

**FISKE UNION WATER SYSTEM, INC.**  
**Oak Grove, Louisiana**

**Financial Statements**  
**With Independent Auditor's Report**  
**As of and for the Year Ended**  
**December 31, 2023**

FISKE UNION WATER SYSTEM, INC.  
Oak Grove, Louisiana

Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended  
December 31, 2023

**C O N T E N T S**

	<b>Statement</b>	<b>Page No.</b>
<b>Independent Auditor's Report</b>		2
<b>Financial Statements:</b>		
Statement of Financial Position	A	6
Statement of Activities	B	7
Statement of Cash Flows	C	8
<b>Notes to the Financial Statements</b>		9
	<b>Schedule</b>	<b>Page No.</b>
<b>Supplemental Information:</b>		
Schedule of Compensation, Benefits, and Other Payments to Agency Head	1	17
Schedule of Prior Year Audit Findings	2	18
<b>Independent Auditor's Reports Required by     <i>Government Auditing Standards:</i></b>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		20
<b>Schedule of Current Year Findings and Management's     Planned Corrective Action</b>		22

*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Auditor's Report**

BOARD OF DIRECTORS  
FISKE UNION WATER SYSTEM, INC.  
Oak Grove, Louisiana

***Opinion***

I have audited the accompanying financial statements of Fiske Union Water System, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fiske Union Water System, Inc., as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide* issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Fiske Union Water System, Inc., and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Responsibilities Of Management for the Financial Statements***

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

BOARD OF DIRECTORS  
FISKE UNION WATER SYSTEM, INC.  
Oak Grove, Louisiana  
Independent Auditor's Report

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 Fiske Union Water System, Inc.'s, ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fiske Union Water System, Inc.'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fiske Union Water System, Inc.'s, ability to continue as a going concern for a reasonable period of time.

BOARD OF DIRECTORS  
FISKE UNION WATER SYSTEM, INC.  
Oak Grove, Louisiana  
Independent Auditor's Report

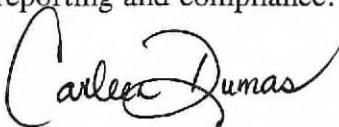
I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

***Supplementary Information***

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Prior Year Audit Findings are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Prior Year Audit Findings are fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated August 20, 2024, on my consideration of Fiske Union Water System, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Fiske Union Water System, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fiske Union Water System, Inc.'s internal control over financial reporting and compliance.



Calhoun, Louisiana  
August 20, 2024

**FINANCIAL STATEMENTS**

**Statement A**

**FISKE UNION WATER SYSTEM, INC.**  
Oak Grove, Louisiana

**STATEMENT OF FINANCIAL POSITION**  
December 31, 2023

**ASSETS**

Current assets:

Cash	\$133,641
Receivables (net of allowance for credit losses)	<u>13,316</u>
Total current assets	146,957
Investments	216,629
Investments with contractual restrictions/board designations	63,032
Property, plant, and equipment (net of accumulated depreciation)	<u>274,281</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$700,899</u></u></b>

**LIABILITIES AND NET ASSETS**

Current liabilities:

Accounts payable	\$5,427
Accrued interest payable	285
Current portion of loan payable	9,412
Customer deposits	<u>40,866</u>
Total current liabilities	55,990
Long-term liabilities - loan payable	<u>68,891</u>
Total liabilities	124,881
Net assets without donor restrictions	<u>576,018</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$700,899</u></u></b>

See accompanying notes and independent auditor's report.

**Statement B**

**FISKE UNION WATER SYSTEM, INC.**  
Oak Grove, Louisiana

**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2023

<b>Operating Revenue:</b>	
Water sales	\$203,516
Installation fees	750
Other revenue	150
Total operating revenue	<u>204,416</u>
<b>Operating Expenses:</b>	
Administrative expense	1,532
Accounting	3,017
Utilities	16,580
Telephone	1,265
Insurance	10,199
Office expense	3,744
Car and truck expense	14,700
Supplies	8,071
Chemicals	9,199
Repairs	17,153
Postage	3,829
Salaries	63,027
Payroll taxes	4,968
Contract labor	975
Depreciation	23,716
Sales tax	272
Safe drinking water fee	6,851
Testing expense	116
Total operating expenses	<u>189,214</u>
<b>Operating Income</b>	<u>15,202</u>
<b>Non-Operating Revenue (Expenses):</b>	
Interest income	7,261
Grant revenue	17,250
Tower rental	1,200
Interest expense	(3,534)
Total non-operating revenue (expenses)	<u>22,177</u>
<b>Increase in Net Assets</b>	<u>37,379</u>
<b>Net Assets at Beginning of Year</b>	<u>538,639</u>
<b>Net Assets at End of Year</b>	<u>\$576,018</u>

See accompanying notes and independent auditor's report.



