

**SOUTH VERNON PARISH  
WATERWORKS DISTRICT #1**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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May 23, 2023

INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
South Vernon Parish Waterworks District #1

**Report on the Audited Financial Statements**

**Opinions**

We have audited the accompanying financial statements of the business-type activities of the South Vernon Parish Waterworks District #1, a component unit of the Vernon Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 South Vernon Parish Waterworks District #1, as of December 31, 2022, and the respective changes in financial position and cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a



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## ***South Vernon Parish Waterworks District #1***

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guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 assurance.

### **Other Supplemental Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information listed below is presented for purposes of additional analysis and is not a required part of the District's financial statements.

- The Schedule of Per Diem Paid to Board Members



## ***South Vernon Parish Waterworks District #1***

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- The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 other supplemental information 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 a report dated February 8, 2023, on our consideration of the District'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 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 District's internal control over financial reporting and compliance.



ROZIER, MCKAY, AND WILLIS  
Certified Public Accountants

# **South Vernon Parish Waterworks District #1**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2022**

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This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended December 31, 2022.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. These financial statements report all revenues and expenses regardless of when cash is received or paid. Furthermore, the basic financial statements include all of the District's assets and all of the District's liabilities (including long-term debt).

### **FINANCIAL ANALYSIS OF THE DISTRICT**

This portion of management's discussion and analysis provides a comparative financial analysis.

#### **Balance Sheet**

A condensed version of the District's Balance Sheet is presented as follows:

	<b>For the Year Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b><u>Assets:</u></b>		
Cash	\$ 798,283	\$ 802,855
Receivables	157,682	145,844
Depreciable capital assets, net	2,859,087	2,904,993
<b>Total Assets</b>	<b>3,815,052</b>	<b>3,853,692</b>
<b><u>Liabilities:</u></b>		
Current and other liabilities	251,372	183,139
Long-term liabilities	1,690,087	1,835,529
<b>Total Liabilities</b>	<b>1,941,459</b>	<b>2,018,668</b>
<b><u>Net Position:</u></b>		
Restricted	----	----
Unrestricted	813,961	870,031
Invested in Capital Assets	1,059,632	964,993
<b>Total Net Position</b>	<b>\$ 1,873,593</b>	<b>\$ 1,835,024</b>

As the presentation appearing above demonstrates, the largest portion of net position is invested in capital assets net of related debt. These assets are used by the District to provide water to the citizens of the District.

The unrestricted portion of net position may be used to meet the District's ongoing obligations to citizens and creditors.

#### **Changes in Net Position**

A condensed version of the Statement of Revenues, Expenses, and Changes in Net Position is presented as follows:

# **South Vernon Parish Waterworks District #1**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2022**

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	For the Year Ended December 31,	
	2022	2021
<b>Revenues:</b>		
Program Revenue:		
Charges for Service	\$ 646,154	\$ 663,207
Operating Grants and Contributions	----	----
Capital Grants and Contributions	----	----
General Revenue	116,708	109,667
Total Revenue	762,862	772,874
Program Expenses:	724,293	789,093
Change in Net Position	38,569	(16,219)
Net Position Beginning	1,835,024	1,851,243
Net Position Ending	\$ 1,873,593	1,835,024

Net Position has increased by \$38,569. This increase is attributable to a decrease in overall expenses throughout the year.

### **CAPITAL ASSET ADMINISTRATION**

Capital asset administration is limited to current year depreciation on the District's assets. There were no capital asset acquisitions during the current year.

### **DEBT ADMINISTRATION**

The District issued new utility revenue bonds to refund existing debt in order to receive a lower interest rate.

### **FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS**

At the present time, no known issues are expected to have a significant impact on future operations.

