

WATER WORKS DISTRICT NO. 1 OF  
PARISH OF EVANGELINE, LOUISIANA  
PINE PRAIRIE, LOUISIANA  
FINANCIAL REPORT  
October 31, 2022 AND 2021



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INDEPENDENT AUDITOR'S REPORT

Board of Directors,  
Water Works District No. 1 of Evangeline Parish,  
State of Louisiana  
Pine Prairie, Louisiana

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the business-type activities of the Water Works District No. 1 of Evangeline Parish, Louisiana, a component unit of the Parish of Evangeline, State of Louisiana, as of and for the years ended October 31, 2022 and 2021, 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 the Water Works District No. 1 of Evangeline Parish, Louisiana, as of October 31, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the years 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 Water Works District No. 1 of Evangeline Parish, Louisiana 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 the 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 Water Works District No. 1 of Evangeline Parish, Louisiana'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 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 Water Works District No. 1 of Evangeline Parish, Louisiana'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 Water Works District No. 1 of Evangeline Parish, Louisiana'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***

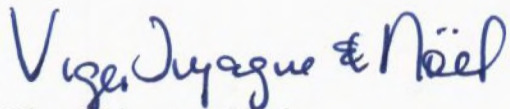
The Water Works District No. 1 of Evangeline Parish, Louisiana has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although 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. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Water Works District No. 1 of Evangeline Parish, Louisiana's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 schedule of compensation, benefits, and other payments to agency head, as listed in the table of contents, 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 February 9, 2023, on our consideration of the Water Works District No. 1 of Evangeline Parish, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Water Works District No. 1 of Evangeline Parish, Louisiana's 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 Water Works District No. 1 of Evangeline Parish, Louisiana's internal control over financial reporting and compliance.



Vige, Tujague & Noël

Eunice, Louisiana

February 9, 2023

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
STATEMENT OF NET POSITION  
OCTOBER 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
<u>Current Assets</u>		
Cash	\$ 385,413	\$ 325,674
Savings	2,837,380	2,620,440
Accounts Receivable	14,091	12,852
Advalorem Receivable	5,345	109,214
Prepaid Insurance	1,652	1,369
Accrued Interest Receivable	5,835	3,569
Total Current Assets	<u>3,249,716</u>	<u>3,073,118</u>
 <u>Restricted Assets</u>		
Cash	<u>48,775</u>	<u>48,909</u>
 <u>Property and Equipment</u>		
Land	25,000	25,000
Equipment	291,210	291,210
Building	89,147	89,147
Water Works System	<u>1,761,192</u>	<u>1,761,192</u>
	2,166,549	2,166,549
Less Accumulated Depreciation	<u>(1,004,567)</u>	<u>(961,772)</u>
Total Property and Equipment	<u>1,161,982</u>	<u>1,204,777</u>
 TOTAL ASSETS	 <u>\$ 4,460,473</u>	 <u>\$ 4,326,804</u>

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
STATEMENT OF NET POSITION  
OCTOBER 31, 2022 AND 2021

LIABILITIES AND NET POSITION

	<u>2022</u>	<u>2021</u>
<u>Current Liabilities</u>		
Accounts Payable	\$ 6,631	\$ 6,061
Accrued Expenses Payable	7,148	8,092
Salaries Payable	<u>2,070</u>	<u>-</u>
Total Current Liabilities	<u>15,849</u>	<u>14,153</u>
 <u>Current Liabilities Payable</u>		
<u>From Restricted Assets</u>		
Meter Deposits	<u>39,901</u>	<u>40,100</u>
Total Liabilities	<u>55,750</u>	<u>54,253</u>
 <u>Net Position</u>		
Investment in Capital Assets,		
Net of Related Debt	1,161,982	1,204,777
Restricted	48,775	48,909
Unrestricted	<u>3,193,966</u>	<u>3,018,865</u>
Total Net Position	<u>4,404,723</u>	<u>4,272,551</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 4,460,473</u>	 <u>\$ 4,326,804</u>



WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED OCTOBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>Operating Revenues</u>		
Customer Water Service	\$ 143,795	\$ 139,948
Connect and Disconnect Fee	4,930	2,525
Late Charges	3,281	2,922
Miscellaneous	<u>2,250</u>	<u>1,327</u>
 Total Operating Revenues	 <u>154,256</u>	 <u>146,722</u>
<u>Operating Expenses</u>		
Salaries and Wages	124,608	119,893
Depreciation	42,795	47,302
Repairs and Maintenance	99,701	23,586
Telephone and Utilities	32,810	29,135
Materials and Supplies	36,344	23,337
Contract Services	9,077	13,022
Payroll Tax Expense	11,180	10,805
Board Fees	9,260	8,820
Professional Fees	10,400	6,400
Insurance	20,551	19,044
Office Supplies	6,728	9,442
Postage	4,118	3,964
Retirement	3,200	3,200
Truck Expense	24,328	6,663
Miscellaneous	<u>15,596</u>	<u>5,697</u>
 Total Operating Expenses	 <u>450,696</u>	 <u>330,310</u>
 Income (Loss) from Operations	 <u>(296,440)</u>	 <u>(183,588)</u>
<u>Non Operating Revenues</u>		
State Revenue Sharing	3,911	3,867
Ad Valorem Tax	408,176	468,255
Interest Earned	<u>16,525</u>	<u>31,935</u>
 Total Non Operating Revenues	 <u>428,612</u>	 <u>504,057</u>
 Change in net position	 132,172	 320,469
 Net Position, Beginning	 <u>4,272,551</u>	 <u>3,952,082</u>
 Net Position, Ending	 <u>\$ 4,404,723</u>	 <u>\$ 4,272,551</u>



WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED OCTOBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers and users	\$ 254,154	\$ 158,589
Payments to suppliers for goods and services	(266,273)	(450,244)
Payments to employees for services	(139,932)	(132,358)
Other	(16)	1,110
Net cash provided (used) in operating activities	<u>(152,067)</u>	<u>(422,903)</u>
<b>Cash Flows From Noncapital Financial Activities:</b>		
Ad-valorem taxes	408,176	468,255
State revenue sharing	<u>3,911</u>	<u>3,867</u>
Net cash provided (used) in noncapital financing activities	<u>412,087</u>	<u>472,122</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	<u>-</u>	<u>(133,126)</u>
Net cash flows used by capital and related financing activities	<u>-</u>	<u>(133,126)</u>
<b>Cash Flows From Investing Activities:</b>		
Interest earned on operating funds	<u>16,525</u>	<u>31,935</u>
Net cash provided by investing activities	<u>16,525</u>	<u>31,935</u>
Net Increase (Decrease) in Cash and Cash Equivalents	276,545	(51,972)
Cash and cash equivalents at beginning of year	<u>2,995,023</u>	<u>3,046,995</u>
Cash and cash equivalents at end of year	<u><u>\$3,271,568</u></u>	<u><u>\$2,995,023</u></u>

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED OCTOBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (296,440)	\$ (183,588)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	42,795	47,302
(Increase) decrease in accounts receivable	102,630	11,375
(Increase) decrease in restricted assets	134	(718)
(Increase) decrease in prepaid expenses	(283)	-
Increase (decrease) in accounts payable	570	(301,134)
Increase (decrease) in accrued expenses	(944)	1,540
Increase (decrease) in restricted water meter deposits	<u>(333)</u>	<u>2,537</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (152,067)</u>	<u>\$ (422,686)</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheets:		
Cash – beginning of period		
Cash- unrestricted	\$ 325,674	\$ 1,071,923
Savings- unrestricted	2,620,440	1,926,881
Cash- restricted	<u>48,909</u>	<u>48,191</u>
Total cash - beginning of period	<u>\$ 2,995,023</u>	<u>\$ 3,046,995</u>
Cash – end of period		
Cash- unrestricted	385,413	325,674
Savings- unrestricted	2,837,380	2,620,440
Cash- restricted	<u>48,775</u>	<u>48,909</u>
Total cash - end of period	<u>3,271,568</u>	<u>2,995,023</u>
Net increase (decrease)	<u>\$ 276,545</u>	<u>\$ (51,972)</u>



WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2022 AND 2021

Introduction

The Water District is governed by eight commissioners who are resident property taxpayers of the district. These eight commissioners are collectively referred to as the board of commissioners and are appointed by the Evangeline Parish Police Jury and the City of Pine Prairie. Vacancies are filled by the bodies making the original appointments. The water district was created to provide water within the district. The water district is a component unit of the Evangeline Parish Police Jury. The system has approximately 820 customers and employs 5 people. It is economically dependent upon the district it serves.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Evangeline Parish Water District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

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

Governmental Accounting Standards Board Codification Section 2100 defines criteria for determining which component units should be considered part of the Evangeline 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. These criteria include:

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2022 AND 2021 (Continued)

B. REPORTING ENTITY (Continued)

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 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's 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 majority of the district's governing body, the district was determined to be a component unit of the Evangeline 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 governmental services provided by that governmental unit, or the other governmental units that compromise the financial reporting entity.

C. GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statements of Net Position display information on all of the non-fiduciary activities of Evangeline Parish Water District, as a whole. They include the proprietary fund of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in GWFS.

D. FUND ACCOUNTING

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



WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2022 AND 2021 (Continued)

E. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Proprietary fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net position. The Proprietary fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income, property taxes and interest income that are not a result of the direct operations of the activity. When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the District's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

F. CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Water Works District No. 1 of Parish of Evangeline, Louisiana are subject to the following risk:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

At October 31, 2022, the District had cash in bank in the amount of \$3,284,181 and insurance and security pledges of \$3,515,869. At October 31, 2021, the District had cash in bank in the amount of \$2,479,326 and insurance and security pledges of \$2,619,761.

G. PREPAID ITEMS

Payments made to insurance companies for insurance that will benefit future periods beyond October 31, 2022 and 2021, are recorded as prepaid insurance.



WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2022 AND 2021 (Continued)

H. RESTRICTED ASSETS

Customer Security Deposits are recorded as restricted assets and the accompanying liability as a payable from restricted assets.

I. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Depreciation expense totaled \$42,795 and \$47,302 for the years ended October 31, 2022 and 2021, respectively. The cost of maintenance and repairs is charged to operations as incurred. Major renewals, betterments, and additions are capitalized. Interest costs during construction periods are capitalized. When capital assets are retired or disposed of, the cost of the asset and accumulated depreciation is eliminated from the accounts and the resulting gain or loss from such disposition is credited or charged to income, except that the gain or loss on assets traded in for new equipment is applied as an adjustment to the cost of the asset acquired. The capitalization limit is \$500. The estimated useful lives of these assets are as follows:

Equipment	5-10 years
Building	15-31.5 years
Water Works System	40-50 years

J. COMPENSATED ABSENCES

Employees of the Water District are entitled to two weeks of vacation. Each full time employee is allocated 5 days of sick leave per year, accumulating up to 10 days, however all accrued sick leave is not a vested benefit and accordingly no liability has been recorded. Accrued vacation at October 31, 2022 and 2021 totaled \$4,439 and \$5,764 and is included in accrued expenses payable.

K. ALLOWANCE FOR DOUBTFUL ACCOUNTS

No allowance for doubtful accounts has been established because management believes all accounts receivable will be collected.

L. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the Enterprise Fund.

M. NET POSITION

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net positions are classified in the following three components:

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2022 AND 2021 (Continued)

M. NET POSITION (continued)

Invested in capital assets, net of related debt- This component of net position consists of 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 improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net positions that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The district’s policy is first to apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Note 2: RESTRICTED ASSETS

Restricted Assets consists of the following:

	<u>2022</u>	<u>2021</u>
Customer Deposits	<u>\$ 48,775</u>	<u>\$ 48,909</u>
Total Restricted Assets	<u><u>\$ 48,775</u></u>	<u><u>\$ 48,909</u></u>

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 district in September or October and are actually billed to the taxpayers in November or December. Billed taxes become delinquent on January 1, of the following year. The district bills and collects its property taxes using the assessed values determined by the tax assessor of Evangeline Parish. For the year ended October 31, 2022 and 2021, taxes of 12.81 mills were levied.



WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2022 AND 2021 (Continued)

Note 4: COMPENSATION OF BOARD OF COMMISSIONERS

The board members received the following per diem:

<u>Members</u>	<u>Meetings Attended</u>	<u>Total</u>
Johnny Johnson	11	\$ 1,100
Roderick Thibodeaux	12	1,200
Lloyd Fontenot	4	400
Alfred Oliver, President	12	1,740
R.L. Quam	9	900
Samuel T. Welch	2	320
Al B Ardoin	12	1,200
Joseph W. McMillan	7	700
Joseph W. Deville	6	600
Rita Drummond	11	1,100
		<u>\$ 9,260</u>

