

CAMERON PARISH WATERWORKS DISTRICT NO. 10
Johnson Bayou, Louisiana

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 2023

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INDEPENDENT AUDITORS' REPORT

June 10, 2024

Board of Commissioners
Cameron Parish Waterworks District No. 10
Johnson Bayou, Louisiana

Opinions

We have audited the accompanying financial statements of the business-type activities of Cameron Parish Waterworks District No. 10, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Cameron Parish Waterworks District No. 10's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Cameron Parish Waterworks District No. 10 as of December 31, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cameron Parish Waterworks District No. 10 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the

Cameron Parish Waterworks District No. 10's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cameron Parish Waterworks District No. 10's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cameron Parish Waterworks District No. 10's ability to continue as a going concern for a reasonable period of time.

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

Required Supplemental Information

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

The District has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises of The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2024, on our consideration of Cameron Parish Waterworks District No. 10's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cameron Parish Waterworks District No. 10's internal control over financial reporting and compliance.

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CAMERON PARISH WATERWORKS DISTRICT NO. 10

Statement of Net Position

December 31, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash	\$ 63,173	\$ 73,531
Investments	4,411,678	3,354,449
Receivables		
Ad valorem taxes, net	1,001,772	902,294
Accounts, net	16,199	26,642
Intergovernmental	-	-
Prepaid expenses	64,787	41,006
Total Current Assets	<u>5,557,609</u>	<u>4,397,922</u>
Property, plant and equipment		
Buildings	7,446	7,446
Distribution system	5,900,597	5,900,597
Furnitures, fixtures and equipment	2,544,079	2,508,527
	<u>8,452,122</u>	<u>8,416,570</u>
Less accumulated depreciation	5,640,899	5,427,506
	<u>2,811,223</u>	<u>2,989,064</u>
Construction in progress	37,125	-
Land	70,565	70,565
	<u>2,918,913</u>	<u>3,059,629</u>
Other assets		
Net pension asset	-	121,210
Total Assets	<u>\$ 8,476,522</u>	<u>\$ 7,578,761</u>
DEFERRED OUTFLOWS OF RESOURCES		
	<u>\$ 231,820</u>	<u>\$ 130,249</u>
LIABILITIES		
Current Liabilities		
Accrued liabilities	\$ 17,868	\$ 4,031
Unearned revenue	544,063	429,128
Total Current Liabilities	<u>561,931</u>	<u>433,159</u>
Net OPEB obligation	357,087	333,240
Net pension liability	103,997	-
Total Liabilities	<u>\$ 1,023,015</u>	<u>\$ 766,399</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>\$ 75,591</u>	<u>\$ 185,603</u>
NET POSITION		
Net investment in capital assets	\$ 2,918,913	\$ 3,059,629
Net position - unrestricted	4,690,823	3,697,379
Total Net Position	<u>\$ 7,609,736</u>	<u>\$ 6,757,008</u>

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

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Statement of Revenues, Expenses
and Changes in Net Position

Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Charges for services	\$ 396,119	\$ 304,342
Miscellaneous revenue	72,038	1,243
	<u>468,157</u>	<u>305,585</u>
OPERATING EXPENSES		
Auto	20,738	36,215
Depreciation	233,067	233,405
Dues	-	375
Employee benefits - OPEB	17,756	11,791
Equipment rental	5,100	-
Insurance - general	47,038	26,527
Insurance - health	88,824	84,705
Maintenance	272,269	189,094
Miscellaneous	8,079	7,686
Per diem	5,300	5,000
Postage	2,364	1,903
Professional fees	10,670	10,710
Rent	522	929
Retirement-employees	28,967	26,698
Retirement - net pension liability	52,428	(45,620)
Salaries	269,202	231,567
Supplies	101,154	89,655
Taxes and licenses	3,607	3,295
Telephone	9,894	11,806
Travel and training	4,070	4,221
Utilities	41,364	44,791
TOTAL OPERATING EXPENSES	<u>1,222,413</u>	<u>974,753</u>
OPERATING INCOME (LOSS)	<u>(754,256)</u>	<u>(669,168)</u>

