

CAMERON PARISH WATERWORKS DISTRICT NO. 11
Grand Lake, Louisiana

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 2020

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CAMERON PARISH WATERWORKS DISTRICT NO. 11

Management's Discussion and Analysis

The Management's Discussion and Analysis of the Cameron Parish Waterworks District No. 11 (the District) presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the financial statements.

FINANCIAL HIGHLIGHTS

- * The District's assets exceeded its liabilities by \$2,533,997 (net position).
- * Total net position is comprised of the following:
 - (1) Net investment in capital assets, of \$1,866,988 include property and equipment, net of accumulated depreciation, and reduced for any outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$1,349 is restricted by constraints imposed from outside the District such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$665,660 represents the portion available to maintain the District's continuing obligations to citizens and creditors.
- * Total revenues of \$958,513 were less than total expenditures of \$1,010,547, which resulted in a current year deficit of \$52,034 compared to the prior year's surplus of \$91,293.
- * Total operating revenues decreased by \$73,328 from the prior year, mainly due to an increase in billable water usage. Operating expenses decreased by \$5,881 from the prior year, mainly from supplies and retirement.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments.



These financial statements consist of two sections – Management's Discussion and Analysis (this section) and the basic financial statements, including the notes to the financial statements.

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

The Statement of Net Position presents all of the District's assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, with the difference reported as net position. Net position may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the District's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position is reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how the District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash from operating activities (indirect method) as required by GASB 34.

The notes provided additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District's budget to actual comparison.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District as a whole. The District's net position at fiscal year-end is \$2,533,997. The following table provides a summary of the District's net position:

	<u>2020</u>	<u>2019</u>
Current assets	\$ 834,351	\$ 776,438
Capital assets	<u>2,691,988</u>	<u>2,863,487</u>
Total assets	3,526,339	3,639,925
Deferred outflows of resources	<u>106,037</u>	<u>134,572</u>
Total liabilities	<u>1,030,135</u>	<u>1,169,913</u>
Deferred inflows of resources	<u>68,244</u>	<u>18,553</u>
Net position:		
Net investment in capital assets	1,866,988	1,978,487
Net position - restricted	1,349	33,846
Net position - unrestricted	<u>665,660</u>	<u>573,698</u>
Total net position	<u>\$ 2,533,997</u>	<u>\$ 2,586,031</u>

Net position from revenues and expenses of the District decreased by \$39,081 for the year ended December 31, 2020.

	<u>2020</u>	<u>2019</u>
Operating revenues	\$ 742,841	\$ 816,169
Operating expenses	<u>918,621</u>	<u>924,502</u>
Operating income (loss)	(176,780)	(108,333)
Non-operating revenues (expenses)	<u>123,746</u>	<u>199,626</u>
Net increase (decrease) in net position	<u>\$ (52,034)</u>	<u>\$ 91,293</u>

The District's operating revenues are derived primarily from fees for water services. The District's operating revenues are insufficient to cover operating expenses and must rely on ad valorem taxes to supplement income.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets, net of accumulated depreciation as of December 31, 2020, was \$2,691,988. See Note C for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Management's Discussion and Analysis

	<u>2020</u>	<u>2019</u>
Non-depreciable asset:		
Land	\$ 10,000	\$ 10,000
Depreciable assets:		
Buildings	187,282	187,282
Distribution system	5,318,716	5,313,766
Furniture, Fixtures and equipment	<u>320,052</u>	<u>314,726</u>
Total depreciable assets	5,826,050	5,815,774
Less accumulated depreciation	<u>3,144,062</u>	<u>2,962,287</u>
Book value-depreciable assets	<u>2,681,988</u>	<u>2,853,487</u>
Percentage depreciated	<u>54%</u>	<u>51%</u>
Book value-all assets	<u>\$ 2,691,988</u>	<u>\$ 2,863,487</u>

At December 31, 2020, the depreciable capital assets were 54% depreciated. This is similar to the December 31, 2020 percentage. This comparison indicates that the District replaced its assets at a lessor rate than they are depreciating.

