

**LASALLE PARISH SEWERAGE
DISTRICT NO. 1**

Basic Financial Statements

December 31, 2020

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY
TROUT, LOUISIANA**

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INDEPENDENT ACCOUNTANT'S REPORT

LaSalle Parish Sewerage District No. 1
Trout, Louisiana

We have reviewed the accompanying financial statements of the business-type activities of the LaSalle Parish Sewerage District No. 1, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the LaSalle Parish Sewerage District No. 1. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

The management of the LaSalle Parish Sewerage District No. 1 is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) be presented to supplement the basic financial statements. Such 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. We have not audited or reviewed such required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

Other Information

The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

The Vercher Group

Jena, Louisiana
June 23, 2021

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the District, we offer readers of the LaSalle Sewage District No. 1’s financial statements, this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the District’s audited financial statements.

The Management’s Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$1,035,507 (*net position*).

The District had total revenue of \$381,709 in its enterprise fund, including interest income of \$3,018.

Expenses totaled \$360,478, including depreciation expense in the amount of \$74,814, which is a non-cash transaction.

The change in net position of the enterprise fund was \$21,231.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The District is a special-purpose entity engaged in business-type and governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, December 31, 2004, the District adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments*.

MD&A

Table 1
Balance Sheet (*Enterprise Fund*)

The following table represents a Comparative Balance Sheet as of December 31, 2020:

Assets	2019	2020	% Change
Current Assets	\$ 258,051	\$ 309,152	19.8
Restricted Assets	214,025	40,854	-80.9
Capital Assets, Net	809,105	746,927	-7.7
Total Assets	<u>1,281,181</u>	<u>1,096,933</u>	-14.4
 Liabilities & Net Position			
Current Liabilities	25,605	20,572	-19.7
Current Liabilities Payable From Restricted Assets	79,214	40,854	-48.4
Long-Term Liabilities	162,086	-0-	-100.0
Total Liabilities	<u>266,905</u>	<u>61,426</u>	-77.0
 Net Position			
Net Investment in Capital Assets	610,566	746,927	22.3
Restricted for Debt Service	130,060	-0-	-100.0
Unrestricted	273,650	288,580	5.5
Total Net Position	<u>1,014,276</u>	<u>1,035,507</u>	2.1
 Total Liabilities & Net Position	 <u>\$ 1,281,181</u>	 <u>\$ 1,096,933</u>	 -14.4

Table 2
Changes in Net Position (*Enterprise Fund*)

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended December 31, 2020:

	2019	2020	% Change
Revenues			
Operating Revenues	\$ 369,573	\$ 378,691	2.5
Non-Operating Revenues	1,346	3,018	124.2
Total Revenues	<u>370,919</u>	<u>381,709</u>	2.9
 Expenses			
Operating Expenses	367,485	356,180	-3.1
Non-Operating Expenses	10,662	4,298	-59.7
Total Expenses	<u>378,147</u>	<u>360,478</u>	-4.7
 Increase (Decrease) in Net Position	 (7,228)	 21,231	 393.7
 Beginning Net Position	 <u>1,021,504</u>	 <u>1,014,276</u>	 -0.7
Ending Net Position	<u>\$ 1,014,276</u>	<u>\$ 1,035,507</u>	2.1

MD&A

CAPITAL ASSETS

Capital Assets

At December 31, 2020, the District had \$746,927 invested in a broad range of capital assets, including the sewer system, leasehold improvements, and equipment. This amount represents a net decrease (including additions, deductions, and depreciation) of \$62,178, or 7.7% from last year.

Capital Assets at Year-End

	<u>2019</u>	<u>2020</u>
Sewer System, Machinery & Equipment	\$ 3,321,871	\$ 3,331,035
Accumulated Depreciation	(2,512,766)	(2,584,108)
Total Capital Assets, Net	<u>\$ 809,105</u>	<u>\$ 746,927</u>

CHANGES IN LONG-TERM DEBT

The following is a summary of payable transactions of the LaSalle Sewerage District No. 1 for the year ended December 31, 2020.

	<u>Revenue</u>		<u>Total</u>
	<u>Bonds</u>		
Beginning - Bonds & Notes Payable	\$ 198,539	\$	198,539
Additions	-0-		-0-
Reductions	(198,539)		(198,539)
Ending - Bonds & Notes Payable	<u>\$ -0-</u>	<u>\$</u>	<u>-0-</u>

USING THIS ANNUAL REPORT

The District's annual report consists of financial statements that show information about the District's fund, an enterprise fund.

Our accountant has provided limited assurance in his independent accountant's report, located immediately preceding this Management's Discussion and Analysis. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the independent accountant's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

MD&A

CONTACTING THE SEWER DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the LaSalle Sewerage District No. 1's finances and to show the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact the Sewerage District, PO Box 1, Trout, Louisiana 71371, telephone number (318) 992-4777.