FISKE UNION WATER SYSTEM, INC.  
Oak Grove, Louisiana

STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2023

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in net assets	\$37,379
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation expense	23,716
Increase in accounts receivable	(2,503)
Increase in accounts payable	1,092
Increase in customer deposits	730
Interest income	(7,261)
Grant revenue	(17,250)
Tower rental income	(1,200)
Interest expense	3,534
Total adjustments	858
Net cash provided by operating activities	38,237

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principal on long-term debt	(9,146)
Interest on long-term debt	(3,567)
Net cash used by financing activities	(12,713)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	7,261
Grant revenue	17,250
Tower rental income	1,200
Purchase of equipment	(18,491)
Increase in investments	(6,110)
Net cash provided by investing activities	1,110

**NET INCREASE IN CASH**

26,634

**CASH AT BEGINNING OF YEAR**

107,007

**CASH AT END OF YEAR**\$133,641

See accompanying notes and independent auditor's report.

FISKE UNION WATER SYSTEM, INC.  
Oak Grove, Louisiana

NOTES TO THE FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2023

**1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**A. NATURE OF ACTIVITIES**

Fiske Union Water System, Inc. (the "water system"), is a nonprofit organization domiciled in Oak Grove, Louisiana, and organized under the provisions of Louisiana Revised Statutes 12:201-269. The water system is governed by a five member board of directors who are members of the water system and who are elected by members of the water system. Fiske Union Water System, Inc. provides water to members residing within the territorial boundaries of the water system. The water system has approximately 604 members and 3 part-time employees.

**B. INVESTMENTS**

At December 31, 2023, the water system's investments consisted of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost. All investments are considered short-term with maturities of twelve months or less.

**C. RECEIVABLES**

Receivables consist of amounts due from members for water service provided prior to year end and an overpayment of payroll taxes that will be refunded by the Internal Revenue Service. Receivables are generally reported at the net amount expected to be collected by using an allowance for credit losses determined by applying Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13 *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments* (ASC 326). These statements contain no allowance for credit losses. The water system is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole. Past due accounts are written off when they are considered uncollectible by management.

**D. PROPERTY, PLANT, AND EQUIPMENT**

The cost of the original water system, major improvements to the water system, and equipment costing \$1,000 or more are capitalized and recorded at actual cost. Depreciation of all exhaustible property, plant, and equipment is charged as an expense

FISKE UNION WATER SYSTEM, INC.  
Notes to the Financial Statements (Continued)

against operations. Depreciation is computed using the straight-line method over the estimated useful lives of 10 to 40 years for the water system and the improvements; 3 to 15 years for equipment; and 10 to 20 years for buildings and land improvements. Depreciation expense for the year ended December 31, 2023 was \$23,716.

**E. GRANT FUNDS**

The accounting and reporting of grants is determined by the underlying substance of the transaction. A grant may be accounted for as contribution, an exchange transaction, or a combination of the two. If it is determined to be a contribution, a grant may be considered a conditional or an unconditional grant.

The water system has adopted FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides clarified guidance on evaluating whether grant funds should be accounted for as a contribution or an exchange transaction based on whether the grantor is receiving value in return for the resources transferred to the grantee. Grant funds are considered contributions if the grantor does not receive commensurate value in exchange for the assets transferred. ASU 2018-08 also provides guidance to determine whether grants funds that are accounted for as contributions are considered conditional or unconditional. Grant funds are considered conditional if the grantee must overcome one or more barriers before it is entitled to the funds and a right of return to the grantor exists for funds transferred. For conditional grants, revenue is recognized in the period the condition or conditions are met. For grants that are considered unconditional, revenue is recognized in the period the grant funds are received.

For the year ended December 31, 2023, the water system received \$17,250 in grant funding through the West Carroll Parish Police Jury to purchase new water meters. The grant is accounted for as a contribution and is considered conditional because the funds must be used solely for the purpose specified in the water system's application for funding and is disbursed to the water system as costs are incurred.

**F. INCOME TAX STATUS**

The water system is a not-for-profit organization that is exempt from federal income taxes under Section 501 c (12) of the Internal Revenue Code.

The water system's Forms 990, *Return of Organization Exempt From Income Tax*, for the years ended 2020, 2021, and 2022 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

FISKE UNION WATER SYSTEM, INC.  
Notes to the Financial Statements (Continued)

**G. ESTIMATES**

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

**H. INTEREST COSTS**

The following provides disclosure on interest costs for the year ended December 31, 2023:

Total interest cost expensed	\$3,534
Total interest cost capitalized	<u>NONE</u>
Total interest costs incurred	<u>\$3,534</u>

**I. FUNCTIONAL ALLOCATION OF EXPENSES**

The water system's only activity is to provide water service to its members. All costs incurred by the water system are incurred for the purpose of providing water service to members; therefore, it is not feasible to allocate expenses between program services and support services.

