

WEST ALLEN PARISH WATER DISTRICT
Reeves, Louisiana

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 2022

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INDEPENDENT AUDITORS' REPORT

May 10, 2023

Board of Commissioners
West Allen Parish Water District
Reeves, Louisiana

Opinion

We have audited the accompanying financial statements of the business-type activities of West Allen Parish Water District, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Districts basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the West Allen Parish Water District as of December 31, 2022, and the respective changes in financial position and the cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 West Allen Parish Water District, 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the West Allen Parish Water District'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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or

historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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 the 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 report. The other information comprises the Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer but does not include basic financial statements and other auditor's 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, or 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 reports.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2023 on our consideration of West Allen Parish Water District'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 the District's internal control over financial reporting and compliance.

WEST ALLEN PARISH WATER DISTRICT

Statement of Net Position

December 31, 2022

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets		
Cash	\$ 583,925	\$ 639,666
Receivables		
Accounts	46,358	45,354
Intergovernmental	7,785	-
Interest	1,745	1,745
Prepaid insurance	4,251	3,932
Restricted assets		
Bond sinking fund		
Cash	117,874	117,534
Bond reserve fund		
Cash	53,174	45,681
Bond short lived assets		
Cash	262,758	232,098
Bond contingency fund		
Cash	94,423	86,848
Interest receivable	-	-
Customer deposits		
Cash	54,327	50,779
Total Current Assets	<u>1,226,620</u>	<u>1,223,637</u>
Property, plant and equipment, at cost, net of accumulated depreciation \$2,522,346 for 2022	<u>5,741,025</u>	<u>5,869,723</u>
 TOTAL ASSETS	 <u>\$ 6,967,645</u>	 <u>\$ 7,093,360</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>\$ -</u>	 <u>\$ -</u>

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

WEST ALLEN PARISH WATER DISTRICT

Statement of Net Position - Continued

December 31, 2022

	<u>2022</u>	<u>2021</u>
LIABILITIES		
Current liabilities		
Accounts payable-operations	\$ 36,841	\$ 22,921
Payable from restricted assets		
Current portion of revenue bonds	57,905	56,197
Customer deposits	<u>52,033</u>	<u>48,373</u>
Total Current Liabilities	146,779	127,491
Long-term debt, net of current portion	<u>3,033,496</u>	<u>3,091,400</u>
TOTAL LIABILITIES	<u>\$ 3,180,275</u>	<u>\$ 3,218,891</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>
NET POSITION		
Net investment in capital assets	\$ 2,649,624	\$ 2,722,126
Net position - Restricted for debt service	528,229	482,161
Net position - Unrestricted	<u>609,517</u>	<u>670,182</u>
TOTAL NET POSITION	<u>\$ 3,787,370</u>	<u>\$ 3,874,469</u>

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

WEST ALLEN PARISH WATER DISTRICT

Statement of Revenues, Expenses
and Changes in Net Position

Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Charges for services	\$ 629,371	\$ 622,543
Miscellaneous revenue	59,113	41,149
TOTAL OPERATING REVENUES	<u>688,484</u>	<u>663,692</u>
OPERATING EXPENSES		
Advertising	1,151	910
Bank charges	947	952
Credit card processing fees	219	219
Depreciation	177,225	179,309
Dues	9,495	7,631
Insurance - general	23,652	18,946
Insurance - health	52,779	44,508
Mileage reimbursements	2,466	2,466
Miscellaneous	2,279	3,338
Office	8,937	7,910
Per diem	4,440	4,380
Postage	5,183	4,832
Professional fees	13,260	8,020
Salaries	213,364	205,854
Supplies and maintenance	105,208	49,428
Taxes and licenses	16,637	16,062
Telephone	6,015	7,735
Training	80	726
Transportation	20,247	13,428
Uniforms	-	266
Utilities	29,650	26,322
TOTAL OPERATING EXPENSES	<u>693,234</u>	<u>603,242</u>
OPERATING INCOME (LOSS)	<u>(4,750)</u>	<u>60,450</u>
NON-OPERATING REVENUES (EXPENSES)		
Insurance proceeds - hurricane	-	13,325
Interest income	10,110	7,694
Interest expense	(93,659)	(95,318)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(83,549)</u>	<u>(74,299)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	(88,299)	(13,849)
CAPITAL CONTRIBUTIONS	<u>1,200</u>	<u>2,550</u>
CHANGE IN NET POSITION	(87,099)	(11,299)
NET POSITION - BEGINNING	3,874,469	3,885,768
NET POSITION - ENDING	<u>\$ 3,787,370</u>	<u>\$ 3,874,469</u>