The major additions are:

- HP Computer
- Hammerhead piercing tool

Debt

At the end of the fiscal year, the District had total bonded debt outstanding of \$825,000. This entire amount is backed by the full faith and credit of the District (general obligation bonds) with debt service funded by operations.

During the year, the District retired \$60,000 of debt. See Note D for additional information regarding debt.

ECONOMIC CONDITIONS AFFECTING THE DISTRICT

Since the primary revenue stream for the District is charges for revenue, the District's revenues are subject to changes in the economy.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Helen Williams, 111 Dennis Lane, Bell City, LA 70630.



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INDEPENDENT AUDITORS' REPORT

August 2, 2021

Board of Commissioners
Cameron Parish Waterworks District No. 11
Grand Lake, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Cameron Parish Waterworks District No. 11, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Cameron Parish Waterworks District No. 11's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Cameron Parish Waterworks District No. 11 as of December 31, 2020, and the respective changes in financial position and the cash flows thereof for the year then ended in accordance with accounting standards generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and supplemental information, the budgetary comparison information, the schedule of changes in net OPEB liability and related ratios, the schedules of employer's proportionate share of net pension liability and the schedules of employer contributions on pages 3 through 6 and 35 through 39 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the Cameron Parish Waterworks District No. 11's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic

Board of Commissioners
Cameron Parish Waterworks District No. 11
August 2, 2021
Page Three

financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2021, on our consideration of the Cameron Parish Waterworks District No. 11's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cameron Parish Waterworks District No. 11's internal control over financial reporting and compliance.

Sharon Cassidy Skillery

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Net Position

December 31, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash	\$ 526,330	\$ 464,682
Receivables		
Ad valorem taxes, net	127,674	177,455
Accounts, net	58,972	61,375
Intergovernmental - FEMA	78,603	-
Prepaid expenses	9,652	8,849
Restricted assets		
Bond sinking fund		
Cash	8,890	44,939
Inventory, at cost	24,201	19,109
Due from other governments	29	29
Total Current Assets	<u>834,351</u>	<u>776,438</u>
Property, plant and equipment		
Buildings	187,282	187,282
Distribution system	5,318,716	5,313,766
Furnitures, fixtures and equipment	<u>320,052</u>	<u>314,726</u>
	5,826,050	5,815,774
Less accumulated depreciation	<u>3,144,062</u>	<u>2,962,287</u>
	2,681,988	2,853,487
Land	<u>10,000</u>	<u>10,000</u>
	2,691,988	2,863,487
TOTAL ASSETS	<u>3,526,339</u>	<u>3,639,925</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>106,037</u>	<u>134,572</u>

Continued

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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Net Position - Continued

December 31, 2020

	<u>2020</u>	<u>2019</u>
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 24,330	\$ 45,845
Accrued liabilities	12,460	6,313
Customer deposits	8,115	10,065
Accrued interest	7,541	11,093
Current portion of long-term debt	<u>85,000</u>	<u>75,000</u>
Total Current Liabilities	137,446	148,316
Long term debt, net of current maturities	740,000	810,000
Net pension liability	1,268	114,712
Net OPEB obligation	<u>151,421</u>	<u>96,885</u>
Total Liabilities	1,030,135	1,169,913
DEFERRED INFLOWS OF RESOURCES	<u>68,244</u>	<u>18,553</u>
NET POSITION		
Net investment in capital assets	1,866,988	1,978,487
Net position - restricted	1,349	33,846
Net position - unrestricted	<u>665,660</u>	<u>573,698</u>
Total Net Position	<u>\$ 2,533,997</u>	<u>\$ 2,586,031</u>

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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Revenues, Expenses
and Changes in Net Position

Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Charges for services	\$ 700,506	\$ 762,045
Fees and installation charges	39,413	52,394
Miscellaneous revenue	<u>2,922</u>	<u>1,730</u>
TOTAL OPERATING REVENUES	742,841	816,169
OPERATING EXPENSES		
Auto	8,139	9,902
Bank charges	3,360	1,701
Contract labor	3,700	-
Depreciation	181,775	169,611
Dues	400	400
Employee benefits - OPEB	24,679	8,122
Insurance - general	12,780	12,636
Insurance - health	88,424	81,338
Interest	29,687	34,935
Maintenance	47,114	81,119
Miscellaneous	42	1,608
Per diem	2,280	2,700
Postage	12,126	14,470
Printing and publishing	118	237
Professional fees	10,885	10,085
Rent - airport well	168	196
Retirement	28,513	50,404
Salaries	298,363	238,644
Supplies	111,753	149,925
Taxes and licenses	4,868	4,031
Telephone	7,965	7,025
Training	183	944
Travel	333	-
Utilities	<u>40,456</u>	<u>44,469</u>
TOTAL OPERATING EXPENSES	918,621	924,502
OPERATING INCOME (LOSS)	<u>(175,780)</u>	<u>(108,333)</u>

Continued

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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Revenues, Expenses
and Changes in Net Position - Continued

Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
NON-OPERATING REVENUES (EXPENSES)		
Ad valorem taxes, net	\$ 126,230	\$ 183,111
Interest income	14	15
Intergovernmental - FEMA	78,603	-
Hurricane related expenses	(78,603)	-
Bond issuance costs	(13,323)	
Rent income	10,825	16,500
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>123,746</u>	<u>199,626</u>
CHANGE IN NET POSITION	(52,034)	91,293
NET POSITION - BEGINNING	<u>2,586,031</u>	<u>2,494,738</u>
NET POSITION - ENDING	<u>\$ 2,533,997</u>	<u>\$ 2,586,031</u>

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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Cash Flows

Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers and others	\$ 745,244	\$ 811,460
Payments for supplies and expenses	(465,248)	(493,740)
Payments to employees for services	(279,045)	(206,062)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>951</u>	<u>111,658</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	176,011	168,099
Disastor recovery expenses	(78,603)	-
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>97,408</u>	<u>168,099</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Rental income	10,825	16,500
Purchase of fixed assets	(10,276)	(97,832)
Bond issue costs on borrowings	(13,323)	-
Net payments on debt borrowings	(60,000)	(70,000)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(72,774)</u>	<u>(151,332)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>14</u>	<u>15</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	25,599	128,440
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>509,621</u>	<u>381,181</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 535,220</u>	<u>\$ 509,621</u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	<u>\$ 33,239</u>	<u>\$ 35,812</u>

Continued

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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Cash Flows - Continued

Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (175,780)	\$ (108,333)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	181,775	169,611
Net change in deferred outflows/inflows	78,226	(134,346)
(Increase) decrease in:		
Accounts receivable	2,403	(4,709)
Prepaid expenses	(803)	189
Inventory	(5,092)	6,017
Increase (decrease) in:		
Accounts payable	(21,515)	23,155
Accrued liabilities	645	(6,854)
Net Pension Liability	(113,444)	134,876
OPEB obligation	54,536	32,052
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 951</u>	<u>\$ 111,658</u>

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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cameron Parish Waterworks District No. 11 was created by the Cameron Parish Police Jury under the provisions of Louisiana Revised Statutes 33:3811 for the purpose of providing water to the Big Lake/Grand Lake/Sweetlake areas of the Parish. The District is governed by a board of commissioners composed of five members.

1. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity for Cameron Parish Waterworks District No. 11. 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 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 Statement No. 14 established criteria for determining which component units should be considered part of the Cameron 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
 - 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 a voting majority to the board and has the ability to impose its will, the District was determined to be a component unit of the Cameron 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 the governmental unit, or the other governmental units that comprise the financial reporting entity.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation

The accompanying financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments", issued in June 1999.

The financial statements of the District are prepared on the accrual basis of accounting. Whereby revenues are recognized when earned and expenses are recognized when incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. The operating revenues of the District come from metered sales to residential and commercial customers as well as service connection charges and penalties from late payment of bills. 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.

3. Cash

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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. 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. At December 31, 2020, the District has \$550,503 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$300,503 of pledged securities held by the custodial bank in the name of the fiscal agency bank.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Accounts Receivable

Aging of Accounts Receivable, net, as of December 31, 2020 are as follows:

0-30 <u>Days</u>	31-60 <u>Days</u>	61-90 <u>Days</u>	over 90 <u>Days</u>	<u>Total</u>
\$ 58,972	\$ -	\$ -	\$ -	\$ 58,972

The District utilizes the allowance method to recognize doubtful accounts. The allowance for doubtful accounts at December 31, 2020 was \$34,290.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for water user fees. The District's ability to collect the amounts due from the users of the District water system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disasters or other calamity in this one concentrated geographic location.