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

Continued

CAMERON PARISH WATERWORKS DISTRICT NO. 10

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

Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
NON-OPERATING REVENUES (EXPENSES)		
Ad valorem taxes, net	\$ 1,149,599	\$ 988,513
Intergovernmental - FEMA	265,793	-
Hurricane related expenses	(18,450)	(84,599)
Interest income	210,042	55,254
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>1,606,984</u>	<u>959,168</u>
CHANGE IN NET POSITION	852,728	290,000
NET POSITION - BEGINNING	<u>6,757,008</u>	<u>6,467,008</u>
NET POSITION - ENDING	<u>\$ 7,609,736</u>	<u>\$ 6,757,008</u>

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

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Statement of Cash Flows

Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers and others	\$ 379,122	\$ 579,046
Payments for supplies and expenses	(719,363)	(531,913)
Payments to employees for services	<u>(127,521)</u>	<u>(233,819)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(467,762)</u>	<u>(186,686)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	1,149,599	988,513
Intergovernmental revenues	265,793	-
Hurricane related expenses	<u>(18,450)</u>	<u>(84,599)</u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>1,396,942</u>	<u>903,914</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of fixed assets	<u>(92,351)</u>	<u>(30,445)</u>
NET CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(92,351)</u>	<u>(30,445)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) sale of investments	(1,057,229)	(731,857)
Interest on investments	<u>210,042</u>	<u>55,254</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(847,187)</u>	<u>(676,603)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,358)	10,180
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>73,531</u>	<u>63,351</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 63,173</u>	<u>\$ 73,531</u>
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (754,256)	\$ (669,168)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	233,067	233,405
Net change in deferred outflows/inflows	(211,583)	20,866
(Increase) decrease in		
Accounts receivable	(89,035)	365,942
Prepaid expense	(23,781)	(19,880)
Net pension asset	121,210	(70,731)
Increase (decrease) in		
Accounts payable	-	-
Accrued liabilities	13,837	(2,252)
Unearned revenue	114,935	(58,401)
OPEB obligation	23,847	13,533
Net pension liability	103,997	-
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (467,762)</u>	<u>\$ (186,686)</u>

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

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cameron Parish Waterworks District No. 10 was created by the Cameron Parish Police Jury under the provisions of Louisiana Revised Statutes 33:3811 for the purpose of providing water to the Johnson Bayou area of the Parish. The District is governed by a board of commissioners.

1. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity for Cameron Parish Waterworks District No. 10. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Cameron Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints a voting majority to the board and has the ability to impose its will, the District was determined to be a component unit of the Cameron Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by the governmental unit, or the other governmental units that comprise the financial reporting entity.

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The operating revenues of the District come from metered sales to residential and commercial customers as well as service connection charges and penalties from late payment of bills. Operating expenses from 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.

3. Cash

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

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2023, the District has \$134,500 in deposits (collected bank balances). These deposits are secured from risk by \$134,500 of federal deposit insurance.

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Investments

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer. The financial statements of the Louisiana Asset Management Pool, Inc. (LAMP) can be obtained by accessing their website.

Investments held at December 31, 2023 consist of \$4,411,678 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126 the investment in LAMP at December 31, 2023 is not categorized in the three risk categories provided by GASB Codification Section 150.126 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the Laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA- R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest, and foreign currency risk for all public held entity investments.

Lamp is an investment pool that, to the extent practical, invest in a manure consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAAM by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days of 762 days for U.S. Government floating/variable rate investments.

Foreign currency risk: Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA- R.S. 33:2955 (A)(J)(h) which allows all municipalities, parishes, school boards, and any other political subdivision of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

5. Accounts Receivable

The District utilizes the allowance method to recognize doubtful accounts. The allowance for doubtful accounts at December 31, 2023 was \$-.

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

6. Compensated Absences

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

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

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

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

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

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

At December 31, 2023, the District had an accrual for compensated absences of \$17,868.

7. Statement of Cash Flow

For purpose of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less when purchased to be cash equivalents.

