

CADEVILLE WATER DISTRICT

*Component Unit Financial Statements
For the Year Ended December 31, 2020*

CADEVILLE WATER DISTRICT
 (A Component Unit of Ouachita Parish Police Jury)
FOR THE YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Cadeville Water District
West Monroe, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities of Cadeville Water District, a component unit of the Ouachita Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 of 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.

To the Board of Commissioners
Cadeville Water District
West Monroe, Louisiana

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Cadeville Water District, as of December 31, 2020, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 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 the 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 assurances.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cadeville Water District's basic financial statements. The introductory section and the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer is the responsibility of management and was derived directly from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the introductory section and the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer are fairly stated in all material respects in relation to the 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 April 14, 2021 on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of 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 *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.

David M. Smith, CPA (APAC)

West Monroe, Louisiana
April 14, 2021

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

**CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the Cadeville Water District (the District) financial statements provides an overview of its activities for the year ended December 31, 2020. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, provide information about the activities of the District as a whole.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) measure the District's financial position. Increases or decreases in the District's net position are an indicator of whether its financial position is improving or not.

The District as a Whole

For the years ended December 31, 2020 and 2019, net position changed as follows:

	2020	2019
Beginning net position	\$ 2,653,234	\$ 2,467,838
Increase in net position	176,606	185,396
Ending net position	\$ 2,829,840	\$ 2,653,234

The District's Funds

The following schedule presents a summary of revenues and expenses for the years ended December 31, 2020 and 2019:

Revenues	2020	Percent of Total	2019	Percent of Total
Charges for Services	\$ 757,015	100%	\$ 704,419	100%
Other Fees and Interest	266	-%	383	-%
Total Revenues	\$ 757,281		\$ 704,802	

Expenditures	2020	Percent of Total	2019	Percent of Total
Operating Expenditures	\$ 580,675	100%	\$ 519,406	100%

CAPITAL ASSET AND DEBT ADMINISTRATION

At December 31, 2020, the District had \$4,715,563 invested in capital assets (\$2,610,025 net of accumulated depreciation) including land, water lines, and office equipment.

Assets	December 31, 2019	Additions	Disposals	December 31, 2020
Land	\$ 46,704	-	-	\$ 46,704
Building Improvements	-	-	-	-
Water Lines and equipment	4,031,404	-	-	4,031,404
Office Equipment	1,626	-	-	1,626
Construction in Progress	127,506	508,323	-	635,829
Total at historical cost	4,207,240	-	-	4,715,563
Less: Accumulated Depreciation:	(1,983,742)	(121,796)	-	(2,105,538)
Capital assets, net	2,223,498	386,527		2,610,025

Debt

At year end, the District had no debt.

ECONOMIC FACTORS AND NEXT YEAR'S RATES

The District's revenues are derived mainly from water and connection fees. The District is not aware of any significant increases or decreases in those revenue sources or associated expenditures but in light of the current economic volatility, the District must continue to monitor its limited resources to fit the needs of the citizens of Ouachita Parish and be aware of other funding opportunities that may present themselves.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the funds received by it. If you have any questions about this report or need additional financial information, contact: Cadeville Water District, 613 Winnfield Road, West Monroe, LA 71292.

COMPONENT UNIT FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
STATEMENT OF NET POSITION
DECEMBER 31, 2020

Assets

Cash and Cash Equivalents	\$	142,591
Accounts Receivable, net of allowance of \$1,100		58,178
Total Current Assets		200,769
Restricted Assets		
Cash - Customer Deposits		-
Water Revenue Bonds - Contingency Fund		78,218
Cash - Construction Account		21
Cash - Loan Account		21
Total Restricted Assets		78,260
Capital Assets Net of Accumulated Depreciation		2,563,321
Land		46,704
Total Capital Assets Net of Accumulated Depreciation		2,610,025
Total Assets		2,889,054

Liabilities

Accounts Payable		32,700
Retainage Payable		1,120
Customer Deposits		25,394
Total Liabilities		59,214

Net Position

Net Investment in Capital Assets		2,610,025
Net Position - Unrestricted		219,815
Total Net Position	\$	2,829,840

The accompanying notes are an integral part of this financial statement.

