

**WATERWORKS DISTRICT NO 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WTH SUPPLEMENTAL INFORMATION SCHEDULES**

YEAR ENDED JUNE 30, 2021

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

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WITH SUPPLEMENTAL INFORMATION SCHEDULES
YEAR ENDED JUNE 30, 2021**

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BASIC FINANCIAL STATEMENTS
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YEAR ENDED JUNE 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Waterworks District No. 7 of East Feliciana Parish
P O Box 8826
Clinton, LA 70722

I have audited the accompanying financial statements of the business-type activities of the Waterworks District No. 7 of East Feliciana Parish, a component unit of the East Feliciana Parish Policy Jury, as of and for the year ended June 30, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Waterworks District No. 7 of East Feliciana Parish, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

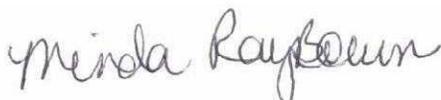
Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Waterworks District No. 7 of East Feliciana Parish's basic financial statements. The schedule of operating expenses, statement of revenues and expenses as a percentage of total operating revenues, schedule of insurance in force, statistical data-water sales, comparative data, schedule of subsequent budget, schedule of compensation paid to governing body and schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 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 my opinion, the other information listed herein are 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, I have also issued my report dated December 8, 2021, on my consideration of the Waterworks District No. 7 of East Feliciana Parish's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my 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 Waterworks District No. 7 of East Feliciana Parish's internal control over financial reporting and compliance.



Minda Raybourn, CPA

Franklinton, LA
December 8, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**WATEROWRKS DISTRICT NO. 7 OF EAST FELICAINA PARISH
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

The purpose of the Management's discussion and analysis (MD&A) is to introduce the basic financial statements and provide an analytical overview of the Waterworks District No. 7 of East Feliciana Parish's, hereinafter referred to as the District, financial activities. Since this information is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the financial statements beginning on page 13.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

This annual report consists of two components - (1) fund financial statements and (2) notes to the financial statements. There is also other supplementary information contained in this report provided for additional information.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one category of funds: proprietary funds.

Proprietary funds. The District maintains only one type of proprietary fund - enterprise fund. Enterprise funds are used to report the functions financed and operated in a manner similar to private business 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. The District uses an enterprise fund to account for its water services.

Financial statements of the District include the following:

Statement of Net Position. This statement presents information on all of the District's assets, deferred outflows of resources, liabilities and inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or not.

Statement of Revenues, Expenses and Changes in Net Position. This statement presents information showing how the District's net assets changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the District's financial reliance on general revenues.

Statement of Cash Flows. The change in cash as a result of current year operations is depicted in this statement. The cash flow statement includes a reconciliation of operating income (loss) to the net cash provided by or used for operating activities as required by GASB No. 34.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT

Net position decreased by \$8,843 or 1% of the prior year's net position.

Below is a comparison of the current and prior year's net position.

SUMMARY OF NET POSITION

	<u>2021</u>	<u>2020</u>
Assets		
Current assets	\$ 239,580	\$ 202,481
Restricted assets	273,501	269,809
Capital assets, net	<u>1,085,763</u>	<u>1,160,023</u>
Total Assets	<u><u>1,598,844</u></u>	<u><u>1,632,313</u></u>
Liabilities		
Current liabilities	95,614	91,649
Long-term liabilities	<u>270,203</u>	<u>298,794</u>
Total liabilities	<u><u>365,817</u></u>	<u><u>390,443</u></u>
Net Position		
Net investment in capital asset:	787,049	834,723
Restricted	273,501	316,729
Unrestricted	<u>172,478</u>	<u>90,418</u>
Net position	<u><u>\$ 1,233,027</u></u>	<u><u>\$ 1,241,870</u></u>

The largest portion of the District's net assets is in its investment in capital assets - \$787,049 and \$834,723 at June 30, 2021 and 2020, respectively, representing 64% of net position. Another 22% at June 30, 2021, is restricted for customer deposits and debt retirement. The amount at June 30, 2021 restricted for customer deposits and debt retirement was \$273,501 (22%) and at June 30, 2020 the amount was \$316,726 (26%). The remaining balance in net assets of \$172,478 (14%) and \$90,418 (7%) at June 30, 2021 and 2020, respectively, is available to pay current operating expenses.

