

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA

ANNUAL FINANCIAL REPORT

FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022.



WATERWORKS DISTRICT NO.1 OF POINTE COUPEE PARISH, LA

105 GISELE STREET

NEW ROADS, LA 70760

(225) 638-4501

DISTRICTERS

John Smith. Chairman

Ashley Bonds

Danny Boudreaux

Tommy Guidry

Ray Jarreau

Freddie Solomon

Chad Vosburg

MEETING DATE:

2nd Monday of Every Month
6:00 PM – Police Jury Office – New Roads, LA



WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA

FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Waterworks District No. 1 of Pointe Coupee Parish, LA
New Roads, Louisiana

We have audited the accompanying financial statements of the business-type activities of Waterworks District No. 1 of Pointe Coupee Parish, Louisiana, (the District), a component unit of the Parish of Pointe Coupee, as of and for the years ended December 31, 2023 and 2022, and the related notes to the 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 District, as of December 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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 Waterworks District No. 1 of Pointe Coupee Parish, Louisiana'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 the management's discussion and analysis and budgetary comparison information on pages 3 through 7 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Waterworks District No. 1 of Pointe Coupee Parish, Louisiana's basic financial statements. The supplementary schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head, or chief executive officer (page 27) is presented for purposes of additional analysis and are not a required part of the basic financial statements.



TWRU
CPAs & Financial Advisors

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2024, on our consideration of the District's internal control over financial reporting and on 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 effectiveness of the District'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 the District's internal control over financial reporting and compliance.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
October 15, 2024



TWRU

CPAs & Financial Advisors

Waterworks District No. 1 of Pointe Coupee Parish, LA

Management's Discussion and Analysis

December 31, 2023

INTRODUCTION

This annual report consists of –

- Our independent auditors' report on the financial statements in which they rendered an unmodified opinion.
- Management's discussion and analysis which provides in plain language an overview of our financial activities for the year.
- The basic financial statements which consists of proprietary fund financial statements, and the notes to those financial statements.
- ,Supplementary information required by Louisiana Legislative Auditor.
- Our independent auditors' report on the District's compliance with laws and regulations and how management applied internal controls over its financial operations. The results of those tests and observations did not indicate any violations that they considered to be in noncompliance or conditions that required to be disclosed that could affect our operations.

Management's Discussion and Analysis

As management of the District, we are pleased to provide an overview of our financial activities for the year ended December 31, 2023. The intended purpose of the Management Discussion and Analysis (MD&A) is to provide an introduction to the basic financial statements and notes that provides an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions, by providing an easily readable summary of operating results and reasons for changes, which will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities, the sources, uses, and changes in resources, adherence to budget, service levels, limitations of significant economic factors, and the status of infrastructure and its effects on our debt and operation. When referring to prior years data in this analysis we will be drawing upon information from last year's audited financial report.

Financial Highlights

- The District's net position increased by \$955,349 from \$1,727,687 in 2022 to \$2,683,036 in 2023.
- Utility operating revenues increased by \$122,056 from \$826,608 in 2022 to \$948,664 in 2023.
- Unrestricted cash decreased by \$352,961 for the year ended December 31, 2023.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of three components: (1) proprietary fund financial statements, (2) notes to the financial statements, and (3) other required supplementary information in addition to the basic financial statements themselves required by Louisiana Legislative Auditor.

Financial Statements

The District's Financial Statements report functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). When the District charges customers for the services it provides these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position.

The Financial Statements, presented on pages 9 through 11, are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Statement of Cash Flows presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Notes to the Financial Statements

The notes, presented on pages 12 through 22, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are a required part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information required by the Louisiana Legislative Auditor, on page 28.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At the end of the most recent year, the assets of the District exceeded its liabilities and deferred inflows of resources by \$2,683,036 at December 31, 2023.

The District's total assets are composed of \$ (9%) in unrestricted cash, receivables, and prepaids \$5,084,062 (62%), investment in capital assets (land, buildings, utility systems, vehicles, equipment, construction in progress, etc.), and \$2,445,706 (29%) in restricted cash. The District uses these capital assets to provide various services to residents and businesses in the incorporated area, these assets are not available for future spending. A large part of the restricted cash will be used for capital improvement projects.