Basic Financial Statements

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

**Statement of Net Position
December 31, 2020**

	ENTERPRISE FUND
ASSETS	
CURRENT ASSETS	
Cash & Cash Equivalents	\$ 205,774
Receivables (Net of Allowances for Uncollectables)	103,378
TOTAL CURRENT ASSETS	309,152
NON-CURRENT ASSETS	
Restricted Cash	40,854
Capital Assets (Net of Accumulated Depreciation)	746,927
TOTAL NON-CURRENT ASSETS	787,781
TOTAL ASSETS	1,096,933
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	8,838
Accrued Wage/Payroll Taxes Payable	4,188
Accrued Compensated Absences	4,805
Deduction from Ad Valorem Tax	2,741
TOTAL CURRENT LIABILITIES	20,572
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Customer Deposits	40,854
TOTAL LIABILITIES PAYABLE FROM RESTRICTED ASSETS	40,854
NON-CURRENT LIABILITIES	
TOTAL NON-CURRENT LIABILITIES	-0-
TOTAL LIABILITIES	61,426
NET POSITION	
Net Investment in Capital Assets	746,927
Restricted	-0-
Unrestricted	288,580
TOTAL NET POSITION	\$ 1,035,507

See accompanying notes and independent accountant's review report.

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

**Statement of Revenues, Expenses, & Changes in Net Position
December 31, 2020**

	ENTERPRISE FUND
OPERATING REVENUES	
Service Charge	\$ 292,282
Ad Valorem Tax	82,925
Miscellaneous Revenue	3,484
TOTAL OPERATING REVENUES	378,691
 OPERATING EXPENSES	
Cost of Sales & Services	166,616
Administration	114,750
Depreciation	74,814
TOTAL OPERATING EXPENSES	356,180
 OPERATING INCOME (LOSS)	22,511
 NON-OPERATING REVENUES (EXPENSES)	
Interest Earnings	3,018
Interest Expense	(4,298)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,280)
 CHANGE IN NET POSITION	21,231
 TOTAL NET POSITION - BEGINNING	1,014,276
TOTAL NET POSITION - ENDING	\$ 1,035,507

See accompanying notes and independent accountant's review report.

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

**Statement of Cash Flows
Year Ended December 31, 2020**

	<u>ENTERPRISE FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers & Users	\$ 293,427
Receipts from Ad Valorem Taxes	83,069
Receipts from Other Operating	3,484
Payments to Suppliers	(176,504)
Payments to Employees	(117,599)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>85,877</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(12,637)
Additions of Long-Term Debt	-0-
Interest Expense	(4,298)
Principal Payment on Long-Term Debt	(198,539)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(215,474)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investments	-0-
Interest Earnings	3,018
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>3,018</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(126,579)
CASH - BEGINNING OF YEAR	373,207
CASH - END OF YEAR	\$ <u>246,628</u>
RECONCILIATION TO BALANCE SHEET	
Cash and Cash Equivalents	205,774
Restricted Cash	40,854
TOTAL CASH & CASH EQUIVALENTS	\$ <u>246,628</u>

See accompanying notes and independent accountant's review report.

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

**Statement of Cash Flows
Year Ended December 31, 2020**

Reconciliation

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ <u>22,511</u>
Depreciation Expense	74,814
(Increase) Decrease in Accounts Receivable	(4,509)
Increase (Decrease) in Accounts Payable	(2,327)
Increase (Decrease) in Accrued Wage/Payroll Taxes Payable	341
Increase (Decrease) in Accrued Compensated Absences	(3,190)
Increase (Decrease) in Deduction From Ad Valorem Tax	144
Increase (Decrease) in Customer Deposits	5,654
Increase (Decrease) in Accrued Interest	<u>(7,561)</u>
TOTAL ADJUSTMENTS	<u>63,366</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>85,877</u>
 LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES	
Contributions of Capital Assets From Government	\$ <u>-0-</u>

See accompanying notes and independent accountant's review report.

**Notes to the Basic
Financial Statements**

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

LaSalle Sewerage District No. 1 was created by the LaSalle Parish Police Jury, as authorized by Louisiana Revised Statute 33:4562. The Sewerage District is administered by a board of five commissioners who are appointed by the LaSalle Parish Police Jury. The district owns and operates sewerage facilities and engages in activities designed to provide sewerage disposal to the Trout, Goodpine, and Midway Communities.

For financial reporting purposes the District is a component unit of the LaSalle Parish Police Jury, the governing body of the parish. The accompanying financial statements present financial information only on the funds and account groups maintained by LaSalle Sewerage District No. 1 and do not present information on the Police Jury and the general government services provided by that governmental unit or any of its other component units.