**WATEROWRKS DISTRICT NO. 7 OF EAST FELICAINA PARISH
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Water revenues increased by \$41,928 or 11% over the prior year. Non-operating revenues increased due to the receipt of grant revenues for COVID 19 related expenses in the amount of \$5,767.

Expenses increased by \$23,510 or 6% over the prior year. The biggest increases in expenditures were attributed to the District providing employee health insurance and a increase in repair and maintenance.

A summary of changes in net position follows:

SUMMARY OF CHANGES IN NET POSITION

	<u>2021</u>	<u>2020</u>
Revenues		
Charges for services	\$ 416,205	\$ 374,277
Non-operating revenues	8,901	2,275
Total revenues	<u>425,106</u>	<u>376,552</u>
Expenses		
Operating	333,819	309,446
Depreciation/amortization	83,439	82,781
Non-operating	16,691	18,212
Total expenses	<u>433,949</u>	<u>410,439</u>
Change in net position	(8,843)	(33,887)
Net position, beginning	<u>1,241,870</u>	<u>1,275,757</u>
Net position, Ending	<u>\$ 1,233,027</u>	<u>\$ 1,241,870</u>

**WATEROWRKS DISTRICT NO. 7 OF EAST FELICAINA PARISH
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

BUDGETARY HIGHLIGHTS

The District's actual operating revenues were \$35,705 or 9% more than budgeted. Operating expenses were \$48,592 (10%) less than budgeted authority. Non-operating revenues and expenses were unfavorable in comparison to the adopted budget by \$32,190. Grant revenues were budgeted at \$40,000. The amount received was \$5,767. A budget to actual comparison is on page 30

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The District's capital assets, net of accumulated depreciation at June 30, 2021 and 2020, was \$1,082,668 and \$1,156,845 respectively. Additions during the current year totaled \$9,179. The District sold a truck for \$1,850 that was fully depreciated. Depreciation expense for the year totaled \$83,356.

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS

Net of Accumulated Depreciation

	2021	2020
Capital assets, Non-Depreciable		
Land	4,500	4,500
Construction in Progress	39,415	32,101
 Capital Assets, Depreciable		
Buildings	134,516	138,562
Distribution system	871,798	933,456
Furniture and equipment	16,666	21,224
Vehicles	15,773	27,002
Total capital assets, net	1,082,668	1,156,845

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**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

The District executed a 60 year land lease at \$5,000 for which it amortizes. Amortization to date totals \$1,905 leaving a net book value at June 30, 2021, of \$3,095. This amount is not included in the totals provided above.

Debt Administration: Long-term debt of the District includes revenue bonds. Total bonded debt outstanding at June 30, 2021 and 2020 was \$298,714 and \$325,300 respectively. The District paid \$26,586 towards its bonded debt during the current year as well as \$16,691 in related interest. Principal and interest payments are funded by general revenues.

A summary of the long-term portion of bonds outstanding is as follows:

OUTSTANDING BONDS

	2021	2020
Revenue bonds		
Series 1987 dated 7/8/87	83,810	99,662
Series 1991 dated 7/29/93	20,215	23,745
Series 2001 dated 8/3/01	194,689	201,893
Total	298,714	325,300

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting the Waterworks District No. 7 of East Feliciana Parish, P. O. Box 8826, Clinton, Louisiana 70722 or 225-683-9124.

BASIC FINANCIAL STATEMENTS

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2021**

ASSETS

Current Assets

Cash and cash equivalents	\$ 112,003
Investments	59,659
Accounts receivable, net	35,832
Unbilled receivables	9,152
Prepaid Expenses	22,935
Total Current Assets	239,580

RESTRICTED ASSETS

Restricted Cash	126,285
Restricted Investments	147,216
Total Restricted Assets	273,501

PROPERTY, PLANT, AND EQUIPMENT

Land	4,500
Construction in Progress	39,415
Land lease, net	3,095
Plant and equipment, net	1,038,753
Total Property, Plant, and Equipment	1,085,763

TOTAL ASSETS

1,598,844

DEFERRED OUTFLOWS OF RESOURCES

-

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

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2021**

LIABILITIES

Current Liabilities

Accounts payable	\$ 11,479
Payroll withholdings and related payables	896
Accrued salaries payable	7,277
Customer deposits	47,450
Bonds payable-current portion	28,511
Total Current Liabilities	95,614