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

WEST ALLEN PARISH WATER DISTRICT

Statement of Cash Flows

Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 679,695	\$ 665,379
Cash payments to suppliers for goods and services	(285,384)	(214,737)
Cash payments to employees for services	(213,364)	(205,854)
NET CASH FROM OPERATING ACTIVITIES	<u>180,947</u>	<u>244,788</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributions from customers	1,200	2,550
Insurance proceeds - hurricane	-	13,325
Purchase of fixed assets	(48,527)	(14,340)
Principal paid on revenue bonds	(56,196)	(54,538)
Interest paid on revenue bonds	(93,659)	(95,318)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(197,182)</u>	<u>(148,321)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	10,110	7,694
Purchase of non-cash equivalents	(9,642)	(127,330)
NET CASH FROM INVESTING ACTIVITIES	<u>468</u>	<u>(119,636)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(15,767)</u>	<u>(23,169)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>749,232</u>	<u>772,401</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 733,465</u>	<u>\$ 749,232</u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	<u>\$ 93,659</u>	<u>\$ 96,928</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO TOTAL CASH:		
Cash and cash equivalents	\$ 733,465	\$ 749,232
Non-cash equivalents	433,016	423,374
Total Cash	<u>\$ 1,166,481</u>	<u>\$ 1,172,606</u>

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

Continued

WEST ALLEN PARISH WATER DISTRICT

Statement of Cash Flows - Continued

Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (4,750)	\$ 60,450
Net cash provided by operating activities		
Depreciation	177,225	179,309
(Increase) decrease in:		
Accounts receivable	(8,789)	1,687
Interest receivable	-	-
Prepaid insurance	(319)	(417)
Increase (decrease) in:		
Accounts payable	13,920	1,131
Customer deposits	3,660	2,628
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 180,947</u>	<u>\$ 244,788</u>

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

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The West Allen Parish Water District was created by the Allen Parish Police Jury under the provisions of Louisiana Revised Statutes 33:3811 for the purpose of providing water to the rural area of West Allen Parish. The District is governed by a board of commissioners composed of seven members, five appointed by the Allen Parish Police Jury and two appointed by the Village of Reeves, LA.

1. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for West Allen Parish Water District. 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 Allen 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 Allen 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.

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation

The accompanying financial statements of the West Allen Parish Water 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 for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. Cash and Cash Equivalents

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

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Accounts Receivable

Uncollectible amounts due for accounts receivable are recognized as bad debts using the direct write-off method. Uncollectible amounts are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible. This method does not result in a charge to bad debts that are materially different from the amount that would be charged if the reserve method were used.

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 disaster or other calamity in this one concentrated geographic location.

5. Capital Assets

All fixed assets are valued at historical cost. The costs 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 fixed assets, as applicable.

Depreciation of each class of depreciable property is computed using the straight-line method. Estimated useful lives are as follows:

Distribution system	50 years
Office and shop building	10-15 years
Equipment	5-7 years
Software	3 years

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. Compensated Absences

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

- Vacation
- One week after 1 year of service,
 - Two weeks after 2 years of service,
 - Three weeks after 10 years of service,
 - Four weeks after 15 years of service,

- Sick Leave - 10 days per year,
- Maximum of 30 days may be carried over to the next year.

The District's recognition and measurement criterion 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, 2022, the District did not have an accrual for compensated absences.

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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. The statement reflects ending cash and cash equivalents of \$733,465 which represents unrestricted and restricted amounts of \$150,909 and \$582,556 respectively.

8. 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. The budget was amended once during the year.

9. 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 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. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position– All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

10. Use of Estimates

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

11. Subsequent Events

Management has evaluated subsequent events through May 10, 2023, the date the financial statements were available for issue.

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 government's financial position and operations.

