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WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH

TIOGA, LOUISIANA

DECEMBER 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and several other state 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 8-2-00

**WATER WORKS DISTRICT NO. 3
OF RAPIDES PARISH**

DECEMBER 31, 1999

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Water Works District No. 3 of
Rapides Parish

We have audited the accompanying balance sheet of Water Works District No. 3 of Rapides Parish, Tioga, Louisiana, as of December 31, 1999, 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 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 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 Water Works District No. 3 of Rapides Parish as of December 31, 1999, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2000, on our consideration of Water Works District No. 3 of Rapides Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations.

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H. FRED RANDOW, C.P.A.
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PAYNE, MOORE & HERRINGTON, LLP

Board of Commissioners
Water Works District No. 3 of
Rapides Parish

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole for the year ended December 31, 1999. 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.

Payne, Moore & Herrington, LLP
Certified Public Accountants

May 19, 2000

WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH
BALANCE SHEET
DECEMBER 31, 1999

EXHIBIT A

ASSETS		LIABILITIES AND FUND EQUITY
CURRENT ASSETS		
Cash and cash equivalents	\$ 519,441	Accounts payable
Investments	1,249,956	Contracts payable
Accounts receivable		Accrued expenses
Water sales	205,989	Other current liabilities
Other	<u>1,277</u>	Total Current Liabilities Payable
Accrued interest receivable	207,266	from Current Assets
Inventories	34,333	
Prepaid expenses	75,234	
Total Current Assets	<u>2,177,809</u>	
RESTRICTED ASSETS		
Meter Fund:		Customers' meter deposits
Cash and cash equivalents	82,051	Total Liabilities
Investments	<u>238,288</u>	
Total Restricted Assets	320,339	
FIXED ASSETS		
Fixed assets	16,196,269	
Less - accumulated depreciation	<u>6,522,422</u>	Contributed capital
Total Fixed Assets	<u>9,673,847</u>	Retained earnings - unreserved
		Total Equity
		<u>11,785,497</u>
TOTAL ASSETS	\$ 12,171,995	TOTAL LIABILITIES AND FUND EQUITY
		\$ 12,171,995

The accompanying notes are an integral part of the financial statements

WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
YEAR ENDED DECEMBER 31, 1999

EXHIBIT B

OPERATING REVENUES

Water sales	\$ 2,372,955
Delinquent surcharges	38,337
Connection fees	26,765
Other	<u>36,354</u>
Total Operating Revenues	2,474,411

OPERATING EXPENSES (BY DEPARTMENT)

Administration	507,965
Purification	364,152
Distribution	395,231
Meter	146,151
Production	175,606
Wells	85,354
Depreciation	<u>504,871</u>
Total Operating Expenses	<u>2,179,330</u>

OPERATING INCOME:

295,081

NONOPERATING REVENUES

Gain on sale of assets	5,214
Interest income	<u>119,219</u>
Total Nonoperating Revenues	<u>124,433</u>

NET INCOME

419,514

RETAINED EARNINGS, BEGINNING OF YEAR

7,344,456

RETAINED EARNINGS, END OF YEAR

\$ 7,763,970

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

WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 1999

EXHIBIT C

OPERATING ACTIVITIES	
Net income	\$ 419,514
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	504,871
Amortization of investment premium and discount	569
Bad debt expense	3,414
Gain on sale of property	(5,214)
Changes in operating assets and liabilities:	
Accounts receivable	(3,712)
Inventories	19,853
Prepaid expenses	6,485
Accrued interest receivable	16,196
Accounts payable	(74,106)
Contracts payable	11,438
Accrued expenses	126
Customers' meter deposits	8,974
Other current liabilities	(431)
Net Cash Provided by Operating Activities	<u>907,977</u>
NONCAPITAL FINANCING ACTIVITIES	
	0
CAPITAL FINANCING ACTIVITIES	
Cash proceeds from sale of equipment	5,214
Contributed capital	<u>68,013</u>
Net Cash Provided by Capital Financing Activities	<u>73,227</u>
INVESTING ACTIVITIES	
Purchase of fixed assets and construction	(1,354,680)
Proceeds from maturities of investments	1,444,595
Purchase of investments	<u>(1,151,745)</u>
Net Cash Used in Investing Activities	<u>(1,061,830)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(80,626)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>682,118</u>
<u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>	<u>\$ 601,492</u>
CLASSIFIED AS:	
Current Assets	\$ 519,441
Restricted Assets	<u>82,051</u>
<u>TOTAL</u>	<u>\$ 601,492</u>

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

**WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH
DECEMBER 31, 1999**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Water Works 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, Water Works 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 10 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 GAAP. 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 have its own name, 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 improve specific financial burdens on the primary government, and fiscal dependence of the organization. Based upon the application of these criteria, only the operating activities of the Water Works District No. 3 of Rapides Parish are included in these financial statements.