8. Net Position

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Net position – restricted – Consists of net position with constraints placed on use either by (1) external groups such as creditors grantors, contributors, laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Net position - unrestricted – All other net position that does not meet the definition of "restricted" or "invested in capital assets, net or related debt".

When an expense is incurred for purposes for which both restricted and unrestricted amounts are available, it shall be the policy of the District to consider restricted amounts to have been reduced first.

9. Estimates

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

10. Budgets

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

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

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

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

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Subsequent Events

Management has evaluated subsequent events through June 10, 2024 the date the financial statements were available to be issued.

12. Comparative Data

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

NOTE B – AD VALOREM TAXES

For the year ended December 31, 2023, taxes of 4.16 mills were levied on property with taxable assessed valuations totaling \$252,835.653.

Total taxes levied were	<u>\$ 1,051,793</u>
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Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

NOTE C – PROPERTY, PLANT AND EQUIPMENT

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

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

Buildings	15 years
Distribution system	15-45 years
Furniture, fixtures and equipment	5-20 years

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE C – PROPERTY, PLANT AND EQUIPMENT - CONTINUED

A summary of changes in property, plant and equipment for the year ended December 31, 2023 are as follows:

	Beginning of Year	Net Additions	End of Year
Buildings	\$ 7,446	\$ -	\$ 7,446
Distribution system	5,900,597	-	5,900,597
Furniture, fixtures and equipment	2,508,527	35,552	2,544,079
Construction in progress	-	37,125	37,125
Land	<u>70,565</u>	-	<u>70,565</u>
	8,487,135	<u>\$ 72,677</u>	8,559,812
Less accumulated depreciation	<u>5,427,506</u>		<u>5,640,899</u>
TOTALS	<u>\$ 3,059,629</u>		<u>\$ 2,918,913</u>

Depreciation expense was \$233,067 for the year ended December 31, 2023.

The construction in progress at December 31, 2023 consisted of the following:

Project	Costs Through December 31, 2023	Estimated Completion Date	Estimated Remaining Costs to Complete
DOTD Project – Funded by Sabine Pass' LNG	\$ 30,387	2025	\$ 250,000
Water well – Funded by FEMA	<u>6,738</u>	2026	4,500,000
	<u>\$ 37,125</u>		

NOTE D - RETIREMENT COMMITMENTS

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

Parochial Employees' Retirement System

The System is composed of two distinct plans, Plan A and Plan B with separate assets and benefit provisions. Employees of the District are members of Plan A. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least twenty-eight hours per week and not participating in another public funded retirement system. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the system. Under Plan A, employees hired prior to January 1, 2007 can retire at any age with 30 or more years of creditable service, age 55 with 25 years of

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

creditable service, age 60 with 10 years of creditable service, or age 65 with 7 years of creditable service. Employees hired after January 1, 2007 can retire at age 55 with 30 or more years of creditable service, age 62 with 10 years of creditable service, or age 67 with 7 years of creditable service. Retirees are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final compensation multiplied by the employee's years of credited service.

Final compensation is the employee's monthly earnings during the 36 consecutive or jointed months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

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

Plan members are required to contribute 9.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 11.5% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the System's Board of Trustees. The District's contributions to the System for the year ended December 31, 2023 totaled \$28,967.

At December 31, 2023, the District reported a liability of \$103,997 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2023, the District's proportion was .0270206%.

For the year ended December 31, 2023, the District recognized pension expense (benefit) of \$19,713 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$615. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 3,845	\$ 11,458
Difference between expected and actual Investment	109,787	-
Difference between expected and actual Assumption	3,319	-
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	1,667	4,276
Contributions subsequent to the measurement date	<u>28,967</u>	<u>-</u>
Total	<u>\$ 147,585</u>	<u>\$ 15,734</u>

\$28,967 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2024	\$ 3,610
2025	16,343
2026	34,330
2027	48,602
2028	-
Thereafter	-

Actuarial methods and assumption. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

Valuation Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.40% (Net of investment expense, including inflation)
Expected Remaining Service Lives	4 years
Projected Salary Increases	4.75%
Inflation Rate	2.30%
Cost of Living Adjustments	The present values of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet amortized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplying by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The discount rate used to measure the total pension liability was 6.40% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations and projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.70% for the year ended December 31, 2022

Best estimates of arithmetic real rates of return for major asset class included in the System's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	33%	1.17%
Equity	51%	3.58%
Alternatives	14%	0.73%
Real assets	2%	0.12%
Total	100%	5.60%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.70%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for the General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

Sensitivity to changes in discount rate. The following presents the net pension liability of the District calculated using the discount rate of 6.40%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate.