5. Inventory

Inventory is valued at cost using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

6. Compensated Absences

The District has the following policy relating to vacation and sick leave:

Vacation – 5-25 days per year depending on length of service

Sick Leave – 12-18 days per year, depending on length of service

The District's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

GASB Statement No. 16 also provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

At December 31, 2020, the District had an accrual for compensated absences of \$18,103.

7. Statement of Cash Flow

For purpose of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less when purchased to be cash equivalents. The statement reflects ending cash and cash equivalents of \$535,220 which represents unrestricted amounts of \$526,330 and restricted amounts of \$8,890.

8. Budgets

An enterprise fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget.

Expenditures may not legally exceed budgeted appropriations at the activity level.

The budget was amended once during the year.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Net Position

In the financial statements, equity is classified as net assets and displayed in three components:

- a. Net investment in capital assets – Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net position – Consists of net position with constraints placed on use either by (1) external groups such as creditors, grantors, contributors, laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the District to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the District the committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

10. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

11. Subsequent Events

Management has evaluated subsequent events through August 2, 2021 the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the District's ongoing operations; however, the extent and severity of the potential impact is unknown at this time.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Comparative Data

Comparative totals for the prior have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

NOTE B – AD VALOREM TAXES

For the year ended December 31, 2020, taxes of 5.06 mills were levied on property with taxable assessed valuations totaling \$26,137,830.

Total taxes levied were	<u>\$ 132,257</u>
-------------------------	-------------------

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

NOTE C – PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are valued at historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related assets, as applicable.

Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Buildings	40 years
Distribution system	7-40 years
Equipment, Furniture and Fixtures	5-10 years

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE C – PROPERTY, PLANT AND EQUIPMENT– CONTINUED

A summary of changes in property, plant and equipment for the year ended December 31, 2020 are as follows:

	Beginning of Year	Net Additions	End of Year
Buildings	\$ 187,282	\$ -	\$ 187,282
Distribution system	5,313,766	4,950	5,318,716
Equipment, furniture and fixtures	314,726	5,326	320,052
Land	<u>10,000</u>	<u>-</u>	<u>10,000</u>
	5,825,774	<u>\$ 10,276</u>	5,836,050
Less accumulated depreciation	<u>2,962,287</u>		<u>3,144,062</u>
TOTALS	<u>\$ 2,863,487</u>		<u>\$ 2,691,988</u>

Depreciation expense was \$181,775 for the year ended December 31, 2020.

NOTE D – LONG-TERM DEBT

The following is a summary of bond transactions of the District for the year ended December 31, 2020.

Bonds payable, beginning	\$ 885,000
Bonds issued	825,000
Bonds retired	<u>(885,000)</u>
Bonds payable, ending	<u>\$ 825,000</u>

Bonds payable at December 31, 2020 is comprised of the following individual issue:

Revenue Bonds:	
\$825,000 Water Revenue Refunding Bonds Series 2020 with Red River Bank dated September 2, 2020 due in annual installments of \$85,000 to \$100,000 through September 1, 2029; interest at 2.75%	\$ 825,000
Less currently payable	<u>(85,000)</u>
Total long-term debt	<u>\$ 740,000</u>

On September 2, 2020 \$825,000 in revenue refunding bonds were issued to pay off the 2014 water revenue refunding bonds. The refunding resulted in a net present value benefit of \$35,751. The cost of the issuance was \$13,323.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE D – LONG-TERM DEBT– CONTINUED

The annual requirements to amortize all debts outstanding as of December 31, 2020 are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 85,000	\$ 22,624
2022	85,000	20,350
2023	85,000	18,013
2024	90,000	15,675
2025	90,000	13,200
Thereafter	390,000	10,725

The revenue bonds are to be retired from revenues derived from the operations of the District.