The Water Works District No. 3 of Rapides Parish operates autonomously from the other Parish agencies. Therefore, the Water Works 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 Water Works District No. 3 of Rapides Parish.

**WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH
DECEMBER 31, 1999**

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.

Basis of Accounting

Proprietary funds follow GAAP prescribed by the Governmental Accounting Standards Board and all Financial Accounting Standards Board's standards issued prior to November 30, 1989. All proprietary funds are accounted for on a flow of economic resources measurement focus. 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 segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (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 time 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 acquired by the District.

Investments are stated at cost or amortized cost.

Accounts Receivable

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

Inventories

Inventories 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.

**WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH
DECEMBER 31, 1999**

NOTES TO FINANCIAL STATEMENTS

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 1999, 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.

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 asset lives are capitalized.

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

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 year end.

Contributed Capital

Contributed capital is recorded on 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 those estimates.

**WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH
DECEMBER 31, 1999**

NOTES TO FINANCIAL STATEMENTS

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

At December 31, 1999, cash and cash equivalents consisted of the following:

	<u>TOTAL</u>	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>
Petty cash and change funds	\$ 1,150	\$ 1,150	\$
Cash in bank	444,381	362,330	82,051
Held by broker - Daily			
U.S. Treasury Fund	<u>155,961</u>	<u>155,961</u>	<u></u>
Totals	\$ 601,492	\$ 519,441	\$ 82,051

Investments

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 office in the State of Louisiana, an investment as stipulated in Louisiana Revised Statute 39:1271, or any other federally insured investment.

At December 31, 1999, investments consisted of the following:

	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL BOOK BALANCE</u>	<u>MARKET VALUE</u>
Certificates of Deposit	\$ 1,100,063	\$ 51,682	\$ 1,151,745	\$ 1,151,745
U.S. Treasury obligations	<u>149,893</u>	<u>186,606</u>	<u>336,499</u>	<u>340,918</u>
	\$ 1,249,956	\$ 238,288	\$ 1,488,244	\$ 1,492,663

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.)

**WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH
DECEMBER 31, 1999**

NOTES TO FINANCIAL STATEMENTS

	<u>1</u>	<u>CATEGORIES</u>		<u>CARRYING</u> <u>BANK</u> <u>BALANCES</u>	<u>AMOUNT ON</u> <u>BOOKS</u>
		<u>2</u>	<u>3</u>		
Cash and Cash Equivalents					
Cash in bank	\$100,000	\$	\$ 380,614	\$ 480,614	\$ 445,531
Daily U.S. Treasury Fund	155,961			155,961	155,961
Investments					
Certificates of deposit			1,151,745	1,151,745	1,151,745
U.S. Treasury obligations	<u>336,499</u>	-----	-----	<u>336,499</u>	<u>336,499</u>
Totals	\$592,460	\$ -0-	\$1,532,359	\$2,124,819	\$2,089,736

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, 1999, these receivables were as follows:

Uncollected cycle billings	\$ 134,069
Estimated services between cycles	<u>71,920</u>
	\$ 205,989

4. PREPAID EXPENSES

Prepaid expenses include prepaid insurance in the amount of \$89,579. The remaining prepaid amount of \$2,000 consists of a prepaid legal retainer.

**WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH
DECEMBER 31, 1999**

NOTES TO FINANCIAL STATEMENTS

5. FIXED ASSETS

A summary of fixed assets is as follows:

	<u>ESTIMATED LIFE IN YEARS</u>	<u>AMOUNT</u>
Land		\$ 234,384
Plant, distribution, and transmission lines	5-20	13,536,846
Meters	20	377,873
Vehicles and trailers	3-10	384,651
Furniture and fixtures	3-10	261,192
Radio equipment	5-10	32,073
Machinery and equipment	3-15	444,575
Buildings	10-40	847,448
Fencing	10-25	<u>77,227</u>
Total Fixed Assets		16,196,269
Less:		
Accumulated depreciation		<u>6,522,422</u>
NET FIXED ASSETS		\$ 9,673,847

Depreciation expense for the year was \$504,871.

