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**COLUMBIA HEIGHTS WATER DISTRICT**  
**Columbia, Louisiana**

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

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

Release Date JUN 07 2000

COLUMBIA HEIGHTS WATER DISTRICT  
Columbia, Louisiana

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

**C O N T E N T S**

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**Independent Auditor's Reports Required by  
*Government Auditing Standards:***

Report on Compliance and Internal Control Over  
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*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Auditor's Report**

BOARD OF COMMISSIONERS  
COLUMBIA HEIGHTS WATER DISTRICT  
Columbia, Louisiana

I have audited the accompanying general purpose financial statements of Columbia Heights Water District, a component unit of the Caldwell Parish Police Jury, as of December 31, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the district's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Columbia Heights Water District, as of December 31, 1999, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

BOARD OF COMMISSIONERS  
COLUMBIA HEIGHTS WATER DISTRICT  
Columbia, Louisiana  
Independent Auditor's Report  
December 31, 1999

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The 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 general purpose financial statements of Columbia Heights Water District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated May 22, 2000, on my consideration of Columbia Heights Water District's internal control over financial reporting and my tests of the district's compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.



Calhoun, Louisiana  
May 22, 2000

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)**

COLUMBIA HEIGHTS WATER DISTRICT  
Columbia, Louisiana  
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Balance Sheet, December 31, 1999

**ASSETS**

## Current assets:

Cash	\$32,828
Investments	242,808
Accounts receivable - water sales (net of allowance for doubtful accounts)	<u>25,546</u>
Total current assets	301,182

## Restricted assets:

Cash	121,091
Investments	35,535
Property, plant and equipment (net of accumulated depreciation)	<u>541,862</u>
<b>TOTAL ASSETS</b>	<u><u>\$999,670</u></u>

**LIABILITIES AND FUND EQUITY**

Current liabilities (payable from  
current assets) - accounts and taxes payable

\$15,477

Current liabilities (payable from  
restricted assets):

Meter deposits	41,683
Accrued interest payable	7,300
Revenue bonds payable	<u>20,156</u>
Total current liabilities (payable from restricted assets)	69,139

Long-term liabilities - revenue bonds payable

331,251

Total liabilities

415,867

(Continued)

The accompanying notes are an integral part of this statement.

Statement A

COLUMBIA HEIGHTS WATER DISTRICT  
Columbia, Louisiana  
ALL FUND TYPES AND ACCOUNT GROUPS  
Combined Balance Sheet, etc.

Fund Equity:	
Contributed capital	<u>\$331,900</u>
Retained earnings:	
Reserved for revenue bonds	87,486
Unreserved - undesignated	<u>164,417</u>
Total retained earnings	<u>251,903</u>
Total fund equity	<u>583,803</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$999,670</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.



COLUMBIA HEIGHTS WATER DISTRICT  
Columbia, Louisiana  
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Revenues, Expenses, and  
Changes in Retained Earnings  
For the Year Ended December 31, 1999

<b>OPERATING REVENUES</b>	
Water sales	\$176,112
Tap fees	2,950
Other operating income	2,200
Total revenues	<u>181,262</u>
<b>OPERATING EXPENSES</b>	
Office expense	3,689
Commissioners fees	3,600
Materials, maintenance, and repairs	27,744
Utilities and telephone	23,707
Bad debt expense	658
Collection expense	2,599
Insurance	14,504
Salaries and related benefits	44,795
Sales tax	4,871
Truck expense	4,096
Depreciation	27,749
Other operating expenses	1,147
Total operating expenses	<u>159,159</u>
<b>OPERATING INCOME</b>	<u>22,103</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest earned on deposits	16,649
Interest expense	<u>(17,727)</u>
Total non-operating revenues (expenses)	<u>(1,078)</u>
<b>NET INCOME</b>	21,025
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<u>230,878</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u><u>\$251,903</u></u>

The accompanying notes are an integral part of this statement.

COLUMBIA HEIGHTS WATER DISTRICT  
Columbia, Louisiana  
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Cash Flows  
For the Year Ended December 31, 1999

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating Income	<u>\$22,103</u>
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation	27,749
Bad debt expense	658
Increase in accounts receivable	(587)
Increase in meter deposits	2,831
Decrease in accounts payable	<u>(5,138)</u>
Total adjustments	<u>25,513</u>
Net cash provided by operating activities	<u>47,616</u>

**CASH FLOWS FROM CAPITAL****FINANCING ACTIVITIES**

Principal on revenue bonds	(18,850)
Interest on revenue bonds	(17,968)
Purchase of fixed assets	<u>(950)</u>
Net cash used by capital financing activities	<u>(37,768)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest earnings on deposits	16,649
Increase in investments	<u>(13,860)</u>
Net cash provided by investing activities	<u>2,789</u>

**NET INCREASE IN CASH**

12,637

**CASH AT BEGINNING OF YEAR**141,282**CASH AT END OF YEAR**\$153,919

The accompanying notes are an integral part of this statement.