NOTE B - CASH DEPOSITS

At December 31, 2022, the District has cash balances (book balances) totaling \$1,166,481. 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, 2022, the District has \$1,178,786 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$928,786 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2022

NOTE C – PROPERTY, PLANT AND EQUIPMENT

A summary of changes in property, plant and equipment for the year ended December 31, 2022 are as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Distribution system	\$ 7,750,657	\$ -	\$ -	\$ 7,750,657
Office and shop building	117,963	-	-	117,963
Equipment	321,600	2,193	-	323,793
Land	<u>24,622</u>	<u>46,334</u>	-	<u>70,956</u>
	8,214,842	<u>\$ 48,527</u>	<u>\$ -</u>	8,263,369
Less accumulated depreciation	<u>2,345,119</u>			<u>2,522,344</u>
TOTALS	<u>\$ 5,869,723</u>			<u>\$ 5,7441,025</u>

Depreciation expense was \$177,225 for the year ended December 31, 2022.

Capital asset additions in the current year was Fitzenrider land and a printer.

NOTE D - LONG-TERM DEBT

The following is a summary of bond transactions of the District for the year ended December 31, 2022.

Bonds payable, Beginning	\$ 3,147,597
Bonds issued	-
Bonds retired	<u>(56,196)</u>
Bonds payable, Ending	<u>\$ 3,091,401</u>

Bonds payable at December 31, 2022 are comprised of the following individual issues:

Revenue bonds

\$3,440,000 Revenue Bonds Series 2015 with USDA Dated March 17, 2015 due in monthly installments of \$12,488, maturity date of March 17, 2055, Interest at 3.0%	\$ 3,091,401
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Less currently payable	<u>57,905</u>
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LONG-TERM DEBT	<u>\$ 3,033,496</u>
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WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2022

NOTE D - LONG-TERM DEBT - CONTINUED

The annual requirements to amortize all debts outstanding as of December 31, 2022 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 57,906	\$ 91,950
2024	59,667	90,189
2025	61,482	88,374
2026	63,352	86,504
2027	65,279	84,577
2028-2032	357,413	391,867
2033-2037	415,177	334,103
2038-2042	482,277	267,003
2043-2047	560,221	189,059
2048-2052	650,762	98,518
2053-2057	317,865	10,978

The revenue bonds are to be retired from revenues derived from the operations of the District. As of December 31, 2022 the District has no unused lines of credit nor any assets pledged as collateral. The remedies for significant events of default is all installments to be immediately due and payable. In addition, the district will pay reasonable attorney fees and other such expenses.

NOTE E - COMPONENTS OF RESTRICTED NET POSITION

	<u>Revenue Bond Sinking</u>	<u>Revenue Bond Reserve</u>	<u>Revenue Bond Short Lived Asset</u>	<u>Revenue Bond Contingency</u>	<u>Customer deposit</u>	<u>Total</u>
Cash and interest receivable	<u>\$ 117,874</u>	<u>\$ 53,174</u>	<u>\$ 262,758</u>	<u>\$ 94,423</u>	<u>\$ 54,327</u>	<u>\$582,556</u>

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "bond sinking" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "Bond Reserve" account is used to report resources set aside to meet unexpected shortfalls in the sinking account. The "Bond Short-Lived Asset" account is used to report resources set aside to fund capital outlay replacements. The "Bond Contingency" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2022

NOTE E - COMPONENTS OF RESTRICTED NET POSITION - CONTINUED

The amount of net position reserved for debt service is detailed as follows:

Restricted assets: revenue bond sinking, reserve, Short-lived asset and contingency funds	\$ 528,229
Less:	
Accrued interest, payable from restricted assets	<u> -</u>
Net position reserved for debt service	<u>\$ 528,229</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 – BOARD MEMBER COMPENSATION

In accordance with Louisiana Revised Statute 33:3819, per diem is allowed not to exceed \$60 per meeting attended, up to twenty-four regular meetings and twelve special meetings. The Board has approved per diem at \$60.