Statement of Net Position

	Total 2023	Total 2022	% Change
Current and other assets	\$ 3,201,086	\$ 2,789,703	14.7%
Capital assets	<u>5,012,473</u>	<u>2,507,879</u>	99.9%
Total assets	<u>8,213,559</u>	<u>5,297,582</u>	55.0%
Current and other liabilities	646,098	862,130	-25.1%
Long-term debt	<u>4,828,449</u>	<u>2,671,384</u>	80.7%
Total liabilities	<u>5,474,547</u>	<u>3,533,514</u>	54.9%
Deferred Inflows of Resources	<u>62,307</u>	<u>47,292</u>	31.7%
Net position –			
Invested in capital assets, net of related debt	97,224	(247,505)	-139.3%
Restricted for Capital Projects	2,235,310	1,656,089	35.0%
Unrestricted	<u>344,371</u>	<u>319,103</u>	7.9%
Total net position	<u>\$ 2,676,905</u>	<u>\$ 1,727,687</u>	54.9%

Changes in Net Position

	Total 2023	Total 2022	% Change
Revenues:			
Charges for services	\$ 948,664	\$ 826,608	14.8%
Other Revenues	369,803	77,653	376.2%
Interest Income	73,344	18,804	290.0%
Total revenues	<u>1,391,811</u>	<u>845,412</u>	50.8%
Functions/Program expenses –			
Taxes, Licenses & Permits	1,411	10,621	-86.7%
Administrative	25,292	17,756	42.4%
Professional fees	136,624	72,770	87.7%
Utility operator	214,166	164,207	30.4%
Maintenance	72,624	135,748	-46.5%
Utilities	38,940	23,013	69.2%
Insurance	24,600	12,349	99.2%
Depreciation	156,222	92,409	69.1%
Bond Issuance Costs	117,313	-	
Interest on long-term debt	116,618	86,305	35.1%
Interest on deposit accounts	1,998	1,944	2.8%
Total expenses	<u>905,808</u>	<u>617,122</u>	46.8%
Increase in net position	486,003	305,943	58.9%
Net Assets added from merger	474,126	-	
Beginning net position	<u>1,716,776</u>	<u>1,410,833</u>	21.7%
Ending net position	<u>\$ 2,676,905</u>	<u>\$ 1,716,776</u>	55.9%

Capital Assets

At December 31, 2023 and 2022, the District had \$10,244,439 and \$3,521,585 respectively, invested in a broad range of capital assets, including land, buildings, utility systems, vehicles, and equipment.

During 2023 the District paid \$204,746 for land purchased for the new water well projects.

During 2022, the District paid \$12,800 for a new generator.

During 2023 and 2022, the District paid \$1,658,894 and \$789,438 for construction on projects.

Further detail on capital assets is presented in Note 3 on page 16.

	Business-type Activities	
	2023	2022
Land	\$ 229,746	\$ 25,000
Buildings & Improvements	31,296	22,826
Machinery & Equipment	110,733	109,582
Utility Property	7,143,664	3,167,898
Construction in Progress	2,657,411	998,517
Less Accumulated Depreciation	<u>(5,160,377)</u>	<u>(1,815,944)</u>
Totals	<u>\$ 5,012,473</u>	<u>\$ 2,507,879</u>

Economic Factors and Utility Rates

The District relies on user charges for the operations; therefore, activities are impacted by the number of users served and the consumption of water.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Edward Merrick, CPA at (225) 638-4501 or write to the District at 105 Gisele Street. New Roads, Louisiana 70760.