The District has outstanding water revenue refunding bonds totaling \$825,000 and notes from direct borrowings and direct placements totaling \$0. As of year end the District has no unused lines of credit nor any assets pledged as collateral. The remedies for significant events of default is all installments to be immediately due and payable. In addition, the District will pay reasonable attorney fees and other such expenses.

NOTE E – COMPONENTS OF RESTRICTED NET POSITION

	<u>Revenue Bond Sinking</u>	<u>Total</u>
Cash	<u>\$ 8,890</u>	<u>\$ 8,890</u>

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The “bond sinking” account is used to segregate resources accumulated for debt service payments over the next twelve months.

The amount of net position reserved for debt service is detailed as follows:

Restricted assets:	
Revenue bond sinking	\$ 8,890
Less:	
Accrued interest, payable from restricted assets	<u>7,541</u>
Net position reserved for debt service	<u>\$ 1,349</u>

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE F - RETIREMENT COMMITMENTS

The District participates in a state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the District's full-time employees. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. Additional disclosures with respect to the District's participation in these systems are provided below.

Parochial Employees' Retirement System

The System is composed of two distinct plans, Plan A and Plan B with separate assets and benefit provisions. Employees of the District are members of Plan A. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least twenty-eight hours per week and not participating in another public funded retirement system. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the system. Under Plan A, employees hired prior to January 1, 2007 can retire at any age with 30 or more years of creditable service, age 55 with 25 years of creditable service, age 60 with 10 years of creditable service, or age 65 with 7 years of creditable service. Employees hired after January 1, 2007 can retire at age 55 with 30 or more years of creditable service, age 62 with 10 years of creditable service, or age 67 with 7 years of creditable service. Retirees are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final average compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or jointed months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Parochial Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, LA 70898.

Plan members are required to contribute 9.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 12.0% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the System's Board of Trustees. The District's contributions to the System for the year ended December 31, 2020 totaled \$33,874.

At December 31, 2020, the District reported a liability of \$1,268 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to their pension plan relative to

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE F - RETIREMENT COMMITMENTS – CONTINUED

the projected contributions of all participating entities, actuarially determined. At December 31, 2020, the District's proportion was .0269273%.

For the year ended December 31, 2020, the District recognized pension expense of \$5,361 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$822. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 11,377
Difference between expected and actual assumption	17,704	
Difference between expected and actual Investment	-	47,516
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	158	3,536
Contributions subsequent to the measurement date	33,874	-
Total	<u>\$ 51,736</u>	<u>\$ 62,429</u>

\$33,874 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2021	\$ (10,074)
2022	(12,702)
2023	453
2024	(22,215)
2025	-
Thereafter	-

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE F - RETIREMENT COMMITMENTS – CONTINUED

Actuarial methods and assumption. The total pension liability in the December 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.50% (Net of investment expense)
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A – 4.75% (2.40% Inflation)
Cost of Living Adjustments	The present values of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet amortized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP 2018 scale for disabled annuitants.

The discount rate used to measure the total pension liability was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE F - RETIREMENT COMMITMENTS – CONTINUED

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations and projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.

Best estimates of arithmetic real rates of return for major asset class included in the System’s target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real assets	2%	0.11%
Total	100%	5.18%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.18%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System’s liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE F - RETIREMENT COMMITMENTS – CONTINUED

Sensitivity to changes in discount rate. The following presents the net pension liability of the District calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.50% or one percentage point higher 7.50% than the current rate.

	Changes in Discount Rate		
	1%	Current	1% Increase
	Decrease	Discount Rate	7.50%
	5.50%	6.50%	
Net Pension Liability (Asset)	\$ 137,003	\$ 1,268	\$ (112,476)

NOTE G - PER DIEM

In accordance with Louisiana Revised Statute 33:3819, per diem is allowed not to exceed \$60 per meeting attended, up to twenty-four regular meetings and twelve special meetings. The Board has approved per diem at \$60.