	Changes in Discount Rate		
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Net Pension Liability (Asset)	\$ 147,585	\$ 103,997	\$ (24,434)

NOTE E - PER DIEM

In accordance with Louisiana Revised Statute 33:3819, per diem is allowed not to exceed \$100 per meeting attended, up to twenty-four regular meetings and twelve special meetings. The Board has approved per diem at \$100.

Per diem paid commissioners for the year ended December 31, 2023 were as follows:

Connie Trahan	\$ 1,100
Kent Carlson	1,100
Mark Young	1,000
Bobbie Trahan	1,000
Nathan Griffith	<u>1,100</u>
	<u>\$ 5,300</u>

NOTE F - RISK MANAGEMENT

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

NOTE G – UNEARNED REVENUE

Sabine Pass' LNG is a liquefied natural gas receiving facility located within the Cameron Parish boundaries. Sabine Pass' LNG qualified for the State of Louisiana's industrial ad valorem tax abatement program for a ten year period beginning in the year Sabine Pass' LNG's operations commenced. As a result of this abatement, in February 2007, Cameron Parish Waterworks

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE G – UNEARNED REVENUE - CONTINUED

District No. 10 entered into a Cooperative Endeavor and Payment in Lieu of Tax Agreement with Sabine Pass' LNG wherein Sabine Pass' LNG agreed to make advanced payments of its ad valorem tax liability which will begin in the eleventh year after operations commence. In return, Cameron Parish Waterworks District No. 10 agreed to provide Sabine Pass' LNG with a dollar for dollar credit against those future taxes. As a result of these advanced payments, the Cameron Parish Waterworks District No. 10 annually records unearned revenue. These payments will continue to accrue until the ad valorem tax is assessed against Sabine Pass' LNG and the credits are applied at which time the revenue will be recognized by Cameron Parish Waterworks District No. 10. The balance of unearned revenue at December 31, 2023 is \$324,450.

In 2023, Sabine Pass' LNG contributed \$250,000 for the improvements to the purchased "DOTD Property". During 2023 \$30,387 was spent on improvements and therefore, \$219,613 is recorded as unearned revenue at December 31, 2023.

NOTE H – POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan description – The District provides certain continuing health care and life insurance benefits for its retired employees. The District's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the District. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the District. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

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

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

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE H – POST-EMPLOYMENT BENEFITS – CONTINUED

Employees covered by benefit terms – At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	4
	<hr/>
	6
	<hr/>

Total OPEB Liability

The District's total OPEB liability of \$357,087 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, including inflation
Discount rate	3.72% annually (Beginning of Year to Determine ADC)
	3.26%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Getzen model, with an initial trend of 5.5%
Mortality	Pub-2010/2021

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2023 the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2023.

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE H – POST-EMPLOYMENT BENEFITS – CONTINUED

Changes in the Total OPEB Liability

Balance at December 31, 2022	\$ 333,240
Changes for the year:	
Service cost	5,175
Interest	12,493
Differences between expected and actual experience	(3,467)
Changes in assumptions	13,217
Benefit payments and net transfers	(3,571)
Net changes	<u>23,847</u>
Balance at December 31, 2023	<u>\$ 357,087</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26%) or 1-percentage-point higher (4.26%) than the current discount rate:

	1.0% Decrease (2.26%)	Current Discount Rate (3.26%)	1.0% Increase (4.26%)
Total OPEB liability	\$ 389,155	\$ 357,087	\$ 329,668

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 343,911	\$ 357,087	\$ 371,097

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE H – POST-EMPLOYMENT BENEFITS – CONTINUED