Note 5: CAPITAL ASSETS

The changes in capital assets for the year-end October 31, 2022 are as follows:

	<u>Balance 10/31/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 10/31/2022</u>
Non-Depreciable Assets:				
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Total Non-Depreciable Assets	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Depreciable Assets:				
Equipment	291,210	-	-	291,210
Building	89,147	-	-	89,147
Water Works System	1,761,192	-	-	1,761,192
Total Depreciable Assets	<u>2,141,549</u>	<u>-</u>	<u>-</u>	<u>2,141,549</u>
Total Capital Assets	<u>2,166,549</u>	<u>-</u>	<u>-</u>	<u>2,166,549</u>
Less Accumulated				
Depreciation				
Equipment	255,504	2,013	-	257,517
Building	59,753	1,291	-	61,044
Water Works System	646,515	39,491	-	686,006
Total Accumulated				
Depreciation	<u>961,772</u>	<u>42,795</u>	<u>-</u>	<u>1,004,567</u>
Total Capital Assets, Net	<u>\$ 1,204,777</u>	<u>\$ (42,795)</u>	<u>\$ -</u>	<u>\$ 1,161,982</u>

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2022 AND 2021 (Continued)

The changes in capital assets for the year-end October 31, 2022 are as follows:

	Balance 10/31/2020	Additions	Deletions	Balance 10/31/2021
Non-Depreciable Assets:				
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Construction in Progress	340,390	-	340,390	-
Total Non-Depreciable Assets	<u>365,390</u>	<u>-</u>	<u>340,390</u>	<u>25,000</u>
Depreciable Assets:				
Equipment	291,210	-	-	291,210
Building	89,147	-	-	89,147
Water Works System	1,287,676	473,516	-	1,761,192
Total Depreciable Assets	<u>1,668,033</u>	<u>473,516</u>	<u>-</u>	<u>2,141,549</u>
Total Capital Assets	<u>2,033,423</u>	<u>473,516</u>	<u>340,390</u>	<u>2,166,549</u>
Less Accumulated				
Depreciation				
Equipment	249,067	6,437	-	255,504
Building	58,462	1,291	-	59,753
Water Works System	606,941	39,574	-	646,515
Total Accumulated				
Depreciation	<u>914,470</u>	<u>47,302</u>	<u>-</u>	<u>961,772</u>
Total Capital Assets, Net	<u>\$1,118,953</u>	<u>\$ 426,214</u>	<u>\$ 340,390</u>	<u>\$1,204,777</u>

Note 6: LITIGATION AND CLAIMS

At October 31, 2022 and 2021, the district had no pending litigation expected to result in a financial liability to the District.

Note 7: CONCENTRATION OF RISK

The Water System serves customers in and around the Village of Pine Prairie, Louisiana.

Note 8: ESTIMATES

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

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2022 AND 2021 (Continued)

Note 9: EVALUATION OF SUBSEQUENT EVENTS

The Water System has evaluated subsequent events through February 9, 2023, the date which the financial statements were available to be issued for events requiring recording or disclosure in the organization's financial statements.



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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*

Water Works District No. 1  
of Evangeline Parish  
Pine Prairie, Louisiana 70576

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 activities of Water Works District No. 1 of Evangeline Parish, State of Louisiana, a component unit of the Parish of Evangeline, State of Louisiana, as of and for the years ended October 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise Water Works District No. 1 of Evangeline Parish, State of Louisiana's basic financial statements and have issued our report thereon dated February 9, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Water Works District No. 1 of Evangeline Parish, State of Louisiana'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 Water Works District No. 1 of Evangeline Parish, State of Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Water Works District No. 1 of Evangeline Parish, State of Louisiana'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 a 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as item 2022-001, that we consider to be significant deficiencies.

### **Report on Compliance and Other Matters**

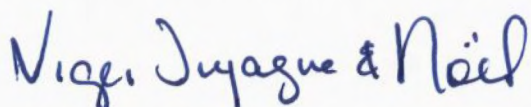
As part of obtaining reasonable assurance about whether Water Works District No. 1 of Evangeline Parish, State of Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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*.

### **Water Works District No. 1 of Evangeline Parish, State of Louisiana's Response to Findings**

Water Works District No. 1 of Evangeline Parish, State of Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Water Works District No. 1 of Evangeline Parish, State of Louisiana'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.