Per diem paid commissioners for the year ended December 31, 2022 were as follows:

	<u>Amount</u>	<u>Term Ends</u>
Reeves, Jr. William	\$ 840	May 2, 2027
Ritter, Carl	840	May 3, 2026
Firth, Chancy	840	December 15, 2025
Savoie, Thomas	720	April 8, 2024
Rion, Jeremy	300	April 2, 2023
Schultz, Kurt	780	January 5, 2025
Fontenot, Sullivan	<u>120</u>	July 4, 2022
	<u>\$ 4,440</u>	

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2022

NOTE H – AGING OF ACCOUNTS RECEIVABLE

Aging of Accounts Receivable – proprietary fund as of December 31, 2022 are as follows:

0-30 <u>Days</u>	31-60 <u>Days</u>	61-90 <u>Days</u>	over 90 <u>Days</u>	<u>Total</u>
\$ 30,160	\$ 16,198	\$ -	\$ -	\$ 46,358

NOTE I – SCHEDULE OF INSURANCE COVERAGE

The schedule of insurance coverage as of December 31, 2022 is as follows:

	<u>Limits</u>	<u>Expiration Date</u>
Automobile liability	\$1,000,000 bodily injury and physical damage	March 18, 2023
Real Property & Business Property	\$1,868,080 per occurrence-bodily injury and physical damage	March 18, 2023
Commercial general liability	\$1,000,000 per occurrence, \$3,000,000 aggregate	March 18, 2023
Commercial Crime	\$500,000/250,000/100,000 Employee theft, Forgery, Fraud	March 18, 2023
Public officials & Management Liability	\$1,000,000/1,000,000/1,000,000 Wrongful acts, employee practices, Employee benefit plans	March 18, 2023
Commercial Excess Liability	\$1,000,000/1,000,000	March 18, 2023

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2022

NOTE J – SCHEDULE OF RATES AND NUMBER OF CUSTOMERS

At December 31, 2022 the number of customers were as follows:

Residential	1,120
Commercial	32
Tax exempt/Govt.	12

The schedule of rates:

Residential:	\$27.00/per month first 2,000 gallons \$6.00 per 1,000 gallon thereafter
Commercial:	\$45.00/per month first 5,000 gallons \$6.00 per 1,000 gallon thereafter
Sewer:	\$20.00/per month first 3,000 gallons \$2.00 per 1,000 gallon thereafter
Church sewer:	\$40.00/per month first 13,000 gallons \$2.00 per 1,000 gallon thereafter

REQUIRED SUPPLEMENTARY
INFORMATION

WEST ALLEN PARISH WATER DISTRICT

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

Year Ended December 31, 2022

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 650,000	\$ 650,000	\$ 629,371	\$ (20,629)
Miscellaneous revenue	60,000	60,000	59,113	(887)
TOTAL OPERATING REVENUES	710,000	710,000	688,484	(21,516)
OPERATING EXPENSES				
Advertising	1,000	1,200	1,151	49
Bank charges	1,000	875	947	(72)
Credit card processing fees	200	525	219	306
Depreciation	182,000	182,000	177,225	4,775
Dues	7,500	7,750	9,495	(1,745)
Insurance - general	21,000	22,700	23,652	(952)
Insurance - health	47,000	49,000	52,779	(3,779)
Mileage reimbursements	2,400	2,200	2,466	(266)
Miscellaneous	1,000	1,000	2,279	(1,279)
Office	7,000	7,800	8,937	(1,137)
Per diem	5,000	5,200	4,440	760
Postage	5,000	5,000	5,183	(183)
Professional fees	10,000	14,715	13,260	1,455
Salaries	208,075	208,075	213,364	(5,289)
Supplies and maintenance	55,000	106,000	105,208	792
Taxes and licenses	16,000	16,000	16,637	(637)
Telephone	8,000	6,600	6,015	585
Training	2,000	80	80	-
Transportation	15,000	22,000	20,247	1,753
Uniforms	1,000	-	-	-
Utilities	27,000	29,000	29,650	(650)
TOTAL OPERATING EXPENSES	622,175	687,720	693,234	(5,514)
OPERATING INCOME (LOSS)	87,825	22,280	(4,750)	(27,030)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	7,600	7,600	10,110	2,510
Interest expense	(93,659)	(93,659)	(93,659)	-
Capital contributions	-	-	1,200	1,200
TOTAL NON-OPERATING REVENUES (EXPENSES)	(86,059)	(86,059)	(82,349)	3,710
CHANGE IN NET POSITION	1,766	(63,779)	(87,099)	(23,320)
NET POSITION - BEGINNING	3,874,469	3,874,469	3,874,469	-
NET POSITION - ENDING	\$3,876,235	\$3,810,690	\$3,787,370	\$ (23,320)