Long-Term Liabilities

Bonds payable-revenue	270,203
Total Long-Term Liabilities	270,203

TOTAL LIABILITIES

365,817

DEFERRED INFLOWS OF RESOURCES

-

NET POSITION

Net investment in capital assets	787,049
Restricted for customer deposits	47,450
Restricted for debt service and contingencies	226,051
Unrestricted	172,478

TOTAL NET POSITION

1,233,027

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

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION
JUNE 30, 2021**

OPERATING REVENUES

Charges for services	
Water sales	\$ 384,484
Late fees	9,611
Safe water fees	11,287
Miscellaneous revenues	43
Connection fees	10,780
Total operating revenues	<u>416,205</u>

OPERATING EXPENSES

Administrative	36,407
Depreciation/amortization	83,439
Employee and related expenses	156,933
Occupancy	50,308
Personal services	90,171
Total operating expenses	<u>417,258</u>

OPERATING INCOME (1,053)

NON-OPERATING REVENUES (EXPENSES)

Grant proceeds	5,767
Gain on disposal of asset	1,850
Interest income	1,284
Interest expense	(16,691)
Net non-operating income (expense)	<u>(7,790)</u>

Change in net position (8,843)

Net position, beginning 1,241,870

Net position, ending \$ 1,233,027

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

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
STATEMENT OF CASH FLOWS
JUNE 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 401,318
Cash received for customer deposits	530
Other income	43
Cash paid to suppliers for goods/services	(161,175)
Cash paid to employees for services	(156,933)
Net cash provided by operating activities	<u>83,783</u>
 CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash received from grants	5,767
Cash received from other sources	-
Net cash provided by non-capital financng activities	<u>5,767</u>
 CASH FLOWS FROM CAPITAL AND RELATED FNANCING ACTIVITIES	
Acquisition of capital assets	(9,179)
Sale of capital assets	1,850
Interest paid on bonds	(16,691)
Principal paid on bond maturities	(26,586)
Net chased used for capital and related financing activities	<u>(50,606)</u>
 CASH FLOWS FROM INVESTNG ACTIVITIES	
Purchase of certificate of deposits	(43,422)
Interest received	1,284
Net cash used for Investing Activities	<u>(42,138)</u>
 Net Increase (Decrease) in cash and cash equivalents	 <u>(3,194)</u>
 Cash and Cash equivalents, beginning of year	 241,482
 Cash and Cash equivalents, ending of year	 <u>238,288</u>
 Unrestricted	 112,003
Restricted	126,285
Cash and cash equivalents, end of year	<u>238,288</u>

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

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
STATEMENT OF CASH FLOWS
JUNE 30, 2021**

RECONCILIATION OF OPERATING INCOME TO
NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ (1,053)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation/amortization	83,439
(Increase)/decrease in assets:	
Accounts receivable	(3,464)
Unbilled accounts receivable	2,772
Prepaid insurance	130
Increase/(decrease) in liabilities	
Accounts payable	630
Accrued salaries	781
Payroll tax withholdings	18
Customer Deposits	530
Net cash provided by operating activities	<u>83,783</u>

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

NOTES TO FINANCIAL STATEMENTS

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

INTRODUCTION

The Waterworks District No. 7 of East Feliciana Parish (hereinafter referred to as the District), located in Clinton, Louisiana, was created by the East Feliciana Parish Police Jury as allowed under Louisiana Revised Statute 33:7702. Its board members are appointed by the East Feliciana Parish Police Jury.

The District was created to provide water resources to the citizens of East Feliciana Parish residing within the boundaries of the District. It serves an average of 944 customers.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the District conforms to governmental accounting principles generally accepted in the United States of America. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the East Feliciana Parish Police Jury is the financial reporting entity for East Feliciana Parish. The District is considered a component unit of the East Feliciana Parish Police Jury because it appoints a voting majority of the District's governing body and its services are rendered within the Police Jury's boundaries. The accompanying financial statements present information only on the fund(s) maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

Fund Accounting: The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified under one category: proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Proprietary Funds - used to account for governmental activities that are similar to activities performed by commercial enterprises in that goods/services are provided for a fee. Proprietary funds of the District include the following fund types:

1. Enterprise -account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

Basis of accounting refers to when revenues and expenses are recognized and reported and relates to the time of the measurement, regardless of the measurement focus applied. The fund statements of the District are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred. In these statements, capital assets are reported and depreciated, and long-term debt is reported.