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Operating Revenue</u>	
Charges for services	\$ 727,653
Grant Income	29,362
Total Operating Revenue	757,015
 <u>Operating Expenses</u>	
Annual Clean Water Act	16,921
Installation Costs	115,595
Bad Debt Expense	2,836
Contract Labor	158,106
Insurance	188
Legal & Accounting	22,015
Office Supplies	5,357
Repairs	25,872
Maintenance	51,098
Utilities	58,825
Bond Costs	2,066
Depreciation Expense	121,796
Total Operating Expenses	580,675
<u>Operating Income</u>	176,340
 <u>Non-Operating Revenues (Expenses)</u>	
Interest Income	266
Total Non-Operating Revenues (Expenses)	266
<u>Net Change</u>	176,606
<u>Net Position - Beginning of the Year</u>	2,653,234
<u>Net Position - End of the Year</u>	\$ 2,829,840

The accompanying notes are an integral part of this financial statement.

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 752,214
Cash paid to suppliers	(433,058)
Cash paid to others for services, taxes, etc.	(22,015)
Net Cash provided by operating activities	297,141

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Increase (Decrease) in refundable deposits	2,950
Net cash used for capital financing activities	2,950

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition and construction of capital assets	(511,425)
Interest on deposits	266
Net Cash provided by investing activities	(511,159)

NET DECREASE IN CASH (211,068)

CASH AT BEGINNING OF YEAR 431,919

CASH AT END OF YEAR \$ 220,851

RECONCILIATION OF OPERATING INCOME TO NET

CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 176,606
Adjustments to reconcile operating income to net cash provided by operating activities:	
Bad debt expense	2,836
Depreciation	121,796
Changes in assets and liabilities:	
(Increase) Decrease in accounts receivable	(4,801)
Increase (Decrease) in accounts payable and accrued expenses	704
Total Adjustments	120,535
Net Cash Provided by Operating Activities	\$ 297,141

The accompanying notes are an integral part of this financial statement.

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

RECONCILIATION OF CASH AND RESTRICTED CASH REPORTED WITHIN THE BALANCE SHEET THAT SUM TO THE TOTAL OF THE SAME SUCH AMOUNTS IN THE STATEMENT OF CASH FLOWS

Cash and Cash Equivalents	\$	142,591
Restricted Cash - Contingency Fund		78,218
Restricted Cash - Construction Account		21
Restricted Cash - Loan Account		21
Total Restricted Cash		78,260
<u>Total Cash and Restricted Cash</u>	\$	220,851

The accompanying notes are an integral part of this financial statement.

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

INTRODUCTION

The Cadeville Water District (the District) is a component unit of the Police Jury of Ouachita Parish. The waterworks district was created by Ordinance No.7455 dated September 15, 1975.

The waterworks district was created to provide water services within the District. The District is governed by a Board of five Commissioners. The Board of Commissioners has absolute control and authority over the waterworks in the District. The Commissioners meet at least once every sixty days, and they serve without remuneration.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the District is considered a component unit of the Ouachita Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The District's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The District applies all Governmental Accounting Standards Board (GASB) pronouncements as well as the Financial Accounting Standards Board (FASB) statements and interpretations.

The District is a special purpose government engaged only in business type activities. All activities of the District are accounted for in a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing authority is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

The term measurement focus denotes what is being measured and reported in the District's operating statement. Financial operations of the District are accounted for on the flow of economic resources measurement focus. With this measurement focus, all of the assets and liabilities available to the District for the purpose of providing services to the public, are measured on the balance sheet. The activity statement includes all costs of providing goods and services during the period.

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations, primarily the provision of water to rural areas of Ouachita Parish. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

B. CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

C. INVESTMENTS

Investments are limited by Louisiana R.S. 33:2955 and the District's investment policy. If the original maturities of investment exceed ninety days, they are classified as investments; however, if the original maturities are ninety days or less, they are classified as cash equivalents.