# **SOUTH VERNON WATERWORKS DISTRICT #1**

## **Statement of Net Position**

**December 31, 2022**

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	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
<b><u>ASSETS</u></b>	
Current Assets:	
Cash and cash equivalents	\$ 798,283
Receivables (net)	<u>157,682</u>
Total current assets	<u>955,965</u>
Non Current Assets:	
Land	15,000
Depreciable capital assets, net	<u>2,844,087</u>
<b>Total assets</b>	<b><u><u>3,815,052</u></u></b>
<b><u>LIABILITIES</u></b>	
Current Liabilities:	
Accounts and other payables	61,688
Deposits due others	69,684
Liabilities payable from restricted assets	
Current portion of long term debt	<u>120,000</u>
Total Current Liabilities	<u>251,372</u>
Long-term debt due in more than one year	
Compensated Absences	10,632
Revenue Bonds	<u>1,679,455</u>
<b>Total liabilities</b>	<b><u>1,941,459</u></b>
<b><u>NET POSITION</u></b>	
Net Investment in Capital Assets	1,059,632
Unrestricted	<u>813,961</u>
<b>Total net position</b>	<b><u>1,873,593</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 3,815,052</u></b>

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

# **SOUTH VERNON WATERWORKS DISTRICT #1**

## **Statement of Revenues, Expenses and Changes in Fund Net Position**

### **Proprietary Funds**

**Year Ended December 31, 2022**

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
<b><u>Operating Revenues:</u></b>	
Charges for services pledged as security	\$ 601,422
Meter connections and other charges	44,732
<b>Total Operating Revenues</b>	<u>646,154</u>
<b><u>Operating Expenses:</u></b>	
Salaries	230,348
Payroll taxes and benefits	32,538
Utilities	41,503
Insurance	63,086
Office expense	55,548
Repairs, maintenance, and operations	85,146
Depreciation	160,391
Other Expenses	12,624
<b>Total Operating Expenses</b>	<u>681,184</u>
<b>Operating Income (Loss)</b>	<u>(35,030)</u>
<b><u>Nonoperating Revenues (Expenses):</u></b>	
Interest revenue	392
Ad Valorem taxes	98,047
Revenue sharing	11,330
Other Income	6,939
Interest expense	(43,109)
<b>Change in Net Position</b>	<u>38,569</u>
<b>Total net position - beginning</b>	<u>1,835,024</u>
<b>Total net position - ending</b>	<u><u>\$ 1,873,593</u></u>

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

# **SOUTH VERNON WATERWORKS DISTRICT #1**

## **Statement of Cash Flows**

### **Proprietary Funds**

**Year Ended December 31, 2022**

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
<b><u>Cash flow from operating activities:</u></b>	
Cash received from customers	\$ 640,729
Cash payments to suppliers of goods and services	(347,265)
Cash payments to employees for services	(230,245)
<b>Net cash provided (used) by operating activities</b>	<u>63,219</u>
<b><u>Cash flows from non-capital financing activities:</u></b>	
Ad Valorem taxes and revenue sharing received	109,377
<b>Net cash provided (used) by non-capital financing activities</b>	<u>109,377</u>
<b><u>Cash flows from capital and related financing activities:</u></b>	
Principal paid on debt instruments	(140,545)
Interest paid on debt instruments	(43,109)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(183,654)</u>
<b><u>Cash flows from investing activities:</u></b>	
Interest and other income	7,331
<b>Net cash provided (used) by investing activities</b>	<u>7,331</u>
<b>Net increase (decrease) in cash</b>	(3,727)
<b>Beginning cash balance</b>	802,010
<b>Ending cash balance</b>	798,283
<b>Restricted cash</b>	-
<b>Cash and cash equivalents</b>	<u>\$ 798,283</u>
<b><u>Reconciliation of operating income (loss) to net cash</u></b>	
Operating income (loss)	\$ (35,030)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	160,391
(Increase) decrease in accounts receivable	(11,838)
(Decrease) increase in operating accounts payable	(56,820)
(Decrease) increase in compensated absences	103
(Decrease) increase in customer deposits	6,413
<b>Net cash provided (used) by operating activities</b>	<u>\$ 63,219</u>

#### Supplemental Disclosure of Cash Flow Information:

During the year ended December 31, 2022, the District had no operating, investing, or financing activities that did not result in cash receipts or payments.

# **South Vernon Parish Waterworks District #1**

## **Notes to Financial Statements**

**December 31, 2022**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Organization and Basis of Presentation**

The South Vernon Parish Waterworks District #1 is a political subdivision of the Vernon Parish Police Jury. The District is governed by a board of commissioners, composed of seven members who serve with compensation and are appointed for terms of various years by the Vernon Parish Police Jury.

The following is a summary of the more significant accounting policies.

