounts payable	\$ 96,197
Contracts payable	10,928
Payroll benefits payable	6,058
Sales taxes payable	406
Accrued interest payable	52,331
Long term liabilities:	
Due in less than one year	180,000
Due in more than one year	2,807,000
Customer deposits payable	211,959
Total liabilities	<u><u>\$ 3,364,879</u></u>
NET POSITION	
Net investment in capital assets	\$ 9,181,987
Restricted for:	
Debt service	224,186
Unrestricted	3,964,618
Total net position	<u><u>\$ 13,370,791</u></u>
 Total liabilities and net position	 <u><u>\$ 16,735,670</u></u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 3 of the Parish of Beauregard
State of Louisiana

Statement B

Statement of Activities
For the Year Ended December 31, 2020

Program Activities	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenues and Changes in Net Position Business-type Activities
Business-type activities:			
Water system	\$ 3,177,114	\$ 3,582,165	\$ 405,051
General revenues:			
Investment earnings			\$ 59,772
Sale of assets			5,818
Insurance proceeds			10,508
Miscellaneous			1,256
Total general revenues			77,354
Change in net position			482,405
Net position at beginning of year			12,888,386
Net position at end of year			\$ 13,370,791

The accompanying notes are an integral part of this statement.

Waterworks District No. 3 of the Parish of Beauregard
State of Louisiana

Statement C

Statement of Net Position
Proprietary Fund
December 31, 2020

	<u>Business-type Activities - Enterprise Fund Water and Sewer</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 3,436,593
Receivables:	
Accounts	396,559
Contracts	923
Inventory	<u>276,091</u>
Total current assets	<u>\$ 4,110,166</u>
Restricted Assets	
Cash	<u>\$ 456,517</u>
Noncurrent Assets	
Capital assets not being depreciated	\$ 149,170
Capital assets being depreciated - net	<u>12,019,817</u>
Total noncurrent assets	<u>\$ 12,168,987</u>
Total assets	<u><u>\$ 16,735,670</u></u>
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 96,197
Contracts payable	10,928
Payroll benefits payable	6,058
Sales taxes payable	406
Accrued interest payable	52,331
Current portion of revenue bonds	<u>180,000</u>
Total current liabilities	<u>\$ 345,920</u>
Noncurrent Liabilities	
Customer deposits payable	\$ 211,959
Revenue bonds - due in more than one year	<u>2,807,000</u>
Total noncurrent liabilities	<u>\$ 3,018,959</u>
Total liabilities	<u>\$ 3,364,879</u>
NET POSITION	
Net investment in capital assets	\$ 9,181,987
Restricted for:	
Debt service	224,186
Unrestricted	<u>3,964,618</u>
Total net position	<u>\$ 13,370,791</u>
Total liabilities and net position	<u><u>\$ 16,735,670</u></u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 3 of the Parish of Beauregard
State of Louisiana

Statement D

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Fund <u>Water and Sewer</u>
Operating revenues	
Charges for services	<u>\$ 3,582,165</u>
Operating expenses	
Personal services and related benefits	\$ 1,127,180
Supplies	37,022
Contractual services	1,180,331
Depreciation	723,978
Total operating expenses	<u>\$ 3,068,511</u>
Income (loss) from operations	<u>\$ 513,654</u>
Nonoperating revenues (expenses)	
Investment income	\$ 59,772
Interest expense	(104,661)
Sale of assets	5,818
Bond administration expense	(3,942)
Insurance proceeds	10,508
Miscellaneous income	1,256
Total nonoperating revenue (expenses)	<u>\$ (31,249)</u>
Change in net position	\$ 482,405
Net position at beginning of year	<u>12,888,386</u>
Net position at end of year	<u><u>\$ 13,370,791</u></u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 3 of the Parish of Beauregard
State of Louisiana

Statement E

Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Fund
	Water and Sewer
Cash flows from operating activities:	
Cash received from customers	\$ 3,409,378
Cash payments to suppliers for goods and services	(1,294,295)
Cash payments to employees for services	(1,157,981)
Net cash provided by operating activities	\$ 957,102
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	\$ (449,791)
Insurance proceeds	10,508
Interest paid on long term debt	(52,330)
Sale of assets	5,818
Bond administration expense	(3,942)
Net cash used for capital and related financing activities	\$ (489,737)
Cash flows from noncapital and related financing activities:	
Miscellaneous	\$ 1,256
Net cash provided for noncapital and related financing activities	\$ 1,256
Cash flow from investing activities:	
Interest income	\$ 59,772
Net cash provided by investing activities	\$ 59,772
Net increase (decrease) in cash and cash investments	\$ 528,393
Cash and cash equivalents, beginning	3,364,717
Cash and cash equivalents, ending	\$ 3,893,110

(Continued)

The accompanying notes are an integral part of this statement.