Operating/Non-Operating Revenues: Proprietary funds separately report operating and non operating revenues. Revenues from transactions of the District's water services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Budgets and Budgetary Accounting: The District adopts an annual budget prepared in accordance with the basis of accounting utilized by that fund. The governing body must approve any revisions that alter the total expenditures. Budget amounts lapse at year-end.

Cash and Cash Equivalents: Cash includes amounts in demand deposits. Cash equivalents include amounts in investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state of the United States or under the laws of the United States.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value, based on quoted market prices, with the corresponding increase or decrease reported in investment earnings.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Inventory: Inventory is recorded at cost. It includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Receivables: Trade receivables are recorded at management's estimate of the amount that is expected to be collected. This is based in part on historical information. Revenues become susceptible to accrual when they become both measurable and available.

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.

Capital Assets: The District's assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing assets. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows: vehicles - 5 years, furniture and equipment - 5 to 7 years and distribution system - 15 to 40 years. The District has a land lease that it is amortizing over a period of 60 years.

In June 1999, the GASB issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the basic financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the District elected not to report its governmental infrastructure retroactively. From that point forward, the District has used the basic approach to infrastructure reporting for its governmental activities when applicable.

Net Position: In the statement of net position, the difference between a government's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Position

Net position that is reserved by external sources, such as banks or by law, is reported separately as restricted net position. When assets are required to be retained in perpetuity, this non-expendable net position are recorded separately from expendable net position. These are components of restricted net position.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Unrestricted Net Position

This category represents net position not appropriable for expenditures or legally segregated for a specific future use.

NOTE 2-CASH AND CASH EQUIVALENTS

The cash and cash equivalents on hand (book balances) of the District are as follows:

Petty Cash	100
Interest-bearing demand deposits	112,003
Restricted:	
Interest-bearing demand deposits	<u>126,285</u>
Total	<u><u>238,388</u></u>

Deposits are stated at cost, which approximates market. Under state law, they 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.

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. 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 that the fiscal agent has failed to pay deposited funds upon demand.

With the adoption of GASB Statement No. 40, only deposits are considered exposed to custodial credit risk are required to be disclosed. The District has no deposits exposed to custodial credit risk.

NOTE 3-INVESTMENTS

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity or are held either by the counter party or the counter-party's trust department or agent not in the entity's name. Investments of the District are certificates of deposit held by the counter-party in the District's name. They are secured from risk by \$250,000 of federal deposit insurance.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

A summary of investments for which cost and fair value are the same are as follow:

Certificate of Deposit	Cost	Interest	
		Rate	Maturity
Feleiciana Bank & Trust	49,658	0.55%	9/12/2021
Feleiciana Bank & Trust	43,422	1.05%	9/28/2021
Landmark Bank	51,100	0.10%	10/1/2021
Landmark Bank	52,695	0.65%	10/26/2021
Feleiciana Bank & Trust	10,000	0.55%	5/2/2022
	<u>206,875</u>		

NOTE 4-RECEIVABLES

The net receivables at June 30, 2021 are as follows:

	Year Ended June 30, 2021
Current	\$ 36,192
31-60 Days	716
Over 61 Days	35,924
Subtotal	<u>72,832</u>
Less Allowance for Bad Debt	<u>(37,000)</u>
Accounts Receivables, net	<u>35,832</u>
Accrued Billings	<u>9,152</u>
Total Accounts Receivable	<u>\$ 44,984</u>

The District utilizes the allowance method for receivables estimated to not be collected. The current year receivables include \$35,924 in delinquent accounts that are more than 60 days old.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 - RESTRICTED ASSETS

Restricted assets consist of the following:

Restricted Assets	
Cash and Cash Equivalents	
Revenue Bonds	
Depreciation and Contingency Fund	78,835
Meter Deposits	47,450
Total	126,285
Investments	
Restricted for Repairs	52,694
Restricted for Reserve Requirements	43,422
Restricted for Debt Payments	51,100
Total	147,216

The Revenue Bond Resolution, Section 8, originally adopted on September 5, 1985, provides for all income and revenue derived from the operation of the District to be pledged for the security and payment of Series A and Series 2001 Water Revenue Bonds. The first priority is the payment of reasonable and necessary costs of operating and maintaining the water distribution system.