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
STATEMENTS OF NET POSITION

	December 31,	
	2023	2022
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 494,210	\$ 847,171
Accounts Receivable (net of allowance of \$65,562 and \$32,490)	131,157	18,485
Due from Parish Government	116,423	-
Unbilled Accounts Receivable	-	90,766
Prepaid Expenses	13,590	7,519
TOTAL CURRENT ASSETS	755,380	963,941
RESTRICTED ASSETS:		
Contingency Reserves	169,814	169,673
OIC Reserves	24,843	23,740
Project Reserves	106,031	-
Project Fund	1,418,032	-
Debt Sinking Fund	40,582	-
Debt Service Reserves	503,339	1,453,856
Restricted Reserves	183,065	178,493
TOTAL RESTRICTED RESERVES	2,445,706	1,825,762
NON-CURRENT ASSETS:		
Capital Assets (nondepreciable)	229,746	25,000
Capital Assets Under Construction (nondepreciable)	2,657,411	998,517
Capital Assets (net of accumulated depreciation)	2,125,316	1,484,362
Utility Deposits	200	-
TOTAL NON-CURRENT ASSETS	5,012,673	2,507,879
TOTAL ASSETS	<u>\$ 8,213,759</u>	<u>\$ 5,297,582</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable	\$ 120,394	\$ 467,844
Due to Related Party	512	6,097
Current Portion of Long-Term Debt	87,000	84,000
Accrued Interest Payable	40,581	12,703
TOTAL CURRENT LIABILITIES	248,487	570,644
NON-CURRENT LIABILITIES:		
Consumer Meter Deposits Payable	397,611	291,486
Long-Term Debt (net of current portion)	4,828,449	2,671,384
TOTAL NON-CURRENT LIABILITIES	5,226,060	2,962,870
TOTAL LIABILITIES	<u>\$ 5,474,547</u>	<u>\$ 3,533,514</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unearned Water Sales	<u>\$ 62,307</u>	<u>\$ 47,292</u>
<u>NET POSITION</u>		
NET POSITION:		
Invested in Capital Assets	\$ 97,224	\$ (247,505)
Restricted for Capital Projects	1,418,032	23,740
Restricted -Debt Service	503,339	1,453,856
Restricted - Reserve Fund	313,939	178,493
Unrestricted - Undesignated	344,371	319,103
TOTAL NET POSITION	<u>\$ 2,676,905</u>	<u>\$ 1,716,776</u>

(See Accompanying Notes to Financial Statements)

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	For the Year Ended December 31,	
	2023	2022
OPERATING REVENUES:		
Charges for Services		
Water Charges	\$ 948,664	\$ 826,608
TOTAL OPERATING REVENUES	948,664	826,608
OPERATING EXPENSES:		
Billing Fees	63,269	55,057
Board Member Compensation and Travel Reimbursements	9,677	7,581
Chemicals	24,436	22,637
Depreciation	156,222	92,409
Grass Cutting	2,025	1,030
Insurance	24,600	12,349
Meter Readers	2,078	23,751
Miscellaneous	5,061	4,515
Answering Service	1,986	2,333
Professional and Technical Services	73,355	17,713
Publishing	8,568	3,327
Repairs, Maintenance and Supplies	44,085	88,330
Taxes & Fees	1,411	10,621
Utilities	38,940	23,013
Utility Operator	214,166	164,207
TOTAL OPERATING EXPENSES	669,879	528,873
NET OPERATING INCOME	278,785	297,735
NONOPERATING REVENUES (EXPENSES):		
Grant Income	363,711	70,000
Gain on Sale of Assets	6,092	7,653
Bond Issuance Costs	(117,313)	-
Interest Income	73,344	18,804
Interest Paid on Customer Deposits	(1,998)	(1,944)
Interest on Long-Term Debt	(116,618)	(86,305)
TOTAL NONOPERATING REVENUES (EXPENSES)	207,218	8,208
CHANGE IN NET POSITION	486,003	305,943
NET POSITION - BEGINNING	1,716,776	1,410,833
NET POSITION ADDED FROM MERGER	474,126	-
NET POSITION - ENDING	\$ 2,676,905	\$ 1,716,776

(See Accompanying Notes to Financial Statements)

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers	\$ 951,709	\$ 762,633
Payments to Suppliers	(894,369)	(59,213)
NET CASH PROVIDED BY OPERATING ACTIVITIES	57,340	703,420
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Meter Deposits Received net of Refunds	3,060	2,440
Due to Related Party	(5,590)	(4,629)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(2,530)	(2,189)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of Capital Assets	(1,724,117)	(802,238)
Capital Grant Received	363,711	70,000
Principal Paid on Revenue Bonds	(84,000)	(82,000)
Proceeds from Bond Issuance	2,247,699	-
Bond Issuance Costs Paid	(117,313)	-
Cash Received from Damage to Asset	#REF!	7,653
Net Assets Received in Merger	(456,934)	
Interest Paid on Revenue Bonds	(94,311)	(95,575)
NET CASH PROVIDED IN (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES	#REF!	(902,160)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Paid on Deposit Accounts	(1,998)	(1,944)
Interest Income Received	73,344	18,804
NET CASH PROVIDED IN INVESTING ACTIVITIES	71,346	16,860
NET INCREASE (DECREASE) IN CASH	#REF!	(184,069)
CASH - BEGINNING OF YEAR	2,672,933	2,857,002
CASH - END OF YEAR	#REF!	\$ 2,672,933