D. ACCOUNTS RECEIVABLE

Receivables for water sales are shown net of an allowance for uncollectible accounts. The allowance is an estimate based on the amount of receivables that are past due and historical collection rates.

E. PREPAID ITEMS

Payments made to vendors that will benefit periods beyond the end of the current calendar year are recorded as prepaid items. Prepaid items consist primarily of prepaid insurance premiums.

F. RESTRICTED ASSETS

Certain assets are restricted to set aside funds for customer deposit accounts.

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G. CAPITAL ASSETS

Capital assets of the District are defined by the District as assets with an initial, individual cost of more than \$1,000, and an estimated useful life in excess of one year. Capital assets are recorded at either historical cost or estimated historical cost. Donated assets, including water systems donated for continued maintenance by the District, are valued at their estimated fair market value on the date donated. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	15-30 years
Equipment and Furniture	3-7 years
Water System	20-40 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

H. COMPENSATED ABSENCES

The District has no employees that would receive vacation or sick leave.

I. LONG-TERM OBLIGATIONS

Long-term liabilities are recognized within the Enterprise Fund. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. At December 31, 2020, the District had no long-term obligations.

J. NET POSITION

GASB Statement No. 34 required classification of net assets into three separate components. GASB Statement No. 63 revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required component of the residual measure and by renaming that measure at net position, rather than net assets. GASB No. 63 requires the following components of net position:

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. NET POSITION - CONTINUED

- Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- Restricted – The component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the assets result from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- Unrestricted – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

K. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In some instances, GASB requires a government to delay the recognition of decreases in net position as expenditures or increases in net position as revenues until a further period. In these circumstances, deferred outflows of resources or deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows as of December 31, 2018.

L. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 2 - CASH AND CASH EQUIVALENTS

Custodial Credit Risk – deposits. The custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District’s policy to ensure there is no exposure to this risk is to require the financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Accordingly, the District had no custodial credit risk related to its deposits at December 31, 2020.

The District has cash and cash equivalents (book balances), savings, and investments in certificates of deposit totaling \$220,851 at December 31, 2020 as follows:

Demand Deposits	<u>\$ 220,851</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2020, are secured as follows:

	Non-Interest Bearing
Bank Balances	\$ 223,294
FDIC Insurance – Non-Interest Bearing Accounts	250,000
FDIC Insurance – Time & Savings Accounts	-
Pledged Collateral	<u>600,000</u>
Uninsured Amount	<u>\$ _____</u>

The accounts are managed by the District’s fiscal agent and consist of securities issued or guaranteed by the U.S. government. Investments are in accordance with LRS 33:2955(A)(1)(e) and are not required to be covered by the pledge of securities owned by the fiscal agent bank.

Note 3 - ACCOUNTS RECEIVABLE

At December 31, 2020 the District's accounts receivable consisted of the following:

Water Sales	\$ 59,278
Less: Allowance for uncollectible accounts	<u>(1,100)</u>
Net receivables	<u>\$ 58,178</u>

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 and 2019 is as follows:

	2019 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	2020 <u>Balance</u>
Non-Depreciable Assets:				
Land	\$ 46,704	\$ -	\$ -	\$ 46,704
Construction in Progress	127,506	508,323	-	635,829
Depreciable Assets:				
Water System	4,031,404	-	-	4,031,404
Furniture & Fixtures	<u>1,626</u>	<u>-</u>	<u>-</u>	<u>1,626</u>
Totals at Historical Cost	4,207,240	508,323	-	4,715,563
Less Accumulated Depreciation:	<u>(1,983,742)</u>	<u>(121,796)</u>	<u>-</u>	<u>(2,105,538)</u>
<u>CAPITAL ASSETS, NET</u>	<u>\$2,223,498</u>	<u>\$ 386,527</u>	<u>\$ -</u>	<u>\$2,610,025</u>

Depreciation expense was \$121,796 in 2020.