Vige, Tujague & Noël, CPA's  
February 9, 2023



WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED October 31, 2022

We have audited the financial statements of Water Works District No. 1 of Evangeline Parish as of and for the years ended October 31, 2022 and 2021, and have issued our report thereon dated February 9, 2023. We conducted our audit in accordance with United States generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of October 31, 2022 and 2021, resulted in an unmodified opinion.

Section I. Summary of Auditor's Reports

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

Internal Control

Material Weaknesses  Yes  No Significant Deficiencies  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

b. Federal Awards

None

Section II. Financial Statement Findings

#2022-001 - Segregation of Duties

Condition: The Water Works District No. 1 of Evangeline Parish did not have adequate segregation of functions within the accounting system.

Criteria: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU314.43 defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT501.03 states:

“An entity’s internal control over financial reporting includes those policies and procedures that pertain to an entity’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
YEAR ENDED October 31, 2022

Cause: The cause of the condition is the fact that the District does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

Effect: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

Recommendation: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response: It is not cost effective to achieve complete segregation of duties within the accounting function. No corrective action is considered necessary.

Section III. Federal Award Findings and Questioned Costs

This section is not applicable for the year ended October 31, 2022.

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED October 31, 2022

Section I. Internal Control and Compliance Material to the Financial Statements

#2021-001- Segregation of Duties

Condition: There is lack of segregation of duties in all areas of the financial cycle.

Recommendation: Water Works District No. 1 of Evangeline Parish is aware of this problem and we are in agreement with them that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment.

Status: This finding is repeated for the year ended October 31, 2022, and is described in #2022-001 in the schedule of findings and questioned costs; however, Water Works District No. 1 of Evangeline Parish has segregated as much as it can, based on available resources.

Section II. Internal Control and Compliance Material to Federal Awards

There were no audit findings related to any federal award program for the year ended October 31, 2021.



WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
YEAR ENDED October 31, 2022

Agency Head Name: Alfred Oliver  
Service Period: 10 months (Jan-Oct 2022)

<u>Purpose</u>	<u>Amount</u>
Board Per Diem	\$1,000
Expense Allowance	450

Agency Head Name: Todd Welch  
Service Period: 2 months (Nov-Dec 2021)

<u>Purpose</u>	<u>Amount</u>
Board Per Diem	\$200
Expense Allowance	120

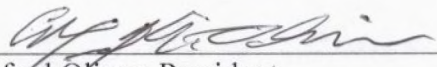
WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
October 31, 2022

#2022-001 - Segregation of Duties

Condition: The Water Works District No. 1 of Evangeline Parish did not have adequate segregation of functions within the accounting system.