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating Income	\$ 278,785	\$ 297,735
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation expense	156,222	92,409
Bad Debt Expense	14,055	2,290
Change in assets and liabilities		
(Increase) Decrease in accounts receivable, net	39,311	8,621
(Increase) Decrease in unbilled receivables	90,766	(90,766)
(Increase) Decrease in due from Parish Government	(116,423)	-
Increase in prepaid expenses	-	(1,175)
Increase (Decrease) in accounts payable	(380,712)	378,426
Increase in unearned water charges	(24,664)	15,880
Net cash provided by operating activities	\$ 57,340	\$ 703,420

(See Accompanying Notes to Financial Statements)

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA

NOTES TO BASIC FINANCIAL STATEMENTS

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WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

The Waterworks District No. 1 of Pointe Coupee Parish, LA (the "District") was created by an ordinance of the Pointe Coupee Parish Police Jury under the authority of the provisions of Article VI, Section 19 of the 1974 Louisiana Constitution and R.S. 33:3811 et seq. The District provides potable water to portions of the Parish of Pointe Coupee. The District is governed by a board of five Districters, who are residents of the District, appointed by the Pointe Coupee Parish Police Jury under the authority of R.S. 33:3813. All Districters serve at the pleasure of the governing authority of the parish. On August 2, 2023, the District merged with False River Water Works Corporation (FRWWC). The District is the surviving member of the merger. FRWWC provides potable water to parts of the City of New Roads and parts of Pointe Coupee Parish. FRWWC has approximately 1500 residential and commercial customers.

Financial Reporting Entity

The District is a component unit of the Parish of Pointe Coupee, the financial reporting entity. The Parish of Pointe Coupee is financially accountable for the District because it appoints a voting majority of the Board and has the ability to impose its will on the District. The District is economically dependent on the Parish of Pointe Coupee.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish of Pointe Coupee, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Basis of Presentation

The accompanying component unit financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Financial Statements

The District has adopted the provisions of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board *"Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments"*. This statement provides that special purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds.

The District is a special purpose government engaged only in business-type activities.

For these governments, basic financial statements and required supplemental information (RSI) consist of:

- Management's discussion and analysis (MD&A)
- Statements of net position
- Statements of revenues, expenses, and changes in net position
- Statements of cash flows
- Notes to the financial statements
- RSI other than MD&A, if applicable

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, deferred inflows, deferred outflows, net position, and revenues and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The City reports an Enterprise fund type.

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. The Water Enterprise fund operates the City's water distribution system, which primarily serves Pointe Coupee Parish residents.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Business-type activities in the proprietary fund financial statements are presented on the accrual basis of accounting. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred. Non-exchange revenues, including grants, are reported when all eligibility requirements have been met.

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

Proprietary fund net positions are divided into three components:

Invested in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of borrowings that are attributable to the acquisition, construction, or improvement of those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position – This component of net position consists of assets that are restricted by FRWW's creditors, by the state enabling legislation, by grantors, and by other contributors. This includes cash reserve funds as required by the loan agreements with USDA and cash for customer deposits.

Unrestricted net position - This component of net position consists of net position that do not meet the definition of "restricted" or "invested in capital assets."

Operating Revenues and Expenses

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenues of the District consists of water sales to residential and commercial users, including penalty charges, connection fees, and late charges. Operating expenses for the District include the cost to distribute water, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Deferred Inflows of Resources

The District's statements of net position reports a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to future periods. Deferred inflows of resources are reported in the statements of net position for unearned water revenue. The District will not recognize the related revenues until they are available under accrual basis accounting.