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

For the year ended December 31, 2023, the District recognized OPEB expense of \$21,328. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 49,580	\$ 16,620
Changes in assumptions	34,654	43,237
Total	\$ 84,235	\$ 59,857

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

Years ending December 31:	
2024	3,660
2025	3,660
2026	3,660
2027	3,660
2028	3,660
Thereafter	6,078

NOTE I – LEASES

The District has a lease for property to operate the water plant in Holly Beach, Louisiana in effect for the year ended December 31, 2022. The lease originated July 16, 1979, with an initial term of ninety-nine (99) years. The lease calls for an annual lease payment based on the

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE I – LEASES – CONTINUED

preceding annual payment multiplied by the percentage of increase in the annual average CPI for the last full calendar year of the preceding ten-year period over the CPI for the last full calendar year of the previous preceding ten-year period. Additionally, the district has entered into an annually renewing lease agreement for use of property to drill a test well for the purpose of distribution of water to a portion of the water district. Total lease payments made for the year ended December 31, 2023 were \$929.

The minimum future lease payments under these obligations are as follows:

2024	\$ 513
2025	513
2026	513
2027	513
2028	513
2029-2033	2,565
2034-2038	2,565
2039-2043	2,565
2044-2048	2,565
2049-2053	2,565
2054-2058	2,565
2059-2063	2,565
2064-2068	2,565
2069-2073	2,565
2074-2078	2,565
2079-2083	2,565
2084-2088	2,159
	<u>\$ 34,884</u>

NOTE J– TAX ABATEMENTS

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millages in force at the time. The future value of this exempt property could be subject to significant fluctuation from today's value; however, the District could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. All applicable agreements have been entered into by the Cameron Parish

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Notes to Financial Statements

December 31, 2023

NOTE J – TAX ABATEMENTS – CONTINUED

Police Jury and directly affect the District's ad valorem assessments. Because these taxes are not assessed or due, no adjustments have been made to the District's financial statements to record a receivable. As of December 31, 2023, \$1,943,727,034 of assessed property in the District's taxing jurisdiction is receiving this exemption, which amounts to \$8,085,904 in ad valorem taxes.

NOTE K – COMMITMENTS AND CONTINGENCIES

On August 27, 2020 Hurricane Laura made landfall in Southwest Louisiana as a Category 4 hurricane which was followed by Hurricane Delta on October 8, 2020. Thru December 31, 2023 a total of \$459,090 has been spent on hurricane repairs. It is estimated that the final cost of hurricane damages will be \$2.4million, fully paid by insurance and FEMA proceeds.

REQUIRED SUPPLEMENTAL INFORMATION

CAMERON PARISH WATERWORKS DISTRICT NO. 10

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

Year Ended December 31, 2023

	Budget		Actual	Variance
	Original	Amended		
OPERATING REVENUES				
Charges for services	\$ 242,900	\$ 242,900	\$ 396,119	\$ 153,219
Miscellaneous revenue	950	950	72,038	71,088
TOTAL OPERATING REVENUES	<u>243,850</u>	<u>243,850</u>	<u>468,157</u>	<u>224,307</u>
OPERATING EXPENSES				
Advertising	500	500	-	500
Auto	-	-	20,738	(20,738)
Computer expense	1,000	1,000	-	1,000
Depreciation	255,000	255,000	233,067	21,933
Dues	700	700	-	700
Employee benefits - OPEB	3,000	3,000	17,756	(14,756)
Equipment rental	-	-	5,100	(5,100)
Fuel	21,000	21,000	-	21,000
Insurance - general	30,000	70,000	47,038	22,962
Insurance - health	80,000	90,000	88,824	1,176
Maintenance	130,500	240,500	272,269	(31,769)
Miscellaneous	5,500	5,500	8,079	(2,579)
Per diem	6,000	6,000	5,300	700
Postage	2,000	2,000	2,364	(364)
Professional fees	12,000	12,000	10,670	1,330
Rent - temporary office	1,000	1,000	522	478
Retirement-employees	25,000	25,000	28,967	(3,967)
Retirement - net pension liability	5,000	5,000	52,428	(47,428)
Salaries	224,000	260,000	269,202	(9,202)
Supplies	81,000	90,000	101,154	(11,154)
Taxes and licenses	3,000	3,000	3,607	(607)
Telephone	12,000	12,000	9,894	2,106
Travel and training	3,000	3,000	4,070	(1,070)
Utilities	45,000	45,000	41,364	3,636
TOTAL OPERATING EXPENSES	<u>946,200</u>	<u>1,151,200</u>	<u>1,222,413</u>	<u>(71,213)</u>
OPERATING INCOME (LOSS)	<u>(702,350)</u>	<u>(907,350)</u>	<u>(754,256)</u>	<u>153,094</u>
NON-OPERATING REVENUES (EXPENSES)				
Ad valorem taxes, net	920,000	920,000	1,149,599	229,599
Intergovernmental - FEMA	-	-	265,793	265,793
Hurricane related expenses	-	-	(18,450)	(18,450)
Interest income	15,000	15,000	210,042	195,042
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>935,000</u>	<u>935,000</u>	<u>1,606,984</u>	<u>671,984</u>
CHANGE IN NET POSITION	232,650	27,650	852,728	825,078
NET POSITION - BEGINNING	<u>6,757,008</u>	<u>6,757,008</u>	<u>6,757,008</u>	<u>-</u>
NET POSITION - ENDING	<u>\$ 6,989,658</u>	<u>\$ 6,784,658</u>	<u>\$ 7,609,736</u>	<u>\$ 825,078</u>