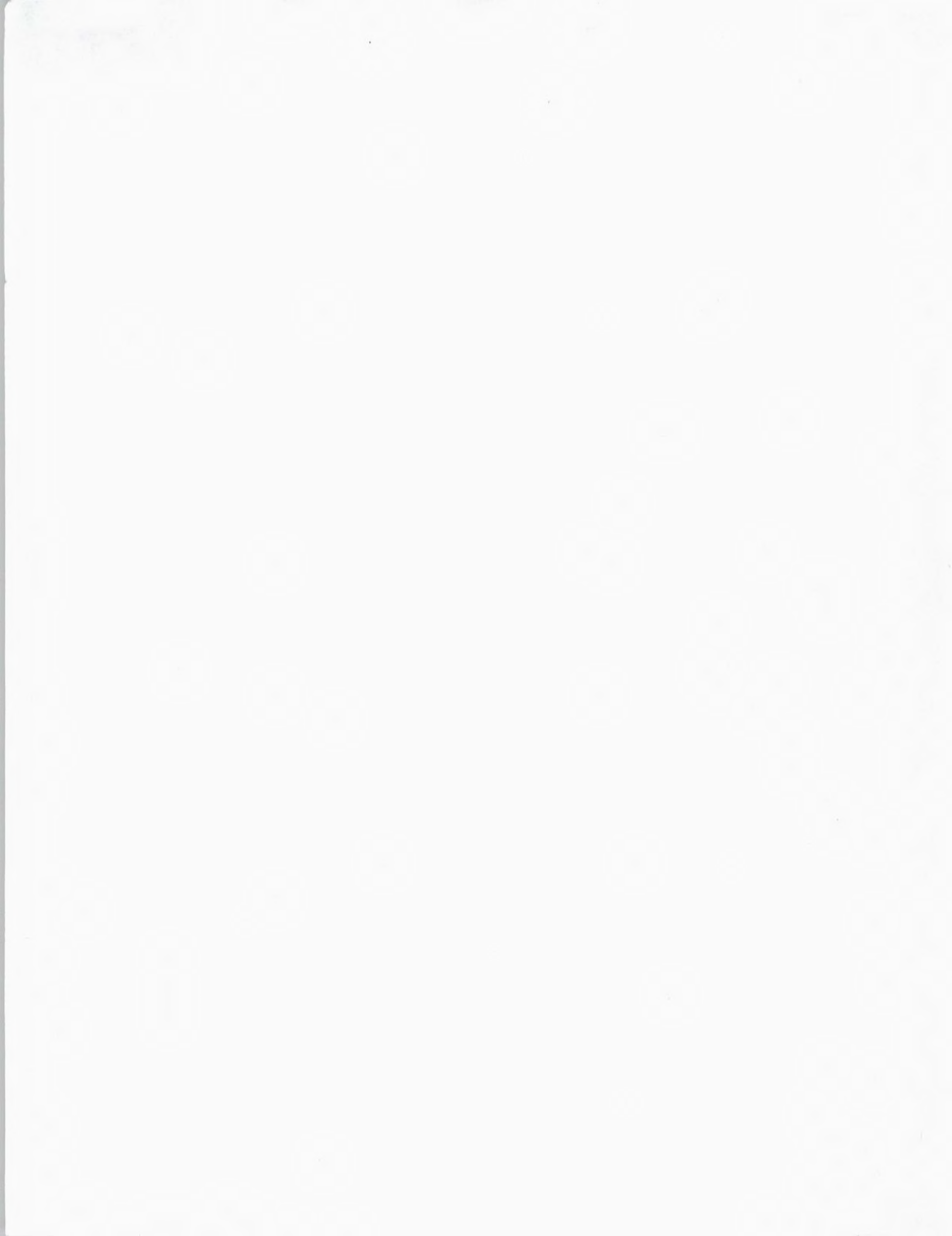
Recommendation: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response: It is not cost effective to achieve complete segregation of duties within the accounting function. No corrective action is considered necessary.

  
\_\_\_\_\_  
Alfred Oliver, President



WATER WORKS DISTRICT NO. 1 OF  
PARISH OF EVANGELINE, LOUISIANA  
STATEWIDE AGREED-UPON PROCEDURES REPORT  
YEAR ENDED OCTOBER 31, 2022





**VIGE, TUJAGUE <sup>AND</sup> NOEL**

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Management and Board of Commissioners of the Water Works District No. 1 of Parish of Evangeline, Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period November 1, 2021 through October 31, 2022. Water Works District No. 1 of Parish of Evangeline, Louisiana's management is responsible for those C/C areas identified in the SAUPs.

Water Works District No. 1 of Parish of Evangeline, Louisiana 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 November 1, 2021 through October 31, 2022. 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.

The procedures and associated findings are as follows:

*Written Policies and Procedures*

---

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.  
Written policies and procedures were obtained and do address the functions noted above.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase

orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and do address the functions noted above.

- c) **Disbursements**, including processing, reviewing, and approving.

Written policies and procedures were obtained and do address the functions noted above.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written policies and procedures were obtained and do address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Written policies and procedures were obtained and do address the functions noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Written policies and procedures were obtained and do address the functions noted above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Not applicable. The Water Works District does not have credit cards.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Written policies and procedures were obtained and do address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Written policies and procedures were obtained and do address the functions noted above.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Written policies and procedures were obtained and do address the functions noted above.



- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and do address the functions noted above.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The entity does not have policies and procedures relating to sexual harassment.

### ***Board (or Finance Committee, if applicable)***

---

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:

- 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.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes do not include quarterly budget-to-actual comparisons.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.

Obtained the prior year audit report and observed that the unassigned fund balance was a positive balance.

### ***Bank Reconciliations***

---

3. Obtain a listing of entity 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 each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date.

- 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

Bank reconciliations include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Bank reconciliations do not include evidence that management has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

#### ***Collections (excluding electronic funds transfers)***

---

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).

Obtained a listing of deposit sites from management and management provided representation that the listing is complete.

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:

- a) Employees responsible for cash collections do not share cash drawers/registers.