#### **Financial Reporting Entity**

Governmental Accounting Standards Board (GASB) established criteria for determining which component units should be considered part of a financial reporting entity. 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 criterion includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the reporting entity 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 reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
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.

Based on the previous criteria, the District is a component unit of the Vernon Parish Police Jury. The accompanying component unit financial statements present information only on the fund maintained by the District and do not present information on the Police Jury, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

#### **Basis of Presentation**

The District uses an enterprise fund for financial reporting purposes. Enterprise funds are proprietary funds used to account for business-like activities. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

#### **Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District's enterprise fund utilizes an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with their activities are reported. Proprietary fund equity is classified as net position.



# **South Vernon Parish Waterworks District #1**

## **Notes to Financial Statements**

**December 31, 2022**

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In addition, the District's enterprise fund utilizes the accrual basis of accounting. Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations.

### **Use of Estimates**

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

### **Cash and Cash Equivalents**

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposit is typically mitigated by purchasing instruments that mature in one year or less.

### **Statement Of Cash Flows**

For the purpose of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in banks, and certificates of deposit.

### **Restricted Assets**

Any amounts reported as restricted assets, represent resources that must be expended in a specific manner. Restrictions of this nature can be imposed by tax propositions and various contractual obligations including grant agreements and bond covenants. Whenever restricted assets can be used to satisfy an obligation, the restricted assets are typically consumed before utilizing any unrestricted resources.

### **Capital Assets**

Capital assets, which include property, equipment, and infrastructure, are reported as assets in the financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the District.

Capital assets are depreciated using the straight-line method and estimated useful lives ranging from 4 to 50 years. Useful lives are selected depending on the expected durability of the particular asset.

Real estate developers periodically contribute water distribution lines and related costs to the District by mutual agreement. Distribution system assets contributed to the District by these installers are capitalized at the installers' cost, which approximate fair value at the time of the District's acquisition, and recorded as capital contributions when received.

### **NOTE 2-CASH AND CASH EQUIVALENTS**

At December 31, 2022, the District has \$803,229 in deposits (collected bank balance). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$798,915 of pledged securities held by the custodial bank in the name of the fiscal agent bank. Even though the pledged securities are considered uncollateralized, State law

# **South Vernon Parish Waterworks District #1**

## **Notes to Financial Statements**

**December 31, 2022**

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imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

Deposits are stated at cost, which approximates market value. Under state law, these deposits 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.

### **NOTE 3 - AD VALOREM TAXES**

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Vernon Parish Sheriff's Office and remitted to the District the month subsequent to collection.

Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

For the year ended December 31, 2022, taxes of 10.1 mills totaling \$98,047 were levied and collected on property. This millage is for the general corporate purposes of the District and expires in 2030.

### **NOTE 4 - RECEIVABLES**

The receivables at December 31, 2022, are as follows:

Utility Customers	\$	47,560
<u>Due From Other Governmental Units</u>		
Ad Valorem Taxes		98,792
Revenue Sharing		11,330
<u>Total Due From Other Governments</u>		<u>110,122</u>
<u>Total</u>	\$	<u>157,682</u>

Management considers the amounts listed above to be fully collectible. Therefore, there is no allowance for doubtful accounts.

### **NOTE 5 - CAPITAL ASSETS**

Changes in business-type capital assets are presented as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b><u>Non Depreciable Capital Assets</u></b>				
Land	\$ 15,000	\$ ----	\$ ----	\$ 15,000
<b><u>Depreciable Capital Assets</u></b>				
Distribution System	5,290,296	50,985	----	5,341,281
Buildings	130,263	----	----	130,263
Vehicles	89,808	----	----	89,808
Furniture, Fixtures, and Equipment	204,439	63,500	----	267,939
Accumulated Depreciation	(2,824,813)	(160,391)	----	(2,985,204)
<u>Total Depreciable Capital Assets</u>	<u>2,889,993</u>	<u>(45,906)</u>	<u>----</u>	<u>2,844,087</u>
<u>Total Capital Assets</u>	<u>\$ 2,904,993</u>	<u>\$ (45,906)</u>	<u>\$ ----</u>	<u>\$ 2,859,087</u>

# **South Vernon Parish Waterworks District #1**

## **Notes to Financial Statements**

**December 31, 2022**

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Depreciation expense for the year ended December 31, 2022 is \$160,391.