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Schedule of Changes in Net OPEB Liability and Related Ratios

Year Ended December 31, 2023

	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service cost	\$ 5,222	\$ 4,545	\$ 5,475	\$ 5,999	\$ 6,258	\$ 5,175
Interest	10,610	11,989	9,408	6,682	6,650	12,493
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	1,773	12,586	(24,339)	10,553	49,285	(3,467)
Changes of assumptions	(17,588)	37,901	(2,379)	1,825	(45,275)	13,217
Benefit payments	<u>(15,693)</u>	<u>(16,556)</u>	<u>(16,604)</u>	<u>(17,518)</u>	<u>(3,385)</u>	<u>(3,571)</u>
Net change in total OPEB liability	<u>(15,676)</u>	<u>50,465</u>	<u>(28,439)</u>	<u>7,541</u>	<u>13,533</u>	<u>23,847</u>
Total OPEB liability - beginning	<u>305,816</u>	<u>290,140</u>	<u>340,605</u>	<u>312,166</u>	<u>319,707</u>	<u>333,240</u>
Total OPEB liability - ending (a)	<u>\$ 290,140</u>	<u>\$ 340,605</u>	<u>\$ 312,166</u>	<u>\$ 319,707</u>	<u>\$ 333,240</u>	<u>\$ 357,087</u>
Covered-employee payroll	\$ 197,203	\$ 203,119	\$ 291,158	\$ 299,893	\$ 199,014	\$ 204,984
Net OPEB liability as a percentage of covered-employee payroll	147.13%	167.69%	107.22%	106.61%	167.45%	174.20%
Notes to Schedule:						
Benefit Changes	None	None	None	None	None	None
Changes of Assumptions						
Discount Rate	4.10%	2.74%	2.12%	2.06%	3.72%	3.26%
Mortality:	RP-2000	RP-2000	RP-2014	RP-2014	Pub-2010/2021	Pub-2010/2021
Trend:	5.50%	5.50%	Variable	Variable	Getzen model	Getzen model

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

CAMERON PARISH WATERWORKS DISTRICT NO. 10
Schedule of Employer's Proportionate Share of Net Pension Liability
Year Ended December 31, 2023

Parochical Employees' Retirement System of Louisiana

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension liability (asset)	0.02702%	0.02573%	0.02879%	0.02802%	0.02527%	0.02540%	0.02629%	0.22001%	0.21411%
Employer's proportionate share of the net pension liability (asset)	\$ 103,997	\$ (121,210)	\$ (50,479)	\$ 1,319	\$ 112,148	\$ (18,856)	\$ 54,149	\$ 57,914	\$ 5,854
Employer's covered payroll	\$ 269,202	\$ 233,816	\$ 231,732	\$ 307,287	\$ 234,463	\$ 227,034	\$ 225,686	\$ 193,247	\$ 183,261
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	38.63%	-51.84%	-21.78%	0.43%	47.83%	-8.31%	23.99%	29.97%	3.19%
Plan fiduciary net position as a percentage of the total pension liability	91.74%	110.46%	104.00%	99.89%	88.86%	101.98%	94.15%	92.23%	99.14%

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

*The amounts presented have a measurement date of December 31, 2022.