Fair Value Financial Statements

The carrying value of cash, accounts receivable and operating liabilities approximate fair value due to the short-term maturity of these instruments.

Cash and Cash Equivalents

Cash includes amounts in interest-bearing demand deposit accounts, money markets, and short-term investments with maturities of three months or less from the date of acquisition. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets

Restricted assets on the balance sheet represents funds held for customer deposits and accounts required by the bonds payable agreement (reserve account, debt service fund account and construction projects account).

Accounts Receivable and Bad Debts

Accounts receivable represent amounts owed to the District from customer water usage net of the allowance for doubtful accounts. The District establishes an allowance equal to account balances of terminated customers with accounts over 60 days past due.

The District requires a deposit on account from its customers as a source of collateral.

Capital Assets

Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of capital assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on depreciable property using the straight-line method. Estimated useful lives are as follows:

Water System	10 – 50 Years
Buildings & Improvements	20 Years
Machinery & Equipment	5 – 10 Years
Vehicles	5 Years

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts and depreciation.

Use of Restricted Resources

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

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk

The District extends credit to its customers, including governmental agencies, private homeowners and businesses. Although the majority of these customers are located in Pointe Coupee Parish, Louisiana, the District does not believe that it is exposed to any significant credit risk in connection with the extension of credit to its customers.

NOTE 2 – CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

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 pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. 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.

The following is a summary of cash at December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Deposits in bank accounts	\$ 2,939,916	\$ 2,672,933

These amounts are reflected in the following line description on the statement of net position and cash flows statement:

	<u>2023</u>	<u>2022</u>
Cash	\$ 494,210	\$ 847,171
Restricted Reserves	<u>2,445,706</u>	<u>1,825,762</u>
Cash per cashflow statement	<u>\$ 2,939,916</u>	<u>\$ 2,672,933</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39.1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of December 31, 2023, the District's bank balances were fully insured and collateralized with federal deposit insurance and securities held in the name of the District by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 3 – CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>01/01/2023</u>	<u>Merger/ Additions</u>	<u>Deletions</u>	<u>12/31/2023</u>
Land	\$ 25,000	\$ 204,746	\$ -	\$ 229,746
Buildings & Improvements	22,826	8,470	-	31,296
Machinery & Equipment	109,582	1,151	-	110,733
Utility Property	3,167,898	3,975,766	-	7,143,664
Construction Projects in Progress	<u>998,517</u>	<u>1,658,894</u>	<u>-</u>	<u>2,657,411</u>
	4,323,823	<u>\$ 5,849,027</u>	<u>\$ -</u>	10,172,850
Accumulated depreciation	<u>(1,815,944)</u>	<u>\$(3,344,433)</u>	<u>\$ -</u>	<u>(5,160,377)</u>
	<u>\$ 2,507,879</u>			<u>\$ 5,012,473</u>

	<u>01/01/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2022</u>
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Buildings & Improvements	22,826	-	-	22,826
Machinery & Equipment	96,782	12,800	-	109,582
Utility Property	3,167,898	-	-	3,167,898
Construction Projects in Progress	<u>209,079</u>	<u>789,438</u>	<u>-</u>	<u>998,517</u>
	3,312,506	<u>\$ 802,238</u>	<u>\$ -</u>	4,323,823
Accumulated depreciation	<u>(1,723,535)</u>	<u>\$ 92,409</u>	<u>\$ -</u>	<u>(1,815,944)</u>
	<u>\$ 1,798,050</u>			<u>\$ 2,507,879</u>

NOTE 4 – BONDS PAYABLE

The following summarizes debt transactions for the year ended December 31, 2023:

	<u>Balance 01/01/2023</u>	<u>Additions</u>	<u>Adjustments/ Repayments</u>	<u>Balance 12/31/2023</u>	<u>Due Within One Year</u>
2016 Series Bond	\$ 660,000	\$ -	\$ (84,000)	\$ 576,000	\$ (87,000)
2021 Series Bond	2,000,000	-	-	2,000,000	-
Discount: 2021 Series	95,384	-	(4,256)	91,128	(4,256)
2023 Series Bond	-	2,285,000	-	2,285,000	-
Discount: 2023 Series	<u>-</u>	<u>(37,301)</u>	<u>622</u>	<u>(36,679)</u>	<u>1,243</u>
Total long-term debt	<u>\$ 2,755,384</u>	<u>\$ 2,247,699</u>	<u>\$ (87,634)</u>	<u>\$ 4,915,449</u>	<u>\$ (90,013)</u>