### **NOTE 6 – LONG-TERM LIABILITIES**

Changes in the District’s long-term debt for the year ended December 31, 2022, are presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b><u>Business-Type Activities</u></b>				
Revenue Bonds	\$ 1,940,000	\$ ----	\$ 140,545	\$ 1,799,455
Compensated Absences	10,529	103	----	10,632
<b>Total</b>	<b>\$ 1,950,529</b>	<b>\$ 103</b>	<b>\$ 140,545</b>	<b>\$ 1,810,087</b>

### **Revenue Bonds**

The District has issued revenue bonds that are secured by and payable solely from a pledge of funds generated by a specific revenue source. Revenue bonds outstanding at December 31, 2022, are described as follows:

#### **Revenue Bonds**

\$1,799,455 Utility Revenue Bond Series 2022, bearing interest at a rate ranging from .99% to 3.00%, payable in annual installments of ranging from \$80,000 to \$125,000 with the final installment due in 2041.

	\$ 1,799,455
Portion due within one year	(120,000)
Portion due in more than one year	\$ 1,679,455

### **Maturity of Long-term Debt**

A schedule of maturities of long-term debt is presented as follows:

<u>Year Ended June 30<sup>th</sup></u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 125,000	\$ 37,613	\$ 162,613
2025	125,000	34,751	159,751
2026	130,000	31,831	161,831
2027	130,000	28,854	158,854
2028	135,000	25,820	160,820
2027-2031	675,000	81,925	756,925
2032-2036	359,455	13,339	372,794
Total Business-Type	<u>\$ 1,679,455</u>	<u>\$ 254,133</u>	<u>\$ 1,933,588</u>

Interest expense for the year ended December 31, 2022 totaled \$43,109.

### **NOTE 7- RISK MANAGEMENT**

The District is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

# **South Vernon Parish Waterworks District #1**

## ***Notes to Financial Statements*** ***December 31, 2022***

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### **NOTE 8 – RETIREMENT PLAN**

The District participates in a defined contribution plan for its employees. The employees may contribute the maximum contribution allowed by law and the District matches 3% of employee compensation. The employees are immediately invested in both their and the employer contributions.

### **NOTE 9 – ACCOUNTS PAYABLE**

The accounts payable to vendors at December 31, 2022 are \$61,688.

# **SOUTH VERNON WATERWORKS DISTRICT #1**

## ***Schedule of Compensation Paid to Board Members***

***Year Ended December 31, 2022***

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Steve Thomas	\$	780
Barbara Bartlett		660
Elaine Fontenot		780
Thomas Dixon		840
Chris Dellimage		660
Erik Churchman		<u>780</u>
Total Compensation	\$	<u>4,500</u>

# **SOUTH VERNON WATERWORKS DISTRICT #1**

***Schedule of Compensation, Benefits, and Other Payments to  
Agency Head or Chief Executive Officer  
Year Ended December 31, 2022***

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<u>Purpose</u>	Tom Dixon
Per Diem	\$ 840

**Louisiana Law requires reporting compensation, benefits, and reimbursements provided for the Agency Head or Chief Executive Officer. The President of the Board of Directors of the South Vernon Parish Waterworks District serves as the Agency Head. The compensation presented above is the per diem received by the President of the Board. The Board President did not receive any other benefits or reimbursements.**



May 23, 2023

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

Board of Commissioners  
South Vernon Parish Waterworks District No. 1

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activity of the South Vernon Parish Waterworks District No. 1 as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated May 23, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the South Vernon Parish Waterworks District’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 the South Vernon Parish Waterworks District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the South Vernon Parish Waterworks District’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 significant deficiencies, or material weaknesses. 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.



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**Compliance and Other matters**

As part of obtaining reasonable assurance about whether the South Vernon Parish Waterworks District'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and 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.



ROZIER, McKay, & Willis  
Certified Public Accountants

# **South Vernon Parish Waterworks District #1**

## ***Schedule of Findings***

***For the Year Ended December 31, 2022***

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### **PART I – SUMMARY OF AUDITORS’ RESULTS:**

- The Independent Auditor’s Report on the financial statements for the South Vernon Parish Waterworks District #1 as of December 31, 2022, and for the year then ended expressed an unmodified opinion.
- The results of the audit disclosed no instance of noncompliance that is considered to be material to the financial statements of the South Vernon Waterworks District #1.
- The audit disclosed no instance of a significant deficiency in internal control over financial reporting.