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Schedule of Employer Contributions

Year Ended December 31, 2023

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Parochial Employees Retirement System of Louisiana (System):					
2015	\$ 15,836	\$ 15,836	\$ -	\$ 183,261	8.6%
2016	\$ 23,567	\$ 23,567	\$ -	\$ 193,247	12.2%
2017	\$ 26,115	\$ 26,115	\$ -	\$ 225,686	11.6%
2018	\$ 25,660	\$ 25,660	\$ -	\$ 227,034	11.3%
2019	\$ 27,614	\$ 27,614	\$ -	\$ 234,463	11.8%
2020	\$ 32,579	\$ 32,579	\$ -	\$ 307,287	10.6%
2021	\$ 25,080	\$ 25,080	\$ -	\$ 231,732	10.8%
2022	\$ 26,698	\$ 26,698	\$ -	\$ 233,816	11.4%
2023	\$ 28,967	\$ 28,967	\$ -	\$ 269,202	10.8%

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

OTHER INFORMATION

CAMERON PARISH WATERWORKS DISTRICT NO. 10

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

Year Ended December 31, 2023

Chief Executive Officer: Nathan Griffith, Board President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	1,100
Reimbursements	-
Travel	-
Registration fees	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing Unvouchered expenses	-
Special meals	-

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

June 10, 2024

Board of Commissioners
Cameron Parish Waterworks District No. 10
Johnson Bayou, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Cameron Parish Waterworks District No. 10, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Cameron Parish Waterworks District No. 10's basic financial statements, and have issued our report thereon dated June 10, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cameron Parish Waterworks District No. 10's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cameron Parish Waterworks District No. 10's internal control. Accordingly, we do not express an opinion on the effectiveness of Cameron Parish Waterworks District No. 10's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cameron Parish Waterworks District No. 10's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Cameron Parish Waterworks District No. 10's Response to Findings

Cameron Parish Waterworks District No. 10's response to the findings identified in our audit is described in the accompanying findings and responses. The District's response was not subjected to the auditing procedures in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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

Shagron, Cassidy: Hillary

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Schedule of Findings and Responses

Year Ended December 31, 2023

1. Summary of Auditors' Results:

Type of auditors' report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

_____ yes X no

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

Finding #2023-001:

Inadequate Segregation of Duties

Condition: Because of the small size of the District's office staff, the opportunity for segregation of duties is limited. Effective internal control requires adequate segregation of duties among entity personnel.

Effect: Without proper segregation of duties, misstatements in amounts may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

Corrective Action Planned: Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve appropriate segregation of duties. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, review listings of revenue received and review of bank reconciliations on a monthly basis.

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Schedule of Findings and Responses - Continued

Year Ended December 31, 2023

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Findings

Finding 2022-001:

Inadequate segregation of duties.

Corrective Action Taken: None, repeat finding in 2023.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2023

June 6, 2024

Board of Directors
Cameron Parish Waterworks District No. 10
and the Louisiana Legislative Auditor
Johnson Bayou, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2023 through December 31, 2023. The District's management is responsible for those C/C areas identified in the SAUPs.

Cameron Parish Waterworks District No. 10 has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal year January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- i. *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

The District's policies and procedures manual addresses budgeting.

- ii. *Purchasing*, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

The District's policies and procedures manual addresses purchasing.

- iii. *Disbursements*, including processing, reviewing, and approving.

The District's policies and procedures manual addresses disbursements.

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

The District's policies and procedures manual addresses receipt/collections.

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

The District's policies and procedures manual addresses payroll/personnel.

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

The District's policies and procedures manual addresses contracting.