Per diem paid commissioners for the year ended December 31, 2020 were as follows:

<u>Board Member</u>	<u>Address</u>	<u>Phone Number</u>	<u>Term Expires</u>	<u>Per Diem</u>
Carl Granger	120 Klumpp Lane Lake Charles, LA 70607	337-263-3466	May 2025	\$ 600
Wayne Hebert	166 Lucy Lane Lake Charles, LA 70607	337-540-1176	February 2025	540
Gerald Richard	122 Smith Lane Lake Charles, LA 70607	337-598-4207	March 2021	360
Jerome Verzwylvet	115 Smith Lane Lake Charles, LA 70607	337-526-5511	March 2025	240
Grace Robideaux	1315 Hwy 384 Lake Charles, LA 70607	337-496-1611	October 2022	540
				\$ 2,280

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE H - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE I – JOINT SERVICE AGREEMENT

The District has entered into a joint service agreement with the Lake Charles Regional Airport for a term of twenty-five years to lease the land and water tower as part of the “Airport Well and Line Project”. The agreement became effective May 2006. At June 2011, the District will pay to the airport a fee of \$1 per month for five years for each Calcasieu Parish customer, not to exceed \$500 per month. For the year ended December 31, 2020 a total of \$168 was paid by the District.

NOTE J – SCHEDULE OF INSURANCE COVERAGE

The schedule of insurance coverage as of December 31, 2020 is as follows:

	<u>Limits</u>	<u>Expiration Date</u>
Automobile liability	\$1,000,000 bodily injury and physical damage	September 15, 2021
Commercial general liability	\$1,000,000 per occurrence-bodily injury and physical damage	September 15, 2021
Commercial property	\$130,000 building & contents	March 1, 2021
Equipment	\$90,000, as listed	March 1, 2021
Surety bond	\$100,000	July 31, 2021
Errors & Omissions	\$100,000	July 31, 2021
Workers compensation	\$1,000,000	September 15, 2021

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE K – SCHEDULE OF RATES AND NUMBER OF CUSTOMERS

At December 31, 2020, the number of customers were as follows:

Residential	-	1,659
Commercial	-	76

The schedule of rates is as follows:

Standard rate	\$18.00, first 2,000 gallons \$3.00 per 1,000 gallons thereafter \$2.70 debt service fee
Senior rate	\$11.00, first 2,000 gallons \$3.00 per 1,000 gallons thereafter \$2.70 debt service fee
Calcasieu Parish	\$26.00, first 2,000 gallons \$3.00 per 1,000 gallons thereafter \$2.70 debt service fee

NOTE L – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The District provides certain continuing health care and life insurance benefits for its retired employees. The District's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the District. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the District. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE L – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS -
CONTINUED

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. A level \$20,000 amount of insurance coverage while active is continued after retirement.

Employees covered by benefit terms – At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>5</u>
	<u><u>5</u></u>

Total OPEB Liability

The District's total OPEB liability of \$151,421 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.0%
Salary increases	3.0%, including inflation
Discount rate	2.74% annually (Beginning of Year to Determine ADC) 2.12%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2020, the end of the applicable measurement period.

Mortality rates were based on the SOA RP-2014 Combined Mortality Table

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2010 to December 31, 2020.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE L – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS -
CONTINUED

Changes in the Total OPEB Liability

Balance at December 31, 2020	<u>\$ 96,885</u>
Changes for the year:	
Service cost	5,637
Interest	2,732
Differences between expected and actual experience	44,146
Changes in assumptions	2,021
Benefit payments and net transfers	<u>-</u>
Net changes	<u>54,536</u>
Balance at December 31, 2020	<u>\$ 151,421</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.74%) or 1-percentage-point higher (3.74%) than the current discount rate:

	1.0% Decrease (1.74%)	Current Discount Rate (2.74%)	1.0% Increase (3.74%)
Total OPEB liability	\$ 180,428	\$ 151,421	\$ 127,740

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 127,585	\$ 151,421	\$ 181,373

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2020

NOTE L – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS -
CONTINUED

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the District recognized OPEB expense of \$14,679. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,842	\$ -
Changes in assumptions	7,459	(5,815)
Total	\$ 54,301	\$ (5,815)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	Amount
2021	6,310
2022	6,310
2023	6,310
2024	6,310
2025	6,310
Thereafter	26,935

NOTE M – COMMITMENTS AND CONTINGENCIES

On August 27, 2020 Hurricane Laura made landfall in Southwest Louisiana as a Category 4 hurricane which was followed by Hurricane Delta on October 8, 2020. As of December 31, 2020, a receivable and revenue of \$78,603 is recorded representing the net hurricane expenses recoverable by FEMA through December 31, 2020. The full extent of damages to the District's facilities or effects on operations have not been determined.