### **PART II – FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:**

- There are no matters to report

**South Vernon Parish Waterworks District #1**

**Managements Corrective Action Plan**

**For the Year Ended December 31, 2022**

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<b>SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
There were no findings of this nature reported.	Response – N/A.
<b>SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
There were no findings of this nature reported.	Response – N/A.
<b>SECTION III – MANAGEMENT LETTER</b>	
There were no findings of this nature reported.	Response – N/A.

# **South Vernon Parish Waterworks District #1**

## ***Schedule of Prior Year Findings***

***For the Year Ended December 31, 2022***

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<b>SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
There were no findings of this nature reported.	Response – N/A.
<b>SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
There were no findings of this nature reported.	Response – N/A.
<b>SECTION III – MANAGEMENT LETTER</b>	
There were no findings of this nature reported.	Response – N/A.

**APPENDIX A**  
**Statewide Agreed-Upon Procedures**



Independent Accountant's Report  
On Applying Agreed-Upon Procedures

To the South Vernon Parish Waterworks District No. 1 and  
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the South Vernon Parish Waterworks District (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period described above. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. 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.

We are required to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, 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 LLA as a public document.

Rozier, McKay & Willis  
Certified Public Accountants  
Alexandria, Louisiana  
May 23, 2023



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**South Vernon Parish Waterworks District #1**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
<p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none"> <li>• Budgeting</li> <li>• Purchasing</li> <li>• Disbursements</li> <li>• Receipts</li> <li>• Payroll/Personnel</li> <li>• Contracting</li> <li>• Credit Cards</li> <li>• Travel and expense reimbursements</li> <li>• Ethics</li> <li>• Debt Service</li> <li>• Disaster Recovery / Business Continuity</li> <li>• Sexual Harassment</li> </ul>	<p>Policies and procedures associated with the District's operations are not in written form, with the exception of certain personnel matters addressed in the District's Personnel Manual.</p>	<p><i>Despite the absence of written details, the District has established policies and procedures that are clearly understood by personnel responsible for execution. In addition, we will consider the need to formally adopt the procedures that are in place and performing as intended.</i></p>



**South Vernon Parish Waterworks District #1**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>2 Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:</p> <p>a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.</i></p>	<p>Board and committee minutes were reviewed for the fiscal period.</p> <p>The governing board met monthly with a quorum.</p> <p>Monthly financial statements are included as part of the Board's monthly meetings.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

**South Vernon Parish Waterworks District #1**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.</p>	<p>There were no deficient fund balances on the previous report.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.</p>	<p>There were no prior year findings.</p>	<p><i>The results did not include findings or criticisms.</i></p>

**South Vernon Parish Waterworks District #1**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Bank Reconciliations</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>3 Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and</p> <p>c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.</p>	<p>A listing was obtained and the month of August was randomly selected for testing.</p> <p>Bank reconciliations include an electronic log that is evidence that they were prepared within two months of the closing date.</p> <p>The Board Secretary periodically reviews bank reconciliations but the process is informal and no documentation is retained.</p> <p>No documentation was available to indicate that research was performed for outstanding items greater than 12 months.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>We will have a board member, who is not a signatory on any accounts, review each bank reconciliation monthly.</i></p> <p><i>Due to the modest nature of the outstanding amounts, no formal research has been conducted.</i></p>

**South Vernon Parish Waterworks District #1**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>4 Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).</p> <p>5 For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:</p> <p style="padding-left: 20px;">a) Employees that are responsible for cash collections do not share cash drawers/registers.</p>	<p>A list of deposit sites and collection locations has been furnished and management has represented that the list is complete.</p> <p>One cash drawer is maintained.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The size of the staff limits opportunities for segregation of duties. Risk is mitigated because substantially all collections are in the form of check or electronic.</i></p>