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

The District's policies and procedures manual addresses travel and expense reimbursement.

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

The District's policies and procedures manual addresses credit cards.

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

The District's policies and procedures manual addresses ethics.

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

The District's policies and procedures manual addresses debt service.

- xi. *Information Technology Disaster Recovery/Business Continuity*, includes (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of

antivirus software on all systems, (5) timely application of all available system and software patches updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The District's policies and procedures manual addresses information technology disaster recovery/business continuity.

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

The District's policies and procedures manual addresses prevention of sexual harassment.

2) Board or Finance Committee

- A. Obtain and inspect the board finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- i. Observe that the board finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were found as a result of this procedure.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions were found as a result of this procedure.

- iii. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

No exceptions were found as a result of this procedure.

- iv. Observe whether the board finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions were found as a result of this procedure.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

No exceptions were found as a result of this procedure.

- ii. Bank reconciliations include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared. (e.g., initialed and dated, electronically logged); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

4) Collections

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash check money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

The listing was provided by management.

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe the job duties are properly segregated at each collection location such that:

- i. Employees that are responsible for cash collections do not share cash drawers registers;

The cash drawer is shared.

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit:

The employee responsible for collecting cash is responsible for preparing/making bank deposits.

- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee official is responsible for reconciling ledger postings to each other and to the deposit; and

The employee responsible for collecting cash is responsible for posting collection entries to the general ledger.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and or agency fund additions, is (are) not responsible for collecting cash, unless another employee official verifies the reconciliation.

The employee responsible for reconciling cash collections to the general ledger by revenue source is responsible for collecting cash.

Management Response: The District maintains an office with only one office employee who performs all accounting functions. As a compensating control, a board member reviews each bank statement and reconciliation.

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

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supported documentation for each of the deposits and:

- i. Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements and petty cash purchases)*

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing was provided by management.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

Purchases are initiated by only one employee.

Management Response: Due to only one office personnel, this procedure is not feasible.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions were found as a result of this procedure.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

The employee responsible for processing payments is not prohibited from adding/modifying vendor files. No other employee reviews changes to vendor files.

Management Response: Due to only one office personnel, this procedure is not feasible.

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

No exceptions were found as a result of this procedure.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions were found as a result of this procedure.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions were found as a result of this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions were found as a result of this procedure.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

No exceptions were found as a result of this procedure.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The listing was provided by management.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each

card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excess fuel card usage) were reviewed and approved, in writing, (or electronically approved) by someone other than the authorized card holder; and

No exceptions were found as a result of this procedure.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g. each card should have 10 transactions subject to inspection). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

No exceptions were found as a result of this procedure.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
 - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Not applicable, all of the reimbursements selected used actual expenses.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exceptions were found as a result of this procedure.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions were found as a result of this procedure.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were found as a result of this procedure.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

No exceptions were found as a result of this procedure.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

No exceptions were found as a result of this procedure.

- iii. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exceptions were found as a result of this procedure.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

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

No exceptions were found as a result of this procedure.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation sick, compensatory):

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions were found as a result of this procedure.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of this procedure.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to the entity policy.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions were found as a result of this procedure.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

The District did not issue any debt.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

The District has no debt outstanding.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523

The District was not aware of any misappropriation of public funds or assets during the fiscal year.

- B. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523 I concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures,

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management. No exceptions were found as a result of this procedure.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management. No exceptions were found as a result of this procedure.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management. No exceptions were found as a result of this procedure.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management. No exceptions were found as a result of this procedure.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology

assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management. No exceptions were found as a result of this procedure.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exceptions were found as a result of this procedure.

- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exceptions were found as a result of this procedure.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions were found as a result of this procedure.

- ii. Number of sexual harassment complaints received by the agency;

No exceptions were found as a result of this procedure.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions were found as a result of this procedure.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions were found as a result of this procedure.

- v. Amount of time it took to resolve each complaint.

No exceptions were found as a result of this procedure.

We were engaged by Cameron Parish Waterworks District No. 10 to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Cameron Parish Waterworks District No. 10 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

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