REQUIRED SUPPLEMENTAL INFORMATION

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Revenues, Expenses and Changes in
Net Position - Budget and Actual

Year Ended December 31, 2020

	Budget		Actual	Variance
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 785,000	\$ 710,000	\$ 700,506	\$ (9,494)
Fees and installation charges	47,550	37,550	39,413	1,863
Miscellaneous revenue	1,000	1,000	2,922	1,922
TOTAL OPERATING REVENUES	833,550	748,550	742,841	(5,709)
OPERATING EXPENSES				
Auto	12,000	12,000	8,139	3,861
Bank charges	2,000	2,000	3,360	(1,360)
Contract labor	7,500	7,500	3,700	3,800
Depreciation	165,000	165,000	181,775	(16,775)
Dues	400	400	400	-
Employee benefits - OPEB	-	-	24,679	(24,679)
Insurance - general	12,980	12,980	12,780	200
Insurance - health	82,000	88,400	88,424	(24)
Interest	33,188	33,188	29,687	3,501
Maintenance	80,000	80,000	47,114	32,886
Miscellaneous	150	150	42	108
Per diem	3,600	3,600	2,280	1,320
Postage	14,000	14,000	12,126	1,874
Printing and publishing	400	400	118	282
Professional fees	10,000	10,000	10,885	(885)
Rent - airport well	250	250	168	82
Rent - equipment	500	500	510	(10)
Retirement	34,500	40,300	28,513	11,787
Salaries	275,000	296,000	298,363	(2,363)
Supplies	159,650	159,650	111,753	47,897
Taxes and licenses	5,400	5,400	4,868	532
Telephone	7,100	7,100	7,965	(865)
Training	975	975	183	792
Travel	600	600	333	267
Utilities	45,000	45,000	40,456	4,544
TOTAL OPERATING EXPENSES	952,193	985,393	918,621	66,772
OPERATING INCOME (LOSS)	(118,643)	(236,843)	(175,780)	61,063

Continued

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Revenues, Expenses and Changes in
Net Position - Budget and Actual - Continued

Year Ended December 31, 2020

	Budget		Actual	Variance
	Original	Final		
NON-OPERATING REVENUES (EXPENSES)				
Ad valorem taxes, net	\$ 188,798	\$ 188,798	\$ 126,230	\$ (62,568)
Interest income	300	300	14	(286)
Intergovernmental - FEMA	-	-	78,603	78,603
Bond issuance cost	-	-	(13,323)	(13,323)
Hurricane related expenses	-	(70,000)	(78,603)	(8,603)
Rent income	10,000	10,000	10,825	825
TOTAL NON-OPERATING REVENUES (EXPENSES)	199,098	129,098	123,746	(5,352)
CHANGE IN NET POSITION	80,455	(107,745)	(52,034)	55,711
NET POSITION - BEGINNING	2,586,031	2,586,031	2,586,031	-
NET POSITION - ENDING	\$ 2,666,486	\$ 2,478,286	\$ 2,533,997	\$ 55,711

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Schedule of Changes in Net OPEB Liability and Related Ratios

Year Ended December 31, 2020

	December 31, 2020	December 31, 2019	December 31, 2018
Total OPEB Liability			
Service cost	\$ 5,637	\$ 3,694	\$ 4,370
Interest	2,732	2,734	2,274
Differences between expected and actual experience	44,146	6,856	1,817
Changes of assumptions / Inputs	2,021	18,768	(7,560)
Benefit payments	-	-	-
Net change in total OPEB Liability	<u>54,536</u>	<u>32,052</u>	<u>901</u>
Total OPEB liability - beginning	<u>96,885</u>	<u>64,833</u>	<u>63,932</u>
Total OPEB liability - ending (a)	<u><u>\$ 151,421</u></u>	<u><u>\$ 96,885</u></u>	<u><u>\$ 64,833</u></u>
Covered-employee payroll	\$ 283,189	\$ 222,231	\$ 215,758
Net OPEB liability as a percentage of covered-employee payroll	53.47%	43.60%	30.05%
Notes to Schedule:			
<i>Benefit Changes</i>	None	None	None
<i>Changes of Assumption.</i>			
<i>Discount Rate</i>	2.12%	2.74%	4.10%
<i>Mortality</i>	RP-2014	RP-2000	RP-2000
<i>Trend</i>	5.50%	5.50%	Variable