**2. DEPOSITS IN FINANCIAL INSTITUTIONS**

At December 31, 2023, the water system has cash and investments (book balances) as follows:

Checking accounts	\$66,748
Money market account	66,893
Investments - certificates of deposit	<u>279,661</u>
Total	<u>\$413,302</u>

Cash and investments (bank balances) totaling \$417,343 at December 31, 2023, were not fully secured by federal deposit insurance at all financial institutions. The amount unsecured was \$32,258.

**3. RECEIVABLES**

Receivables at December 31, 2023 consist of the following:

FISKE UNION WATER SYSTEM, INC.  
Notes to the Financial Statements (Continued)

Water sales	\$11,824
Overpayment of payroll taxes	1,492
Less - allowance for credit losses	<u>NONE</u>
Net	<u>\$13,316</u>

**4. REVENUE FROM CONTRACTS WITH CUSTOMERS**

The water system adopted Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively Accounting Standards Codification ("ASC") 606) which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The water system's revenue from contracts with customers within the scope of ASC 606 is reported as water sales and installation fees on the Statement of Activities. Water sales are recognized in the period the gallons of water are produced and delivered to the customer. The customer is billed monthly for the number of gallons of water delivered during the previous month and payment is due the following month. The receivable for water sales at the beginning and the end of the year was \$10,813 and \$11,824 respectively. Installation fees are recognized when the customer signs the water users agreement and pays the fee.

**5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the water system's financial assets as of December 31, 2023, reduced by amounts not available for general use because of contractual restrictions or board designations within one year of the balance sheet date:

Financial assets at December 31, 2023	\$426,618
Less those unavailable for general expenditure within one year, due to:	
Contractual restrictions - debt service	(8,000)
Board designations - debt service	<u>(55,032)</u>
Financial assets available to meet cash needs for general expenditure, within one year	<u>\$363,586</u>

**6. PROPERTY, PLANT, AND EQUIPMENT**

A summary of property, plant, and equipment at December 31, 2023 follows:

Land, buildings, and parking lot	\$48,200
Equipment	88,144
Water system and improvements	<u>1,315,606</u>
	1,451,950

FISKE UNION WATER SYSTEM, INC.  
Notes to the Financial Statements (Continued)

Less accumulated depreciation	<u>(\$1,177,669)</u>
Net	<u>\$274,281</u>

**7. LOAN PAYABLE**

At December 31, 2023, there is a total of \$78,303, remaining on the principal balance of one loan. On October 12, 2016, the water system obtained a loan from CoBank in the amount of \$217,850. Principal and interest payments are due in monthly installments of \$1,054 through April 2031; interest at 4.20 percent. Proceeds from the loan were used to pay off the water system's two outstanding loans with the United States Department of Agriculture - Rural Development (USDA). The loan with CoBank is secured as provided in the loan agreement. The following is a summary of loans payable transactions for the year ended December 31, 2023:

Loan payable at January 1, 2023	\$87,449
Additions	NONE
Reductions	<u>(9,146)</u>
Loan payable at December 31, 2023	<u>\$78,303</u>

The annual requirements to amortize the loan outstanding at December 31, 2023 are as follows:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$9,412	\$3,300	\$12,712
2025	9,903	2,809	12,712
2026	10,344	2,368	12,712
2027	10,804	1,908	12,712
2028	11,285	1,427	12,712
2029 - 2031	<u>26,555</u>	<u>1,340</u>	<u>27,895</u>
Totals	<u>\$78,303</u>	<u>\$13,152</u>	<u>\$91,455</u>

**8. INVESTMENTS WITH CONTRACTUAL RESTRICTIONS/  
BOARD DESIGNATIONS**

The loan agreement with CoBank for the loan discussed in Note 7 above, requires the water system to set aside \$8,000 in a debt service reserve account. The water system has \$63,032 in a certificate of deposit designated as the reserve fund. The agreement requires the water system to grant CoBank a security interest in the account as security for the loan.

FISKE UNION WATER SYSTEM, INC.  
Notes to the Financial Statements (Continued)

**9. CONCENTRATION OF INDEBTEDNESS**

As discussed in Note 7 above, all of the water system's debt is with CoBank.

**10. CONTINGENCIES**

As discussed in Note 1E, during the year ended December 31, 2023, the water system received \$17,250 in grant funding through the West Carroll Parish Police Jury. Grant expenses are subject to audit and adjustment by grantor agencies; therefore, to the extent that the water system has not complied with the rules and regulations governing the grant funds, refunds of any money received may be required. In the opinion of the water system's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grant funds; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**11. SUBSEQUENT EVENTS**

The water system has evaluated subsequent events through August 20, 2024, the date which the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**



FISKE UNION WATER SYSTEM, INC.  
Oak Grove, Louisiana

SUPPLEMENTAL INFORMATION  
As of and For the Year Ended December 31, 2023

**COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD**

The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented in compliance with Louisiana Revised Statute 24:513 A (3).