OTHER INFORMATION

WEST ALLEN PARISH WATER DISTRICT

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

Year Ended December 31, 2022

Chief Executive Officer: William Reeves, Jr., Board President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	840
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 13, 2022

Board of Commissioners
West Allen Parish Water District
Reeves, 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 West Allen Parish Water District as of and for the year ended December 31, 2021, and the related notes to the financial statements which collectively comprise West Allen Parish Water District's basic financial statements, and have issued our report thereon dated June 13, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be

material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Allen Parish Water District'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*.

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 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.

WEST ALLEN PARISH WATER DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES

Year Ended December 31, 2021

I. Summary of Auditors' Results:

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Control deficiencies identified that are not considered to be material weakness(es)? _____ yes X no

Noncompliance material to financial statements noted? _____ yes X no

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

None

III. Federal Award Findings and Responses

None

IV. Prior Year Findings

None

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

April 27, 2023

Board of Commissioners
West Allen Parish Water District
Reeves, Louisiana

We have performed the procedures included 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, 2022 through December 31, 2022. The District's management is responsible for those C/C areas identified in the SAUPs.

West Allen Parish Water District 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, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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.

- 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 does not address information technology disaster recovery/business continuity.

Management Response: Management will update the policies and procedures manual to include this area.

- 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 does not address sexual harassment.

Management Response: Management will update the policies and procedures manual to include this area.

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 noted.

- 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.*

The minutes did not reference or include all quarterly budget-to-actual comparisons.

Management Response: Management will reference budget-to-actual comparisons in the minutes quarterly.

- 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 noted.

- 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 noted.

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 noted.

- 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 (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- 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.

One of the items outstanding for more than 12 months from the statement closing date did not have documentation reflecting that it has been researched.

Management Response: Management will document its research for the outstanding item.

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;

No exceptions noted.

- 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:

No exceptions noted.

- 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

No exceptions noted.

- 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.

No exceptions noted.

- 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 noted.

- 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 no the same day). Obtain supported documentation for each of the deposits and:

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- 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 noted.

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

No exceptions noted.

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;

At least two employees were involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.

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

No exceptions noted.

- 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. However, another employee is responsible for periodically reviewing changes to vendor files.

- 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

The employee responsible for processing payments does not mail the signed checks.

- 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 noted.

- 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.

- 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.

All transactions tested were authorized, approved and processed by different employees.

- 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. Note: if no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

On the months tested, supporting documentation was reviewed and approved in writing by someone other than the authorized card holder.

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

No finance charges and/or late fees were assessed on the selected statement.

C. Using the monthly statements or combined statements selected under procedure #7B 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted.

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);

No exceptions noted.

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

Not applicable, all of the reimbursements selected used per diem.

- 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 noted.

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

No exceptions noted.

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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

- 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 noted.

- 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 noted.

- 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 noted.

- 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 noted.

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 noted.

- 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 noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- 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 cumulate 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 noted.

- 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 noted.

10) Ethics

- 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

All employees tested had documentation of one hour of ethics training during the fiscal period.

- 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 noted.

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

No exceptions noted.

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).

No exceptions noted.

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. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The District has the required notice posted in a conspicuous place upon its premises. The District does not have a website.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- 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 noted.

- 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 noted.

- 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 noted.

- 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 noted.

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 noted.

- 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 noted.

- 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;

The annual sexual harassment report for 2022 was not filed as of February 1.

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

The annual sexual harassment report for 2022 was not filed as of February 1.

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

The annual sexual harassment report for 2022 was not filed as of February 1.

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

The annual sexual harassment report for 2022 was not filed as of February 1.

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

The annual sexual harassment report for 2022 was not filed as of February 1.

Management response: Management will file the District's annual sexual harassment report.

We were engaged by West Allen Parish Water District 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 West Allen Parish Water District 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.