**COLUMBIA HEIGHTS WATER DISTRICT**  
Columbia, Louisiana

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Columbia Heights Water District was created by the Caldwell Parish Police Jury on June 2, 1947, as authorized by Louisiana Revised Statute 33:3811 for the purpose of supplying safe drinking water to the population of the district. The district is governed by a five member board appointed by the police jury. As provided by Louisiana Revised Statute 33:3887, the Columbia Heights Water District commissioners receive \$60 per meeting attended. The district serves approximately 651 customers and has three employees.

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Columbia Heights Water District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Caldwell Parish Police Jury is the financial reporting entity for Caldwell Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Caldwell Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body,  
and;

## COLUMBIA HEIGHTS WATER DISTRICT

Columbia, Louisiana

Notes to the financial statements (Continued)

- a. The ability of the police jury to impose its will on that organization and/or;
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
  3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the governing body of the district and has the ability to impose its will on the district, the district was determined to be a component unit of the Caldwell Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

### C. FUND ACCOUNTING

Columbia Heights Water District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

### D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The Enterprise Fund is reported in the

**COLUMBIA HEIGHTS WATER DISTRICT**

Columbia, Louisiana

Notes to the financial statements (Continued)

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

**E. RESTRICTED ASSETS**

Certain resources of the Enterprise Fund set aside for the repayment of revenue bonds and refunding of customer meter deposits are classified as restricted assets on the balance sheet because their use is limited.

**F. CASH**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Time deposits with original maturities that exceed 90 days are classified as investments. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with banks organized under the laws of the State of Louisiana and the laws of any other state in the union, or the laws of the United States.

**G. INVESTMENTS**

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the *original maturities of investments exceed 90 days*, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 1999, the district's investments consist of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost. The bank balances of the deposits are fully secured from risk by federal deposit insurance and the pledge of securities owned by the fiscal agent bank.

**H. FIXED ASSETS**

Fixed assets of the district are included on the balance sheet of the enterprise fund and are recorded at actual cost. Fixed assets reported on the balance sheet are net of accumulated depreciation. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over



COLUMBIA HEIGHTS WATER DISTRICT  
Columbia, Louisiana  
Notes to the financial statements (Continued)

estimated useful lives of 40 years for the water system and from 5 to 10 years for equipment.

**I. LONG-TERM DEBT**

Revenue bonds financed from Enterprise Fund operations are accounted for in the Enterprise Fund.

**J. CONTRIBUTED CAPITAL**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired from such resources.

**K. ESTIMATES**

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

**2. CASH AND INVESTMENTS**

At December 31, 1999, the district has cash and investments (book balances) totaling \$432,262, as follows:

Demand deposits	\$38,976
Interest-bearing demand deposits	114,943
Time deposits	<u>278,343</u>
Total	<u>\$432,262</u>

These deposits are stated at cost, which approximates market. 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. Cash and investments (bank balances) at December 31, 1999, are secured as follows:

COLUMBIA HEIGHTS WATER DISTRICT  
 Columbia, Louisiana  
 Notes to the financial statements (Continued)

Bank Balances	<u>\$435,499</u>
Federal deposit insurance	142,214
Pledged securities (uncollateralized)	<u>330,035</u>
Total	<u>\$472,249</u>

**3. ACCOUNTS RECEIVABLE**

At December 31, 1999, the district has net receivables of \$25,546, as follows:

Water sales	\$26,204
Allowance for uncollectible accounts	<u>(658)</u>
Net receivables	<u>\$25,546</u>

The allowance for uncollectible accounts at December 31, 1999 is an estimate based on the amount of past due accounts at December 31, 1999.

**4. FIXED ASSETS**

A summary of fixed assets at December 31, 1999, follows:

Land	\$57,489
Plant and equipment	<u>1,057,059</u>
	1,114,548
Less accumulated depreciation	<u>(572,686)</u>
Property, plant and equipment, net	<u>\$541,862</u>

**5. LONG-TERM DEBT**

The long-term liability for revenue bonds represents bonds sold by the district to the United States Department of Agriculture, Farmers Home Administration under the Water and Waste Disposal Systems for Rural Communities Loan Program (CFDA 10.418). The district issued revenue bonds in the amount of \$288,500 in 1969 and \$333,100 in 1980. The 1969 bonds bear interest at 4.75 percent and the 1980 bonds bear interest at 5 percent.