6. CONTRIBUTED CAPITAL

Changes in contributed capital during the year are as follows:

Balance, beginning of year	\$ 3,953,514
Plus:	
Contributions from customers -	
Waterlines, taps, and fire hydrants	<u>68,013</u>
Balance, end of year	\$ 4,021,527

**WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH
DECEMBER 31, 1999**

NOTES TO FINANCIAL STATEMENTS

7. PENSION PLAN

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

8. DEFERRED COMPENSATION PLAN

The District has a tax deferred compensation plan under section 457 of the Internal Revenue Code. Under the terms of that plan, the District matches a limited portion of the employees' contribution. The District made contributions totaling \$10,857 for the year 1999.

9. NOTES 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

WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH
 COMPARISON OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 1999

SCHEDULE 1

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Water sales	\$ 2,321,000	\$ 2,372,955	\$ 51,955
Delinquent surcharges	38,000	38,337	337
Connection fees	29,500	26,765	(2,735)
Contributions	100,000	68,013	(31,987)
Interest	113,000	119,219	6,219
Other	<u>24,900</u>	<u>41,568</u>	<u>16,668</u>
Totals	2,626,400	2,666,857	40,457
 EXPENSES (SCHEDULE 2)	 <u>4,592,054</u>	 <u>3,029,139</u>	 <u>1,562,915</u>
 <u>REVENUES OVER EXPENSES (DEFICIT)</u>	 <u>\$ (1,965,654) (1)</u>	 <u>\$ (362,282)</u>	 <u>\$ 1,603,372</u>

(1) The District's budget included \$1,965,654 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 (DEFICIT)		\$ (362,282)
Plus:		
Capital additions		<u>1,354,680</u>
Less:		992,398
Depreciation	504,871	
Contributions	<u>68,013</u>	<u>572,884</u>
 <u>NET INCOME (EXHIBIT B)</u>		 <u>\$ 419,514</u>

See independent auditor's report.

WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH
 COMPARISON OF EXPENSES - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 1999

SCHEDULE 2

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENSES BY DEPARTMENT			
Administration	\$ 597,854	\$ 507,965	\$ 89,889
Purification	456,100	364,152	91,948
Distribution	414,500	395,231	19,269
Meter	163,800	146,151	17,649
Production	235,000	175,606	59,394
Wells	192,000	85,354	106,646
Capital additions	<u>2,532,800</u>	<u>1,354,680</u>	<u>1,178,120</u>
<u>TOTALS</u>	<u>\$ 4,592,054</u>	<u>\$ 3,029,139</u>	<u>\$ 1,562,915</u>

See independent auditor's report.

WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH
 SCHEDULE OF PER DIEM PAYMENTS - BOARD MEETINGS
 YEAR ENDED DECEMBER 31, 1999

SCHEDULE 3

	<u>MEETINGS ATTENDED</u>	<u>AMOUNT</u>
Daniels, Horace C.	20	\$ 1,200
Kees, William, Jr.	18	1,080
Lofton, Matt D.	20	1,200
Smith, Roy L.	18	1,080
White, Ezra D.	20	1,200
Hollingsworth, Tommy J.	20	1,200
Livingston, Sharon	17	1,020
Price, Lurline	5	300
Hebron, Wes	20	1,200
Adams, Ray	14	<u>840</u>
 <u>TOTAL</u>		 <u>\$ 10,320</u>

See independent auditor's report.

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND LOUISIANA GOVERNMENTAL AUDIT GUIDE**

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Water Works District No. 3 of
Rapides Parish

We have audited the financial statements of the Water Works District No. 3 of Rapides Parish, Tioga, Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 19, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Water Works District No. 3 of Rapides Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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 material instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Water Works District No. 3 of Rapides Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over

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PAYNE, MOORE & HERRINGTON, LLP

Board of Commissioners
Water Works District No. 3 of
Rapides Parish

financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management of the Water Works District No. 3 and Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Payne, Moore & Herrington, LLP
Certified Public Accountants

May 19, 2000

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**WATER WORKS DISTRICT NO. 3 OF RAPIDES PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 1999**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
Material weaknesses identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Reportable conditions identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
<i>Corrective Action Plan</i>	Not applicable	
<i>Management's Summary Schedule of Prior Audit Findings</i>	Not applicable	
<i>Memorandum of Other Comments and Recommendations</i>	Not applicable	
<i>Federal Awards</i>	Not applicable	

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No federal awards were received by the Water Works District No. 3 of Rapides Parish during the year ended December 31, 1999.