Secondly, the District is required to maintain a Waterworks System Revenue Bond Reserve Fund (hereinafter referred to as the Reserve Fund) and a Depreciation and Contingency Fund (hereinafter referred to as the Depreciation Fund). The Reserve Fund, established when the system became revenue producing, includes monthly deposits of \$181 continuing until such time that the fund has accumulated a sum equal to \$43,275.90. These funds are restricted to the payment of principal and interest of all bonds payable to avoid default. The balance at June 30, 2021, is \$43,422 and was fully funded.

The Depreciation Fund, established at the same time, includes monthly deposits of \$185 continuing until all bonds have been paid in full. These funds are restricted to unusual or extraordinary maintenance, repairs, replacements or extensions as well as the costs of improvements which will either enhance the system's revenue-producing capacity or provide a higher degree of service. In the event that the funds available in the Reserve Fund are insufficient to cover principal and interest payments, the necessary balance may be transferred from this Fund. The balance at June 30, 2021, is \$78,835 and was fully funded.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

The board has restricted a certificate of deposit restricted for future repairs in the amount of \$52,694. The investment will mature October 26, 2021. The board has also restricted a certificate of deposit for debt payments in the amount of \$51,100. The investment will mature October 1, 2021.

Resources to be used for customer deposits are set aside in restricted cash in the amount of \$47,450.

NOTE 6-CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, Non-Depreciable				
Land	4,500	-	-	4,500
Construction in Progress	32,101	7,314	-	39,415
Capital Assets Depreciable				
Buildings	157,838		-	157,838
Distribution system	2,308,169	-	-	2,308,169
Furniture and equipment	102,800	1,865	-	104,665
Vehicles	74,729	-	(15,748)	58,981
Total capital assets, depreciable	2,643,536	1,865	(15,748)	2,629,653
Less accumulated depreciation				
Buildings	19,276	4,046	-	23,322
Distribution system	1,374,713	61,658	-	1,436,371
Furniture and equipment	81,576	6,423	-	87,999
Vehicles	47,727	11,229	(15,748)	43,208
Total accumulated depreciation	1,523,292	83,356	(15,748)	1,590,900
Total capital assets, depreciable, net	1,120,244	(81,491)	-	1,038,753
Total capital assets, net	1,156,845	(74,177)	-	1,082,668

The District's capital assets, net of accumulated depreciation at June 30, 2021 and 2020, was \$1,082,668 and \$1,156,845 respectively. Additions during the current year totaled \$9,179. The District sold a truck for \$1,850 that was fully depreciated. Depreciation expense for the year totaled \$83,356.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7-ACCOUNTS AND OTHER PAYABLES

The payables at June 30, 2021 are as follows:

Accounts payable	11,479
Payroll withholdings and related payables	896
Accrued salaries payable	7,277
Customer deposits	47,450
Bonds payable-current portion	28,511
Total	95,614

NOTE 8-LONG TERM LIABILITIES

Revenue Bonds. The District is currently making payment on three different issues as follows:

Series 1987 issued in the amount of \$305,600, dated July 8, 1987, due in annual installments of \$21,863 including interest at 6.5% beginning 7/8/1990 for a period of 40 years.

Series 1991 issued in the amount of \$74,800, dated July 29, 1993, due in monthly installments of \$397.94 including interest at 5.625% beginning 8/8/1995 for a period of 38 years.

Series 2001 issued in the amount of \$295,000, dated August 3, 2001, due in monthly installments of \$1,386.50 including interest at 4.75% beginning 9/3/2002 for a period of 40 years.

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

	Beginnng Balance	Addition	Reductions	Ending Balance	Due Within One Year
Revenue bonds	325,300	-	(26,586)	298,714	28,511

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

The annual debt service requirements to maturity for bonded debt are as follows:

Year Ending	Principal	Interest	Total
2022	28,511	15,153	43,665
2023	29,584	13,284	42,868
2024	31,726	11,881	43,607
2025	33,659	9,588	43,247
2026	22,117	7,760	29,878
2027-2031	52,747	30,005	82,753
2032-2036	66,856	13,082	79,938
2037-2040	33,513	1,779	35,292
Total	298,714	102,533	401,246

NOTE 9-LEASES

Operating Leases. The District entered into a 60 year lease for land commencing on August 3, 1999 and terminating August 2, 2058. It prepaid the entire lease of \$5,000 at the time the lease was executed and is being amortized at an amount of \$83 per year. Accumulated amortization at June 30, 2021, was \$ 1905 providing for a land lease value of 3,095.