Waterworks District No. 3 of the Parish of Beauregard
State of Louisiana

Statement E

Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds
	Water and Sewer
Reconciliation of income from operations to net cash provided by operating activities:	
Income from operations	\$ 513,654
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	\$ 723,978
Change in assets and liabilities:	
Increase in accounts receivable	(179,371)
Decrease in contracts receivable	5,177
Increase in accounts payable	16,114
Increase in payroll benefits payable	3,823
Increase in customer deposits payable	1,407
Increase in inventory	(93,036)
Decrease in salaries payable	(34,624)
Decrease in sales taxes payable	(20)
Net cash provided by operating activities	\$ 957,102
	(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Waterworks District No. 3 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements
As of and for the Year Ending December 31, 2020

INTRODUCTION

Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana was created by the Beauregard Parish Police Jury under Louisiana Revised Statute 33:3811. The purpose of the Water District is to provide water service to rural residents of the district. The governing body is composed of eight compensated board members appointed by the Beauregard Parish Police Jury.

The District is located in central Beauregard Parish in the southwestern region of the State of Louisiana. The District provides rural water service to approximately 6,900 residents and employs approximately fourteen employees.

The accounting and reporting policies of Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana is considered a component unit of the Beauregard Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana. Business-type activities, which rely to a significant extent on fees and charges for support are the only activities reported in the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana reports the following proprietary fund:

The Proprietary Fund accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Waterworks District No. 3 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Charges for services of providing water services to residents comprise the operating revenue of the district's enterprise fund. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, and then unrestricted resources as they are needed.

C. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana's investment policy allow the District to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. Receivables and Payables

A customer deposit fee is collected at the time a customer's account is established. Due to the policy of the District concerning delinquent accounts, this fee covers the majority of the delinquent accounts, and any allowance account would be immaterial, therefore one has not been established.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Restricted Assets

Certain proceeds of the Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the business-type activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was interest expense of \$104,661 incurred during the year. None of the interest was included as part of the cost of capital assets under construction in connection with the District's construction projects.

Waterworks District No. 3 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements (Continued)

All capital assets, other than land and work in progress, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Distribution system	40-50 years
Building and building improvement	40-50 years
Furniture and fixtures	5-15 years
Equipment	3-15 years

H. Compensated Absences

The District has the following policy relating to annual leave:

Two weeks annual leave for employees are allowed after one year of service. Unused annual leave cannot be carried over.

Ten days of sick leave can be accrued on an annual basis. Unused sick leave cannot be carried over.

I. Long Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate. Bonds payable are reported net of the applicable bond premium or discount.

J. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the district, which are either unusual in nature or infrequent in occurrence.

K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. Restricted Net Position

For government-wide statements of net position, net position is reported as restricted when constraints placed on net position are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. imposed by law through constitutional provisions or enabling legislation.

M. Inventories

All inventories are valued at cost using the first-in/first-out method.

Waterworks District No. 3 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements (Continued)

2. CASH AND CASH EQUIVALENTS

At December 31, 2020, the District has cash (book balances) totaling \$3,893,110 as follows:

NOW accounts	\$	533,319
Petty cash		1,040
Money market accounts		456,517
Time deposits		2,880,052
Insured cash account		22,182
Total		\$ 3,893,110

The cash and cash equivalents of the Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the 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 or exceed 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. 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. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

At December 31, 2020, the District has \$4,052,110 in deposits (collected bank balances). These deposits are secured from risk by \$3,174,394 of federal deposit insurance and \$877,716 of pledged securities held by an unaffiliated bank of the pledgor bank. These deposited pledged securities are deemed by law to be under the control and possession and in the name of the district and are therefore properly collateralized.

3. RECEIVABLES

The receivables of \$397,482 at December 31, 2020, are as follows:

Class of receivable	Proprietary Fund
Customer receivables	\$ 396,559
Contracts receivable	923
Total	\$ 397,482

Waterworks District No. 3 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements (Continued)

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2020, for the primary government is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 83,866	\$ -	\$ -	\$ 83,866
Work in progress	45,092	20,212	-	65,304
Total capital assets, not being depreciated	<u>\$ 128,958</u>	<u>\$ 20,212</u>	<u>\$ -</u>	<u>\$ 149,170</u>
Capital assets being depreciated				
Vehicles	\$ 143,780	\$ -	\$ -	\$ 143,780
Buildings	543,712	-	-	543,712
Utility plant and improvements	22,740,776	393,084	-	23,133,860
Machinery and equipment	832,951	14,417	-	847,368
Furniture and fixtures	21,676	-	-	21,676
Total capital assets being depreciated	<u>\$ 24,282,895</u>	<u>\$ 407,501</u>	<u>\$ -</u>	<u>\$ 24,690,396</u>
Less accumulated depreciation for:				
Vehicles	\$ 89,870	\$ 28,125	\$ -	\$ 117,995
Buildings	100,596	13,593	-	114,189
Utility plant and improvements	11,124,543	642,419	-	11,766,962
Machinery and equipment	614,515	37,973	-	652,488
Furniture and fixtures	17,077	1,868	-	18,945
Total accumulated depreciation	<u>\$ 11,946,601</u>	<u>\$ 723,978</u>	<u>\$ -</u>	<u>\$ 12,670,579</u>
Total business-type assets being depreciated, net	<u>\$ 12,336,294</u>	<u>\$ (316,477)</u>	<u>\$ -</u>	<u>\$ 12,019,817</u>

5. ACCOUNTS AND OTHER PAYABLES

The payables of \$325,548 at December 31, 2020, are as follows:

	Proprietary Fund
Accounts	\$ 96,197
Contracts	10,928
Payroll benefits	6,058
Sales taxes	406
Customer deposits	211,959
Total	<u>\$ 325,548</u>

6. RETIREMENT SYSTEMS

All employees of the District are members of the Federal Social Security System. The District contributes 7.65% of gross salaries up the appropriate statutory limits to that system. The Federal Social Security System administrates the plan and pays benefits.