**South Vernon Parish Waterworks District #1**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.	There is little segregation among responsibilities for collecting, preparing deposits, reconciling cash and recording certain transactions.	<i>The size of the staff limits opportunities for segregation of duties. Risk is mitigated because substantially all collections are in the form of check or electronic.</i>
c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.	There is little segregation among responsibilities for collecting, preparing deposits, reconciling cash and recording certain transactions.	<i>The size of the staff limits opportunities for segregation of duties. Risk is mitigated because substantially all collections are in the form of check or electronic.</i>
d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.	There is little segregation among responsibilities for collecting, preparing deposits, reconciling cash and recording certain transactions.	<i>The size of the staff limits opportunities for segregation of duties. Risk is mitigated because substantially all collections are in the form of check or electronic.</i>
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	Coverage for employee theft with a loss limit is maintained.	<i>The results did not include findings or criticisms.</i>
7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day) . Alternately, the practitioner may use a source	May 2, 2022 and August 12, 2022 were selected.	<i>The results did not include findings or criticisms.</i>

# **South Vernon Parish Waterworks District #1**

## **Statewide Agreed-Upon Procedures**

### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Collections (excluding EFTs)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:</p> <p>a. Observe that receipts are sequentially pre-numbered.</p> <p>b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.</p> <p>c. Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).</p> <p>e. Trace the actual deposit per the bank statement to the general ledger.</p>	<p>This process utilizes receipts and accounts receivable records to determine that collections are complete.</p> <p>Information appearing on deposit slips is fully supported by documentation</p> <p>Deposit slips matched bank statements</p> <p>Deposits were made within a single business day.</p> <p>Deposits agreed with amounts reported on the general ledger.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

# **South Vernon Parish Waterworks District #1**

## **Statewide Agreed-Upon Procedures**

### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>8 Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).</p> <p>9 For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:</p> <p>a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.</p> <p>b) At least two employees are involved in processing and approving payments to vendors.</p> <p>c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.</p> <p>d) Either the employee/official responsible for signing checks mails the payment or gives</p>	<p>All disbursements occur at 197 Hwy 3226, Deridder, LA</p> <p>Requests for purchases, other than routine expenses, are approved by the Board.</p> <p>Payment checks are signed by the Board.</p> <p>Due to the limited size of the staff, it is not practical to limit access to components of the computerized accounting system.</p> <p>Due to the limited size of the staff, it is not practical to limit mailing duties to employees</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The size of the staff limits opportunities for segregation of duties. Risk is mitigated because substantially all checks require two signatures.</i></p> <p><i>The size of the staff limits opportunities for segregation of duties. Risk is mitigated because</i></p>



# **South Vernon Parish Waterworks District #1**

## **Statewide Agreed-Upon Procedures**

### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>the signed checks to an employee to mail who is not responsible for processing payments.</p> <p>10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:</p> <p>a. Observe that the disbursement matched the related original invoice/billing statement.</p> <p>b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.</p> <p>11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.</p>	<p>who do not have signing authority.</p> <p>Disbursements are supported by documentation.</p> <p>Transactions were reviewed and approved by the Board.</p> <p>Selected 5 non-payroll related electronic disbursements for the month of June 2022.</p>	<p><i>substantially all checks require two signatures.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The size of the staff limits opportunities for segregation of duties. Each non-payroll related electronic disbursement is for a routine monthly bill and is an automatic withdrawal. Each withdrawal agrees with a supporting invoice. There is no additional approval process.</i></p>

# **South Vernon Parish Waterworks District #1**

## **Statewide Agreed-Upon Procedures**

### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Credit Cards/Debit Cards/Fuel Cards/P-Cards</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>11 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.</p>	<p>The District has one debit card and a fuel card.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>12 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:</p> <p>a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.</p> <p>b. Observe that finance charges and late fees were not assessed on the selected statements.</p>	<p>The debit card statement was reviewed.</p> <p>There were no finance charges or late fees</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

**South Vernon Parish Waterworks District #1**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Credit Cards/Debit Cards/Fuel Cards/P-Cards</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
13 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	Documentation was available to support all debit card and fuel card purchases.	<i>The results did not include findings or criticisms.</i>

# **South Vernon Parish Waterworks District #1**

## **Statewide Agreed-Upon Procedures**

### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Travel and Expense Reimbursement</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>14 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (<a href="http://www.gsa.gov">www.gsa.gov</a>).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).</p> <p>d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>A list was compiled from general ledger detail provided from travel and related expense accounts.</p> <p>Payments were computed using established mileage rates.</p> <p>Not Applicable, as all items tested were based on established rates.</p> <p>Documentation was sufficient.</p> <p>The checks were signed by two people that were not receiving the reimbursement</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