Capital Leases. The District has no capital leases.

NOTE 10- RETIREMENT PLAN

The District does not provide a retirement plan for its employees other than social security in which it matches the 6.2% of gross salaries paid in by the employee.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

The District does not provide post-employment benefits.

NOTE 12-COMMITMENTS AND CONTIGENCIES

On October 25, 2018 the District adopted a resolution state the District's intention to issue water revenue bonds in the amount not to exceed \$1,384,000 for the purpose of acquiring, construction of improvements, and extension of the water distribution system. As of June 30, 2021, the District

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

has not issued the water revenue bonds nor has the project been brought before the Louisiana State Bond Commission. However, the District is still actively pursuing the project.

NOTE 13-RELATED PARTY TRANSACTIONS

The District obtains water under the terms of a local service agreement with the East Feliciana Parish Policy Jury, of which it is a component unit. The water utilized by the District is obtained from a well constructed by the EFP Policy Jury on property owned by the District. The service agreement provides for a 50 year lease of the well that began when the well was first placed into service.

In exchange, the District agreed to issue revenue bonds to place into operation a waterworks utility system for which it was granted a franchise by the EFP Police Jury. Both parties agreed that no action would be taken by either party that would impair the security for or the payment of the revenue bonds.

The District has the option of purchasing the water well from the EFP Policy Jury at any time by paying a sum equal to the original cost of the well less depreciation as may be certified by the District's consulting engineer. The cost was \$155,000, funded by proceeds from a grant through U.S. Housing and Urban Development.

NOTE 14 - LITIGATION AND CLAIMS

There is no litigation that would require disclosure in the accompanying financial statements.

NOTE 15- SUBSEQUENT EVENTS

There are no transactions or events between the close of the year through December 8, 2021, the date on which the financial statements were available to be issued, that would materially impact these basic financial statements.

SUPPLEMENTARY INFORMATION

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2021**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
OPERATING REVENUES				
Charges for services				
Water sales	430,000	350,000	384,484	34,484
Late fees	8,000	9,000	9,611	611
Safe water fees	11,000	11,000	11,287	287
Miscellaneous revenues	1,500	500	43	(457)
Connection fees	6,000	10,000	10,780	780
Total operating revenues	<u>456,500</u>	<u>380,500</u>	<u>416,205</u>	<u>35,705</u>
OPEARTNG EXPENSES				
Administrative	38,800	49,450	36,407	(13,043)
Depreciation/amortization	85,000	90,000	83,439	(6,561)
Employee and related expenses	139,500	168,400	156,933	(11,467)
Occupancy	56,000	58,500	50,308	(8,192)
Personal services	97,000	99,500	90,171	(9,329)
Total operating expenses	<u>416,300</u>	<u>465,850</u>	<u>417,258</u>	<u>(48,592)</u>
OPERATING INCOME	40,200	(85,350)	(1,053)	84,297
NON-OPERATNG REVENUES (EXPENSES)				
Grant proceeds	-	40,000	5,767	(34,233)
Gain on sales of asset	-	1,900	1,850	(50)
Interest income	3,000	1,500	1,284	(216)
Interest expense	(22,000)	(19,000)	(16,691)	2,309
Net non-operating ncome (expense)	<u>(19,000)</u>	<u>24,400</u>	<u>(7,790)</u>	<u>(32,190)</u>
Change in net position	<u>21,200</u>	<u>(60,950)</u>	<u>(8,843)</u>	<u>52,107</u>
Net position, beginning	1,241,870	1,241,870	1,241,870	-
Net position, ending	<u>1,263,070</u>	<u>1,180,920</u>	<u>1,233,027</u>	<u>52,107</u>

See independent auditor's report.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**SCHEDULE OF OPERATING EXPENSES
JUNE 30, 2021**

ADMINISTRATIVE

Advertising	697
Board expense	8,160
Dues and subscriptions	2,996
Office supplies	3,990
Postage	4,284
Bank charges	645
Miscellaneous	1,033
Website	661
Professional fees	13,941
Total administrative	<u>36,407</u>

DEPRECIATION/AMORTIZATION

83,439

EMPLOYEE AND RELATED EXPENSES

Salaries	121,044
Clerical assistance	5,257
Payroll taxes	9,228
Employee health insurance	20,052
Seminars/workshops	1,352
Total employee and related expenses	<u>156,933</u>