Waterworks District No. 3 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements (Continued)

Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana participates in the Deferred Compensation Plan for Public Employees, a 457 Governmental Plan Trust. The Plan is intended to be an “eligible deferred compensation plan” as defined in Code § 457 (b) of the Internal Revenue Code of 1986 (“Eligible 457 Plan”). The Plan consists of provisions as set forth in the plan documents and is applicable to the employer and each employee who elects to participate in the plan.

7. CONSTRUCTION COMMITMENTS

Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana has active construction projects consisting of Ball Road plant improvements and construction of water plant generators. At year end the commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Ball Road Plant Improvements	\$ 52,013	\$ 812,987
Water Plant Generators	13,291	196,709

8. LONG-TERM OBLIGATIONS

The following is a summary of the long-term debt transactions of the District for the year ended December 31, 2020:

	Revenue Bonds
Bonds payable, January 1, 2020	\$ 2,987,000
Bond proceeds	-
Bonds retired	-
Bond payable, December 31, 2020	\$ 2,987,000

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2020:

	Revenue Bond
Current portion	\$ 180,000
Long-term portion	2,807,000
Total	\$ 2,987,000

Bonds payable at December 31, 2020 are comprised of the following individual issues:

Revenue refunding bonds:

\$2,000,000 Water Revenue Bonds, Series 2012A, dated January 5, 2012, due in annual installments of \$65,000 to \$145,000 beginning January 1, 2013 through January 1, 2032; interest at 3.75%.	<u>\$1,410,000</u>
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Revenue Bonds:

\$2,100,000 Water Revenue Bonds, Series 2013, dated March 15, 2013 due in annual installments of \$45,000 to \$142,000 beginning January 1, 2014 through January 1, 2034; interest at 2.95%.	<u>\$1,577,000</u>
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Waterworks District No. 3 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements (Concluded)

The annual requirements to amortize all debt outstanding as of December 31, 2020, including interest payments of \$762,845, are as follows:

Year Ending	Revenue Bonds		Total
	Principal	Interest	
2021	\$ 180,000	\$ 102,209	\$ 282,209
2022	188,000	97,007	285,007
2023	196,000	91,167	287,167
2024	204,000	84,726	288,726
2025	212,000	77,726	289,726
2026-2030	1,193,000	263,930	1,456,930
2031-2034	814,000	46,080	860,080
Totals	\$ 2,987,000	\$ 762,845	\$ 3,749,845

9. RESTRICTED NET POSITION

RESTRICTED ASSETS	
Revenue bonds sinking fund	<u>\$ 456,517</u>
Less:	
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Accrued interest payable	\$ (52,331)
Current portion of bonds payable	<u>(180,000)</u>
Total	<u>\$ (232,331)</u>
Restricted net position	<u>\$ 224,186</u>

OTHER SUPPLEMENTAL INFORMATION

Waterworks District No. 3 of the Parish of Beauregard
State of Louisiana

Schedule 1

Schedule of Per Diem Paid to Board Members
For the Year Ended December 31, 2020

<u>Board Member</u>	<u>Amount</u>
Karl Overton	\$ 420
Raymond Cole	960
Van Deshotels	1,320
James Cooley	780
Samuel Jones	660
Mark Simon	1,260
Michael King	360
Charles Jones	1,080
	<hr/>
Total	\$ 6,840

Schedule of Compensation, Benefits and
Other Payments to Agency Head
For the Year Ended December 31, 2020

Agency Head Name - Michael Guimbellot

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 93,343
Benefits - insurance	6,680
Benefits - retirement	2,800
Deferred compensation	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	Yes
Cell phone	-
Dues	40
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-

OTHER REPORTS

Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2020

There were no prior year audit findings as of December 31, 2019.

Schedule of Current Year Audit Findings and Management's Response
For the Year Ended December 31, 2020

There were no current year audit findings as of December 31, 2020.

Windham & Reed, L.L.C.

Certified Public Accountants

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Charles M. Reed, Jr., CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Waterworks District No. 3
of the Parish of Beauregard
State of Louisiana

We have audited, in accordance with the 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, the financial statements of the business-type activities and the major fund of Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana's basic financial statements, and have issued our report thereon dated June 11, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Waterworks District No. 3 the Parish of Beauregard, State of Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Commissioners
Waterworks District No. 3
of the Parish of Beauregard
State of Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Waterworks District No. 3 of the Parish of Beauregard, State of Louisiana’s financial statements are free from material misstatement, we 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 our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DeRidder, Louisiana
June 11, 2021