**PRIOR YEAR AUDIT FINDINGS**

The follow-up and corrective action taken on all prior year audit findings is presented in Schedule  
2.

**Schedule 1**

FISKE UNION WATER SYSTEM, INC.  
Oak Grove, Louisiana

Schedule of Compensation, Benefits, and  
Other Payments to Agency Head  
For the Year Ended December 31, 2023

Agency Head - Jerry Hagan - President

NONE

FISKE UNION WATER SYSTEM, INC.  
Oak Grove, Louisiana

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended December 31, 2023

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Status of Finding</u>
N/A	2001	Inadequate Segregation of Accounting Duties	Unresolved - see 2023-001 in current year findings.

**Independent Auditor's Report**  
**Required by *Government Auditing Standards***

The following independent auditor's report on internal control over financial reporting and on compliance and other matters is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Auditor's Report on  
Internal Control Over Financial Reporting and on  
Compliance and Other Matters  
Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

BOARD OF DIRECTORS  
FISKE UNION WATER SYSTEM, INC.  
Oak Grove, Louisiana

I have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor, the financial statements of Fiske Union Water System, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year ended then ended, and the related notes to the financial statements, and have issued my report thereon dated August 20, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Fiske Union Water System, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fiske Union Water System, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of Fiske Union Water System, Inc.'s internal control.

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

BOARD OF DIRECTORS  
FISKE UNION WATER SYSTEM, INC.  
Independent Auditor's Report on  
Internal Control Over Financial  
Reporting and on Compliance  
and Other Matters, etc.  
December 31, 2023

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I identified a certain deficiency in internal control, described in the accompanying Schedule of Current Year Findings and Management's Planned Corrective Action as item 2023-001 that I consider to be a material weakness.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fiske Union Water System, Inc.'s financial statements are free from material misstatement, I performed tests of Fiske Union Water System, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide* and which is described in the accompanying Schedule of Current Year Findings and Management's Planned Corrective Action as item 2023-002.

**Fiske Union Water System, Inc.'s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Fiske Union Water System, Inc.'s response to the finding identified in my audit and described in the accompanying Schedule of Current Year Findings and Management's Planned Corrective Action. Fiske Union Water System, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Fiske Union Water System Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fiske Union Water System, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Calhoun, Louisiana  
August 20, 2024

FISKE UNION WATER SYSTEM, INC.  
Oak Grove, Louisiana

Schedule of Current Year Findings and  
Management's Planned Corrective Action  
For the Year Ended December 31, 2023

**Section I - Summary of Auditor's Reports**

**Financial Statements**

1. Type of auditor's report issued - Unmodified.
2. Internal control over financial reporting:  
Material weakness(es) identified? - Yes
3. Noncompliance material to financial statements noted? - Yes

**Section II - Financial Statement Findings**

**2023-001. Inadequate Segregation of Accounting Duties**

**Criteria:** Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

**Condition:** The duties of billing, collecting, posting, and depositing customer payments and making adjustments to customers accounts are performed by one individual.

**Cause:** Limited number of employees due to the small size of the water system.

**Effect:** Errors or irregularities may not be detected within a timely period.

**Recommendation:** None.

**Management's Planned**

**Corrective Action:** It is not economically feasible to correct this deficiency based on the size of the water system and its limited revenues.

FISKE UNION WATER SYSTEM, INC.  
Schedule of Current Year Findings and  
Management's Planned Corrective Action  
December 31, 2023

**2023-002. Failure to Submit Annual Financial Statements to Louisiana Legislative Auditor within Six Months of the Close of the Fiscal Year**

**Criteria:** Louisiana Revised Statute 24:513 requires non-profit organizations that receive and expend local or state assistance in any fiscal year to submit its financial statements to the Louisiana Legislative Auditor (LLA) within six months of the close of its fiscal year.

**Condition:** During the year ended December 31, 2023, the water system received and expended \$17,250 in grant funds that were passed through the West Carroll Parish Police Jury.

**Cause:** The water system misunderstood the level of funding that requires the submission of its financial statements to the LLA within six months of the close of its fiscal year.

**Effect:** Non-compliance with Louisiana Revised Statute 24:513.

**Recommendation:** The water system should submit annual financial statements to the LLA within six months of the close of its fiscal year for any fiscal year in which it receives any amount of state or local financial assistance.

**Management's Planned Corrective Action:**

The water system will submit annual financial statements to the LLA within six months of the close of its fiscal year for any year in which it receives any amount of state or local financial assistance.