Employees responsible for cash collections do share a cash drawer. Collections are reconciled at the end of the day by both employees.

- 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.



The employees responsible for collecting cash are responsible for preparing/making bank deposits, due to the limited number of employees. Each employee reconciles collections to deposits and the President reviews banks statements and reconciliations.

- 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.

Employees responsible for collecting cash are responsible for posting collection entries to the general ledger or subsidiary ledger, due to the limited number of employees.

- 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/official verifies the reconciliation.

The clerk is responsible for collecting cash and reconciling cash collections to the general ledger. The President reviews bank statements and reconciliations.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Employees who have access to cash are covered by the bond or insurance policy for theft.

- 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 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:

- a) Observe that receipts are sequentially pre-numbered.

Observed that receipts are sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Traced receipts or collection documentation to the deposit slip with no exceptions.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Traced the deposit slip total to the actual deposit per the bank statement with no exceptions.

- d) Observe 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 and the cash is stored securely in a locked safe or drawer).

Observed that deposits were made within one business day of receipt at the collection location.



- e) Trace the actual deposit per the bank statement to the general ledger.

Traced the actual deposits per the bank statement to the general ledger noting no exceptions.

***Non-Payroll Disbursements – General (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

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).

Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.

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:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

- b) At least two employees are involved in processing and approving payments to vendors.

Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

- 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.

The clerk can add or modify vendor files. The President signs all checks and board members review all invoices.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The clerk signs checks and processes payments; however, all checks require two signatures.

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:



- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Observed that the disbursements matched the related original itemized invoice and the supporting documentation indicates deliverables included on the invoice were received.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Observed that the disbursement documentation included evidence of segregation of duties tested.

### Credit Cards/Debit Cards/Fuel Cards/P-Cards

---

This section is not applicable since the District does not have or use credit cards.

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.
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:
  - a) Observe whether 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
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 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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

### Travel and Travel-Related Expense Reimbursements (excluding card transactions)

---

This section is not applicable since the District did not have any travel or travel-related expense reimbursements in the current year.

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:
  - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe 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).
  - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### Contracts

---

This section is not applicable since the District did not have any contracts in effect in the current year.

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:
  - a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).



- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- 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 the invoice and related payment agreed to the terms and conditions of the contract.

### ***Payroll and Personnel***

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained a listing of employees and officials employed during the fiscal period, and management provided representation that the listing is complete. Randomly selected 5 employees and agreed paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Observed that all selected employees documented their daily attendance and leave.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Observed that supervisors approved the attendance and leave of the selected employees.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Observed that leave accrued and taken during the pay period is reflected in the cumulative leave records.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

One employee was underpaid for ten months, due to an error in the calculation of the annual raise.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in



management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Management provided representation that there were no employees or officials that received termination payments during the fiscal period.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Management provided representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

### *Ethics*

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

The five employees selected for testing did have documentation to demonstrate that the required ethics training was completed.

- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

There were no changes made to the entity's ethics policy during the fiscal year.

### *Debt Service*

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Management has asserted that the Entity did not have any debt issued during the fiscal year.

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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).



Not applicable. The District did not have any debt service during the current year.

### ***Fraud Notice***

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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.

Management has asserted that the Entity did not have any misappropriations of public funds or assets during the reporting period.

24. Observe 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.

Observed that the entity has posted on its premises, the required notice.

### ***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- 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 procedure and discussed the results with management.

- 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 procedure and discussed the results with management.



## ***Sexual Harassment***

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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.

The five employees selected for testing did not have documentation to demonstrate that the required sexual harassment training was complete.

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).

Observed that the entity has not posted its sexual harassment policy and complaint procedure on the entity’s premises. The entity is in the process of adopting a policy and will post it then.

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:

The entity did not prepare the annual sexual harassment report for the current fiscal period.

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

## ***Management’s Response***

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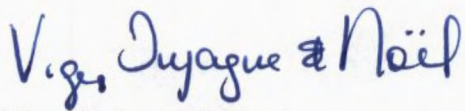
Management of the Water Works District No. 1 of Parish of Evangeline, Louisiana concurs with the exceptions and is working to address the deficiencies identified.

We were engaged by Water Works District No. 1 of Parish of Evangeline, Louisiana 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 Water Works District No. 1 of Parish of Evangeline, Louisiana 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.



Vige, Tujague & Noel  
Eunice, Louisiana  
February 9, 2023