OCCUPANCY

Insurance	21,755
Office rent	-
Telephone	4,235
Utilities	24,318
Total occupancy	<u>50,308</u>

PERSONAL SERVICES

Bad Debts	200
Repairs/maintenance	40,980
Safe drinking water fees	10,753
Vehicle operations	17,282
Supplies	20,956
Total personal services	<u>90,171</u>

TOTAL OPERATING EXPENSES

417,258

See independent auditor's report.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**STATEMENT OF REVENUES AND EXPENSES AS A PERCENTAGE OF
TOTAL OPERATING REVENUES
JUNE 30, 2021**

OPERATING REVENUES	\$	%
Charges for services		
Water sales	384,484	92.38%
Late fees	9,611	2.31%
Safe water fees	11,287	2.71%
Miscellaneous revenues	43	0.01%
Connection fees	10,780	2.59%
Total operating revenues	416,205	100.00%
 OPERATING EXPENSES		
Administrative	36,407	8.75%
Depreciation/amortization	83,439	20.05%
Employee and related expenses	156,933	37.71%
Occupancy	50,308	12.09%
Personal services	90,171	21.67%
Total operating expenses	417,258	100.25%
 OPERATING INCOME	(1,053)	-0.25%
 NON-OPERATING REVENUES (EXPENSES)		
Grant proceeds	5,767	1.39%
Gain on disposal of asset	1,850	0.44%
Interest income	1,284	0.31%
Interest expense	(16,691)	-4.01%
Net non-operating income (expense)	(7,790)	-1.87%
 CHANGE IN NET POSITION	(8,843)	-2.12%

See independent auditor's report.

**WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH
SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2021**

<u>POLICY NUMBER</u>	<u>EXPIRATION DATE</u>	<u>COMPANY AND COVERAGE</u>	<u>AMOUNT</u>
PPK2276127	5/17/21	Tokio Marine Speciality Insurance Company	
	5/18/22	Bodily injury/property damage-aggregate	\$3,000,000
		Bodily injury/property damage per occurrence	\$1,000,000
		Personal injury & Adv. Injury-aggregate	\$3,000,000
		Personal injury & Adv. Injury-per occurrence	\$1,000,000
		Employee Benefits Liability-aggregate	\$3,000,000
		Employee Benefits Liability-per occurrence	\$1,000,000
		Damage to Rented Premises	\$500,000
PPK2276127	5/17/21	Tokio Marine Speciality Insurance Company	
	5/18/22	Auto Coverage Liability	\$1,000,000
		Uninsured Motorists	\$500,000
		Comprehensive Deductible	\$500
		Collison Deductible	\$500
PPK2276127	5/17/21	Tokio Marine Speciality Insurance Company	
	5/18/22	Real and Personal Property	
		Limit of insurance per occurrence	\$100,000
		Deductible property per occurrence	\$1,000
		Deductible inland marine per occurrence	\$500
22983-S	5/5/21	Louisiana Worker's Compensation Corp.	
	5/6/22	Worker's Compensation	Statutory
68686855	2/18/21	CNA Surety Company	
	2/18/22	Fidelity Bond	\$88,600
105651588	7/14/20	Travelers	
	7/14/21	Director's and Officer's Liability	\$1,000,000
		Employment Practices Liability	\$1,000,000

See independent auditor's report.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
COMPARATIVE DATA
June 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>SUMMARY OF STATEMENT OF REVENUES</u>							
Operating revenues	416,205	374,227	376,584	408,356	372,954	\$362,303	\$364,546
Operating expenses	417,258	392,227	370,511	353,679	340,973	319,100	320,199
Operating Income (Loss)	(1,053)	(18,000)	6,073	54,677	31,981	43,203	44,347
Non-operating revenues	8,901	2,275	108,159	1,747	54,852	71,016	3,504
Non-operating expenses	(16,691)	(18,212)	(19,645)	(20,995)	(22,266)	(23,464)	(24,592)
Net Income (Loss)	(8,843)	(33,937)	94,587	35,429	64,567	90,756	23,259