**South Vernon Parish Waterworks District #1**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Contracts</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>15 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:</p> <p>a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.</p> <p>b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).</p> <p>c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.</p> <p>d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.</p>	<p>Substantially all of the expenses of the District are paid on an as needed basis. The District does not sign any long-term contracts.</p>	<p><i>The results did not include findings or criticisms.</i></p>

# **South Vernon Parish Waterworks District #1**

## **Statewide Agreed-Upon Procedures**

### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>16 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.</p>	<p>A listing and representations were provided.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>17 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:</p> <p>a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).</p> <p>b. Observe that supervisors approved the attendance and leave of the selected employees/officials.</p> <p>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>	<p>Daily attendance and leave were documented where applicable</p> <p>Supervisor approval was present where applicable.</p> <p>No leave was taken during the period selected.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>
<p>18 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination</p>	<p>There were no current year terminations.</p>	<p><i>The results did not include findings or criticisms.</i></p>

**South Vernon Parish Waterworks District #1**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.  19 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	Payroll taxes and retirement contributions were remitted timely. In addition, reporting forms were submitted as required.	<i>The results did not include findings or criticisms.</i>

# **South Vernon Parish Waterworks District #1**

## **Statewide Agreed-Upon Procedures**

### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Ethics</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>20 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:</p> <p>a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.</p> <p>b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.</p> <p>22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.</p>	<p>No evidence of ethic training or familiarity with the policy was available for any of the employees selected.</p> <p>No evidence of ethic training or familiarity with the policy was available for any of the employees selected.</p> <p>No evidence of an ethics designee was available.</p>	<p><i>Each of the employees has completed ethics training in an earlier year. In the future, we will take steps to ensure that each employee reviews the policy and completes training on an annual basis.</i></p> <p><i>Each of the employees has completed ethics training in an earlier year. In the future, we will take steps to ensure that each employee reviews the policy and completes training on an annual basis.</i></p> <p><i>We will work with our board members and appoint a designee.</i></p>



**South Vernon Parish Waterworks District #1**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Debt Service</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
21 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	No debt was issued during the current year.	<i>The results did not include findings or criticisms.</i>
22 Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.	All debt service payments were made timely. Also, the debt reserves are maintained as required by the debt covenants.	<i>The results did not include findings or criticisms.</i>

**South Vernon Parish Waterworks District #1**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Fraud Notice</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	No misappropriations were identified.	<i>The results did not include findings or criticisms.</i>
24 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	The notice was posted.	<i>The results did not include findings or criticisms.</i>

# **South Vernon Parish Waterworks District #1**

## **Statewide Agreed-Upon Procedures**

### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Information Technology Disaster Recovery /Business Continuity</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
25 Perform the following procedures, <b>verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."</b>	We performed the procedures and discussed the results with management.	N/A
a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.	We performed the procedures and discussed the results with management.	N/A
b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.	We performed the procedures and discussed the results with management.	N/A
c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.	We performed the procedures and discussed the results with management.	N/A

**South Vernon Parish Waterworks District #1**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Information Technology Disaster Recovery /Business Continuity</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
28 Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.	There were no current year terminations.	N/A

# **South Vernon Parish Waterworks District #1**

## **Statewide Agreed-Upon Procedures**

### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Sexual Harassment</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>26 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.</p>	<p>No evidence of sexual harassment training or familiarity with the policy was available for any of the employees selected.</p>	<p><i>In the future, we will take steps to ensure that each employee completes at least one hour of sexual harassment training during the calendar year.</i></p>
<p>27 Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).</p>	<p>Based on discussions with management no policy was posted.</p>	<p><i>In the future, we will take steps to ensure that the policy is posted for all employees.</i></p>
<p>28 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:</p> <ul style="list-style-type: none"> <li>a. Number and percentage of public servants in the agency who have completed the training requirements;</li> <li>b. Number of sexual harassment complaints received by the agency;</li> <li>c. Number of complaints which resulted in a finding that sexual harassment occurred;</li> <li>d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and</li> <li>e. Amount of time it took to resolve each complaint.</li> </ul>	<p>Based on discussions with management no report was available.</p>	<p><i>In the future, we will complete the necessary report within deadlines imposed by the statute.</i></p>