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

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

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major proprietary funds:

- Sewer Fund – The Enterprise Fund is the municipality’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government’s enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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. Principal operating revenues are utility billings. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of “restricted” or “net investment” in capital assets.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

D. CASH & INVESTMENTS – (C.D.’S IN EXCESS OF 90 DAYS)

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, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

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 Entity that the fiscal agent bank has failed to pay deposit 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 Entity’s name.

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Deposits

It is the District’s policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The District’s deposits are categorized to give an indication of the level of risk assumed by the District at year end. The categories are describes as follows:

- **Category 1** – Insured or collateralized with securities held by the District or by its agent in the District’s name.
- **Category 2** – Collateralized with securities held by the pledging financial institution’s trust department or agent in the District’s name.
- **Category 3** – Uncollateralized.

<u>Bank</u>	<u>Bank Balance At 12/31/2020</u>
Southern Heritage Bank	\$ <u>249,138</u>

Amounts on deposit are secured by the following pledges:

<u>Description</u>	<u>Southern Heritage Market Value</u>
FDIC (Category 1)	\$ 249,138
Securities (Category 2)	150,698
Total	\$ <u>399,836</u>

All deposits were fully secured as of December 31, 2020.

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of LaSalle Parish Sewerage District 1. For the purpose of the proprietary fund Statement of Cash Flows, “Cash and Cash Equivalents” include all demand savings accounts and certificates of deposit under 90 days

E. INVENTORIES

Inventories of materials and supplies are considered to be expenditures at the time purchased. Amounts on hand at the financial statement date are considered immaterial and therefore not included on the statements of assets and liabilities.

F. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable columns in the basic financial statements. Capital assets are capitalized at historical cost. The entity maintains a threshold level of \$1,500 or more for capitalizing capital assets.

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

All fixed assets are recorded at cost and are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Water System & Building	40-50 years
Vehicles	7 years
Equipment	5-7 years

G. ACCOUNTS RECEIVABLE & ALLOWANCES FOR BAD DEBTS

Uncollectable amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectable of the receivable. Below is a summary of accounts receivable and allowance for bad debts by funds:

Proprietary-

Accounts Receivable	\$ 23,963
Allowance for Bad Debt	(1,198)
Ad Valorem Tax Receivable	80,613
Total Receivables	\$ 103,378

H. AD VALOREM TAXES

The LaSalle Parish Sewerage District No. 1 levies taxes on real and business personal property located within its boundaries. The LaSalle Parish Sheriff bills and collects property taxes.

Property Tax Calendar

Property Tax Calendar	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On Or About October 15
Total Taxes Are Due	December 31
Penalties And Interest Are Added	January 1
Lien Date	January 1

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date	Total Tax
Sewerage District	9.780	9.780	December 31	\$84,353

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

2. RESTRICTED ASSETS - PROPRIETARY FUND TYPES

At December 31, 2020, restricted assets for the proprietary fund were applicable to the following:

Customers' Deposit	\$	28,598
Customer Deposit Savings		12,256
Total	\$	<u>40,854</u>

3. CHANGES IN FIXED ASSETS – PROPRIETARY FUNDS

A summary of proprietary fund type property, plant and equipment at December 31, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
System (Cost)	\$ 3,321,871	\$ 12,637	\$ (3,473)	\$ 3,331,035
Less Allowance for Depreciation	(2,512,766)	(74,814)	3,472	(2,584,108)
Net Plant	<u>\$ 809,105</u>	<u>\$ (62,177)</u>	<u>\$ (1)</u>	<u>\$ 746,927</u>

4. ACCOUNTS PAYABLE

The payables of \$20,572 at December 31, 2020, were as follows:

Accounts Payable	\$	8,838
Accrued Wages/Payroll Taxes Payable		4,188
Accrued Absences		4,805
Deduction from Ad Valorem Tax		2,741
Total	\$	<u>20,572</u>

5. CHANGES IN LONG-TERM DEBT

The following is a summary of payable transactions of the LaSalle Sewerage District No. 1 for the year ended December 31, 2020.

	<u>Revenue Bonds</u>	<u>Total</u>
Beginning - Bonds & Notes Payable	\$ 198,539	\$ 198,539
Additions	-0-	-0-
Reductions	(198,539)	(198,539)
Ending - Bonds & Notes Payable	<u>\$ -0-</u>	<u>\$ -0-</u>

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

6. BOARD MEMBERS

The following is a list of board members for the year ended December 31, 2020:

John Jenkins- Chairman
Johnny Beard
Danny Brown Jr.
John Johnston
Derick Lee

Board members are each paid \$80 per meeting when present.