Below are the capital assets by category:

Well #1	\$ 410,705
Well #2	294,056
Well #3	1,215,867
Well #4	1,827,027
Well #5 – CIP	602,831
Ray Road – CIP	33,000
Other Additions	280,954
Portable Building	2,793
Copy Machine	1,626
Land	<u>46,704</u>
Total	<u>\$ 4,715,563</u>

Note 5 - LITIGATION AND CLAIMS

The District was not involved in any litigation at December 31, 2020, nor is it aware of any unasserted claims.

Note 6 - PURCHASES OF SERVICES

Cadeville Water District pays a company to provide management services. These services include all management duties and day to day operations of the system. For the 2020 year, the District paid \$158,106 for these management services.

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 7- COOPERATIVE ENDEAVOR

During the year, a Cooperative Endeavor was entered into with the State of Louisiana in the amount of \$400,000 for improvements to the Ray Road project that will eventually tie into the Well #5 capital project. The District received \$29,362 during the year, with the State reimbursing the project at 90%.

Note 8- SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 14, 2021, which is the day the financial statements were available to be issued, and it has been determined that the significant events have occurred for disclosure.

The District took over management of the Robinson Chapel Water District and acquired its customers and infrastructure during 2021.

There were two Rural Development loans obtained during the first part of 2021, one in the amount of \$1,460,000 for upgrades related to the Robinson Chapel Water District acquisition. This loan will be 100% forgiven. The other loan was for \$1,900,000 which will be paid back over a 30-year period. This loan is for the continued construction of the new Well #5.

The Covid-19 outbreak in the United States and our state has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the District and the duration cannot be estimated at this time.

OTHER SUPPLEMENTAL SCHEDULES

Schedule I

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD,
POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2020

Name	Office	Director Fees	Reimbursements, Benefits, Other
Barry Turner	Board Member	\$ -	\$ -
Welton Wiley	Board Member	-	-
Reggie Russell	Board Member	-	-
Dan Letsinger	Board Member	-	-
Janet Letsinger	Board Member	-	-

COMPLIANCE REPORTING

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 Commissioners
Cadeville Water District
West Monroe, Louisiana

I have audited the accompanying financial statements of the business-type activities of Cadeville Water District, of the parish of Ouachita, state of Louisiana, a component unit of Ouachita Parish Police Jury, as of December 31, 2020 and for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that I consider to be significant deficiencies as item 2020-1.

To the Board of Commissioners
Cadeville Water District
West Monroe, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cadeville Water District'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 my 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 for the use of management of Cadeville Water District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

David M. Hart, CPA (APAC)

West Monroe, Louisiana
April 14, 2021

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

To the Board of Commissioners
 Cadeville Water District
 West Monroe, Louisiana

I have audited the financial statements of Cadeville Water District, a component unit of the Ouachita Parish Police Jury as of and for the year ended December 31, 2020, and have issued my report thereon dated April 14, 2021. 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. My audit of the financial statements as of December 31, 2020, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

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

Internal Control

Material Weakness ___ yes X no

Significant Deficiencies not considered to be
 Material Weaknesses X yes ___ no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards – N/A

Material Weakness Identified ___ yes ___ no

Significant Deficiencies not considered to be
 Material Weaknesses ___ yes ___ no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified _____ Qualified _____

Disclaimer _____ Adverse _____

Are their findings required to be reported in accordance with the Uniform Guidance?
 N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

2020-1 Inadequate Segregation of Duties

Condition: Personnel perform functions that allow for errors or irregularity that is material to the financial statements to occur and remain undetected.

Cause: Limited number of employees

Criteria: A good system of internal control begins with adequate segregation of duties.

Effect of Condition: Errors could occur and remain undetected.

Recommendation: Management should review the need to segregate duties among employees.

Management Corrective Action Plan: Management, along with the Board, have taken an active role in overseeing the day to day functions of the office. We feel that the cost far outweighs the benefits of hiring additional staff to help with the operations.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

CADEVILLE WATER DISTRICT
A COMPONENT UNIT OF OUACHITA PARISH POLICE JURY
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

2019-1 **Inadequate Segregation of Duties**
Status: See Reportable Condition 2020-1.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

No management letter issued.