COLUMBIA HEIGHTS WATER DISTRICT  
 Columbia, Louisiana  
 Notes to the financial statements (Continued)

The following is a summary of revenue bonds payable transactions for the year ended December 31, 1999:

Revenue bonds payable at January 1, 1999	\$370,257
Retirements	<u>(\$18,850)</u>
Revenue bonds payable at December 31, 1999	<u>\$351,407</u>

The annual requirement to amortize all bonds outstanding at December 31, 1999, including interest of \$178,346 is as follows:

<u>Year</u>	
2000	\$37,468
2001	37,068
2002	36,668
2003	37,268
2004	36,818
2005-2009	134,413
2010-2014	92,850
2015-2019	97,250
2020	<u>19,950</u>
Total	<u>\$529,753</u>

**5. RESERVED RETAINED EARNINGS**

The following reserve accounts have been established for the the revenue bonds discussed in note 4 above:

- A. A "Sinking Fund". The district transfers \$1,646 into this fund each month. Such transfers are used for the payment of principal and interest installments as they become due and may be used only for such payments.
- B. A " Reserve Fund". This fund may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Sinking Fund and as to which there would otherwise be default.
- C. A "Depreciation Fund". The district transfers \$274 into this fund each



COLUMBIA HEIGHTS WATER DISTRICT  
Columbia, Louisiana  
Notes to the financial statements (Continued)

month. Money in this fund may be used for the purpose of paying the cost of extraordinary repairs or replacements which are necessary to keep the system in operating condition and for which money is not available in the maintenance and operation fund. Money in this fund may also be used to pay principal and interest on the bonds at any time there is not sufficient funds in the other bond funds.

At December 31, 1999, the district has set aside \$114,942, to meet the reserve requirements. Of that amount, \$27,456, is offset by accrued interest payable and the current portion of long-term debt, with the remaining \$87,486, reported as a reserve of retained earnings on Statement A.

**7. LITIGATION AND CLAIMS**

The district is not involved in any litigation at December 31, 1999, nor is it aware of any unasserted claims. The district maintains insurance coverage to reduce the risk of loss resulting from property damage or liability claims. There were no significant reductions in insurance coverage during the year ended December 31, 1999. There were no costs resulting from claims or judgments during the year ended December 31, 1999. Settlements have not exceeded insurance coverage for any of the past three fiscal years.

**SUPPLEMENTAL INFORMATION SCHEDULES**

COLUMBIA HEIGHTS WATER DISTRICT  
Columbia, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and For the Year Ended December 31, 1999

**COMPENSATION PAID BOARD OF COMMISSIONERS**

The schedule of per diem paid commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The commissioners receive \$60 per meeting attended.

**PRIOR YEAR FINDINGS**

The follow-up and corrective action taken on all prior year findings is presented in the summary schedule of prior audit findings (Schedule 2).

COLUMBIA HEIGHTS WATER DISTRICT  
Columbia, Louisiana

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

Leon Basco	\$720
Rodney Chapman	720
G.H. Childress	720
Marshall Davis, Jr.	720
Roberta Gregory	<u>720</u>
Total	<u>\$3,600</u>

COLUMBIA HEIGHTS WATER DISTRICT  
Columbia, Louisiana

Summary Schedule of Prior Year Findings  
For the Year Ended December 31, 1999

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Additional Explanation</u>
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There were no prior year findings.

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

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

*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Auditor's Report on Compliance and on  
Internal Control Over Financial Reporting  
Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

BOARD OF COMMISSIONERS  
COLUMBIA HEIGHTS WATER DISTRICT  
Columbia, Louisiana

I have audited the general purpose financial statements of Columbia Heights Water District, a component unit of the Caldwell Parish Police Jury, as of December 31, 1999, and for the year then ended, and have issued my report thereon dated May 22, 2000. I conducted my audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Compliance**

As part of obtaining reasonable assurance about whether Columbia Heights Water District's general purpose financial statements are free of material misstatement, I performed tests of the district's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect of the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Columbia Heights Water District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a certain matter involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Columbia Heights Water District's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings as item 1999-1.

BOARD OF COMMISSIONERS  
COLUMBIA HEIGHTS WATER DISTRICT

Columbia, Louisiana  
Independent Auditor's Report  
on Compliance and on  
Internal Control, etc.,  
December 31, 1999

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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe the reportable condition described above is not a material weakness.

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

*Carleen Dumas*

Calhoun, Louisiana  
May 22, 2000



COLUMBIA HEIGHTS WATER DISTRICT  
Columbia, Louisiana

Schedule of Findings  
For the Year Ended December 31, 1999

I have audited the financial statements of Columbia Heights Water District, as of and for the year ended December 31, 1999, and have issued my report thereon dated May 22, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 1999 resulted in an unqualified opinion.

**Section I - Summary of Auditor's Reports**

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

**Internal Control**

Material Weakness  Yes  No  
Reportable Conditions  Yes  No

**Compliance**

Compliance Material to Financial Statement  Yes  No

**Section II - Financial Statement Findings**

**1999-1. Inadequate Segregation of Accounting Duties**

**Criteria:** Proper internal controls require that incompatible accounting functions be performed by separate individuals so that errors or irregularities can be detected by employees performing their assigned duties.

**Condition:** All accounting functions of the district, billing customers, posting customer payments, depositing receipts, preparing, posting and issuing checks are performed by the same individual.

**Effect:** Errors or irregularities may not be detected within a timely period.

**COLUMBIA HEIGHTS WATER DISTRICT**  
Columbia, Louisiana  
Schedule of Findings  
For the Year Ended December 31, 1999

**Recommendation:** None

**Management's Response:** It is not economically feasible to correct this deficiency based on the size of the district and its limited revenues.