7. USE OF 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

8. ACCRUED SICK LEAVE AND VACATION

The following is a summary of changes in compensated absences payable at December 31, 2020:

		<u>Current</u>		<u>Noncurrent</u>		<u>Total</u>
Beginning of year	\$	7,995	\$	-0-	\$	7,995
Additions/(Retirements)		(3,190)		-0-		(3,190)
End of year	\$	4,805	\$	-0-	\$	4,805

The accrued sick leave and vacation is as follows:

<u>Employee</u>	<u>Amount</u>
Charles Smith	\$ 4,113
Deborah Smith	445
Brenda Jackson	247
Total Accrued Sick Leave & Vacation	\$ 4,805

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

9. LITIGATION

The District had no outstanding judgments or pending litigations as of December 31, 2020.

10. RETIREMENT PLANS

The system does not offer its employees a retirement plan. All employees are in the social security system.

11. SEWER RATES

The District's current sewer rates are as follows:

<i>Residential</i>	\$ 18.00 per month flat rate plus \$3.25 for each 1,000 gallons of water
<i>Commercial</i>	\$ 50.00 per month flat rate plus \$3.50 for each 1,000 gallons of water
<i>Industrial</i>	\$ 150.00 per month flat rate plus \$3.50 for each 1,000 gallons of water

12. JOINT VENTURE WITH TOWN OF JENA

The Town of Jena owns and maintains the sewer treatment plant that processes the District's sewerage. The Town of Jena charges the District 1/3 of the operation and maintenance costs of the sewer plant.

13. SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date though, June 23, 2021, of the independent auditor's report for potential recognition or disclosure in the financial statements. The following item is reported as a subsequent event.

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

14. CONTINGENCIES

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Entity operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Entity anticipates this could negatively affects its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

Other Supplemental Schedules

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

**Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2020**

LaSalle Parish Sewerage District No. 1
John Jenkins-Chairman

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 960
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (List any other here)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

See independent accountant's report.

Other Reports

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

MANAGEMENT LETTER COMMENTS

During the course of our review, we observed conditions and circumstances that may be improved. Below are findings noted for improvement and our recommendation for improvement.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No comments.

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
TROUT, LOUISIANA**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the LaSalle Parish Sewerage District No. 1 has provided the following action summaries relating to audit findings brought to their attention as a result of their financial review for the year ended December 31, 2019.

PRIOR YEAR FINDINGS

2019-1 Credit Card Purchases (Resolved)

Condition: A random sample of expenditures discovered questionable costs related to the credit card. After inquiry with management, we found potential misappropriation and unauthorized use of the entity's credit card. (See attached template)

Criteria: Good internal controls require a credit card policy that address how cards are to controlled, allowable business uses, documentation requirements, required approvers of statements, and monitoring card usage.

Cause of Condition: Inadequate internal controls and limited personnel.

Effect of Condition: Potential misappropriation of funds.

Recommendation: We recommend that the entity adopt a credit card policy that addresses how cards are controlled, allowable business uses, documentation requirements, required approvers of statements, and monitoring card usage.

Client Response and Corrective Action: The entity will adopt a credit card policy that addresses how cards are to controlled, allowable business uses, documentation requirements, required approvers of statements, and monitoring card usage.

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MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the LaSalle Parish Sewerage District No. 1

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the LaSalle Parish Sewerage District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the LaSalle Parish Sewerage District No. 1's compliance with certain laws and regulations during the year ended December 31, 2020, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below whether for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

*During our review of expenditures, we found no such expenditures.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

*Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

*Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

*None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

*Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

*The District is an enterprise fund and budgeting is not required. The District prepares a budget on its operations on a governmental fund basis and therefore is not comparable to the financial statements on an enterprise fund basis.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

*Not applicable.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

*Not applicable.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

*We examined supporting documentation for the six selected documents and they all agreed.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

*All of the payments were properly coded to the correct fund and correct general ledger account.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

*All disbursements were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

*Discussions with the clerk and our review of the minutes found that the agendas for the meetings were posted.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

*The District did not enter into any long-term debt this fiscal year.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

*We inspected payroll records and minutes for the year and noted no instances which indicated payments to employees which would constitute bonuses, advances, and gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

*The District's report is due on June 30, 2021, and was submitted timely.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

*The District did not enter into any new contracts this fiscal year.

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

*The prior year report, dated June 29, 2020, did include one management letter comment, which has been resolved.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

The Vercher Group

Jena, Louisiana
June 23, 2021

LaSalle Parish Sewerage District No. 1
LOUISIANA ATTESTATION QUESTIONNAIRE

The Vercher Group

A Professional Group of
Certified Public Accountants
P.O. Box 1608
Jena, Louisiana 71342
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Fax: (318) 992-4374

In connection with your review of our financial statements as of December 31, 2020, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 23, 2021, (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements reviewed in accordance with RS 24:513.

Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief financial officer.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Signed: John C. Turk

Title: Senior Supervisor