OTHER DATA

Capital assets, net	1,085,763	1,160,023	1,202,248	1,154,816	1,176,088	1,107,249	995,512
Net working capital	417,467	380,641	398,860	376,770	343,563	286,299	333,683
Total assets	1,598,844	1,632,312	1,683,418	1,628,772	1,604,267	1,560,430	1,488,718
Long-term liabilities	270,203	298,794	325,299	350,364	373,858	442,778	463,740
Total equity	1,233,027	1,241,870	1,275,809	1,181,222	1,145,793	1,081,227	990,470
Average no. of customers	944	938	938	945	936	926	923
Total cubic feet of water sold (MCF)	59,352.1	55,042.5	56,476.9	65,168.8	54,886.0	57,024.9	54,088.7
No. of residential customers	919	905	908	912	907	904	906
No. of commercial customers	31	31	30	32	36	29	19
No. of commercial customers with 3/4" meter	-	-	-	-	-	-	-

See Independent Auditor's Report

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**SCHEDULE OF SUBSEQUENT BUDGET
JUNE 30, 2022**

OPERATING REVENUES

Charges for services	
Water sales	400,000
Late fees	9,500
Safe water fees	11,500
Miscellaneous revenues	500
Connection fees	10,000
Total operating revenues	<u>431,500</u>

OPERATING EXPESNES

Administrative	50,300
Depreciation/amortization	95,000
Employee and related expenses	173,500
Occupancy	59,700
Personal services	101,000
Total operating expenses	<u>479,500</u>

OPERATING INCOME (48,000)

NON-OPERATNG REVENUES (EXPENSES)

Grant proceeds	40,000
Gain on sale of equipment	1,000
Interest income	1,500
Bad debt expense	(5,000)
Interest expense	(19,000)
Net non-operatng ncome (expense)	<u>18,500</u>

Change in net position (29,500)

Net position, beginning 1,233,027

Net position, ending 1,203,527

See independent auditor's report.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**SCHEDULE OF COMPENSATION PAID TO GOVERNING BODY
JUNE 30, 2021**

Brown, Samuel (President) 11332 Dan Delee Rd. Norwood, LA 70761 (225) 683-5032	\$ 1,680
Bryant, Louise Spurlock PO Box 1671 Clinton, LA 70722 (225) 683-8664	1,680
Granier, Jr., Larry (Vice-President) 12912 Graner Ln. Clinton, LA 70722 (225) 683-5030	1,680
Tony Rouchon Clinton, LA 70722	1,560
Randall, Eunice Clinton, LA 70722	1,560
Total	\$ 8,160

See independent auditor's report.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
JUNE 30, 2021**

Agency Head: James Jenkins, Maintenance Supervisor

Salary	51,048
FICA	3,905
Health Insurance	<u>11,302</u>
Total	<u>66,255</u>

See independent auditor's report.

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402
wrcpa@huntbrothers.com

Member
AICPA

Member
LCPA

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*

To the Board of Directors
Waterworks District No. 7 of East Feliciana Parish
P O Box 8826
Clinton, LA 70722

I 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 the Waterworks District No. 7 of East Feliciana Parish, a component unit of the East Feliciana Parish Policy Jury, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Waterworks District No. 7 of East Feliciana Parish's basic financial statements and have issued our report thereon dated December 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, I considered the Waterworks District No. 7 of East Feliciana Parish'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 Waterworks District No. 7 of East Feliciana Parish's internal control. Accordingly, I do not express an opinion on the effectiveness of the Waterworks District No. 7 of East Feliciana Parish'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.

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

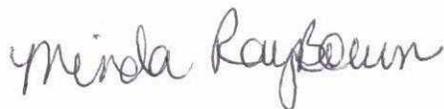
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Waterworks District No. 7 of East Feliciana Parish's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 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.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor, and federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Minda Raybourn CPA

Franklinton, LA
December 8, 2021

**WATERWORKS DISTRICT NO 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2021**

I have audited the basic financial statements of the Waterworks District No. 7 of East Feliciana Parish as of and for the year ended June 30, 2021, and have issued my report thereon dated December 8, 2021. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2021, resulted in an unmodified opinion.

Section I Summary of Auditor’s Reports

Report on Compliance and Internal Control Material to the Financial Statements

A. Internal Control

- Material Weaknesses ___ Yes X No
- Significant Deficiencies ___ Yes X No
- Compliance Material to Statements ___ Yes X No

B. Federal Awards

N/A

Section II Financial Statement Findings

N/A

Section III Federal Award Findings and Questioned Costs

N/A

Section IV Management Letter

N/A