This schedule is intended to show information for 10-years. Additional years will be displayed as they become available.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Schedule of Employer's Proportionate Share of Net Pension Liability

Year Ended December 31, 2020

Parochial Employees' Retirement System of Louisiana

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Employer's portion of the net pension liability (asset)	0.02693%	0.02585%	0.02717%	0.02890%	0.02538%	0.02498%
Employer's proportionate share of the net pension liability (asset)	\$ 1,268	\$ 114,712	\$ (20,164)	\$ 59,516	\$ 66,808	\$ 6,830
Employer's covered payroll	\$ 282,833	\$ 239,957	\$ 229,017	\$ 232,296	\$ 223,024	\$ 213,734
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.45%	47.81%	-8.80%	25.62%	29.96%	3.20%
Plan fiduciary net position as a percentage of the total pension liability	99.89%	88.86%	101.98%	94.15%	92.23%	99.14%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*The amounts presented have a measurement date of December 31, 2019.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Schedule of Employer Contributions

Year Ended December 31, 2020

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Municipal Employees Retirement System of Louisiana (System):					
2015	\$ 29,808	\$ 29,808	\$ -	\$ 213,734	13.9%
2016	\$ 27,520	\$ 27,520	\$ -	\$ 223,024	12.3%
2017	\$ 28,843	\$ 28,843	\$ -	\$ 232,296	12.4%
2018	\$ 26,337	\$ 26,337	\$ -	\$ 229,017	11.5%
2019	\$ 25,944	\$ 25,944	\$ -	\$ 239,957	10.8%
2020	\$ 33,874	\$ 33,874	\$ -	\$ 282,833	12.0%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

OTHER INFORMATION

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Schedule of Compensation, Benefits and Other Payments
To Chief Executive Officer

Year Ended December 31, 2020

Chief Executive Officer: Carl Granger, Board President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	600
Reimbursements	-
Travel	-
Registration fees	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing Unvouchered expenses	-
Special meals	-

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

August 2, 2021

Board of Commissioners
Cameron Parish Waterworks District No. 11
Grand Lake, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Cameron Parish Waterworks District No. 11, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Cameron Parish Waterworks District No. 11's basic financial statements, and have issued our report thereon dated August 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cameron Parish Waterworks District No. 11's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cameron Parish Waterworks District No. 11's internal control. Accordingly, we do not express an opinion on the effectiveness of Cameron Parish Waterworks District No. 11's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or, detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cameron Parish Waterworks District No. 11's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses.

The Cameron Parish Police Jury's Responses to Findings

The Cameron Parish Waterworks District No. 11's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Cameron Parish Waterworks District No. 11's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Thompson, Cassidy: Hillery

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Schedule of Findings and Responses

Year Ended December 31, 2020

1. Summary of Auditors' Results:

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weaknesses(es) identified? yes no
- Control deficiencies identified that are not considered to be material weakness(es)? yes none reported

Noncompliance material to financial statements noted?

yes no

2. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding 2020-001: Failure to Comply with Sinking Fund Requirements

Condition: The required sinking fund deposits were not make for September 2020 through December 2020 which resulted in the sinking fund for bonds payable being underfunded at December 31, 2020.

Criteria: Inadequate accounting procedures for sinking funds.

Effect: The Sinking Fund for the bonds payable was underfunded at December 31, 2020.

Cause: Administrative lack of oversight.

Recommendation: The Cameron Parish Waterworks District #11 should implement procedures to ensure the sinking fund is properly funded.

Corrective Action Planned/Management Response: The Cameron Parish Waterworks District No. 11 agrees with the finding and will implement the recommendations. The deposit requirement for the periods amounted to \$32,919.49 and was deposited on January 12, 2021.

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Findings

None