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 4 – BONDS PAYABLE (CONTINUED)

Long-term debt obligations for the District at December 31, 2023 are comprised of the following:

Bonds Payable – Series 2016

\$1,046,000 Waterworks Revenue Refunding Bonds, Series 2016, dated April 19, 2016, bearing interest at 2.51% per annum with semi-annual interest payments due November 1 of each year and principal and interest installments at various amounts due July 1 of each year starting July 1, 2016 with the last payment due July 1, 2029. The bonds are callable for redemption at the option of the issuer in full or in part at any time on or after July 4, 2026.

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

Year Ending December 31,	Principal	Interest	Total
2024	\$ 87,000	\$ 14,458	\$ 101,458
2025	90,000	12,274	102,274
2026	94,000	10,015	104,015
2027	98,000	7,655	105,655
2028	101,000	5,196	106,196
2029	106,000	2,660	108,660
	<u>\$ 576,000</u>	<u>\$ 52,258</u>	<u>\$ 628,258</u>

Bond Restrictions: In accordance with the indentures governing the bonds, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability to be serviced by the earnings of the District. Deposits are made to these trust accounts in accordance with the requirements as follows: The District is required to maintain, with the bank that is the paying agent for the bond, a “Reserve Fund” with a minimum of \$104,600 and a “Sinking Fund” with monthly transfers into the account equal to 1/6th of the next scheduled interest payment and 1/12th of the next scheduled principal payment.

Bonds Payable – Series 2021

\$2,000,000 Waterworks Revenue Refunding Bonds, Series 2021, dated November 17, 2021, bearing interest at 2.5-4.5% per annum with annual interest payments due July 1 of each year starting July 1, 2022, and principal and interest installments at various amounts due July 1 of each year starting July 1, 2030, with the last payment due July 1, 2045.

The bonds are callable for redemption at the option of the issuer in full or in part at any time on or after July 1, 2031, at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption. A redemption of the Bonds shall be a redemption of the whole or of any part of the Bonds, provided that there shall be no partial redemption of less than \$5,000.

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 4 – BONDS PAYABLE (CONTINUED)

The bonds are payable over 24 years and bear interest from 2.5% -4.5% as shown in the following schedule,

<u>Bonds maturing July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2030	\$ 95,000	2.5%
2031	\$ 100,000	2.5%
2032	\$ 100,000	2.5%
2033	\$ 105,000	4.0%
2034	\$ 105,000	4.0%
2035	\$ 110,000	4.0%
2036	\$ 115,000	4.5%
2037	\$ 120,000	4.5%
2038	\$ 125,000	4.5%
2039	\$ 130,000	4.5%
2040	\$ 140,000	3.0%
2041	\$ 145,000	3.0%
2042	\$ 145,000	3.0%
2043	\$ 150,000	3.0%
2044	\$ 155,000	3.0%
2045	\$ 160,000	3.0%

Under the indenture, the District is required to maintain certain reserves for the routine payment of interest and principal and for certain other contingencies outlined in the agreement. The District is in compliance with all terms of the bond agreement including the maintenance of required reserves as of December 31, 2023.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 69,075	\$ 69,075
2025	-	69,075	69,075
2026	-	69,075	69,075
2027	-	69,075	69,075
2028	-	69,075	69,075
2029-2033	400,000	330,750	730,750
2034-2038	575,000	241,750	816,750
2039-2043	710,000	114,450	824,450
2044-2045	315,000	14,250	329,250
	<u>\$ 2,000,000</u>	<u>\$ 1,046,575</u>	<u>\$ 3,046,575</u>

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 4 – BONDS PAYABLE (CONTINUED)

Bonds Payable – Series 2023

\$2,285,000 Waterworks Revenue Refunding Bonds, Series 2023, dated August 2, 2023, bearing interest at 3.375%-4.375% per annum with annual interest payments due January 1 and July 1 of each year starting July 1, 2024, and principal and interest installments at various amounts due July 1 of each year starting in 2025 with the last payment due in 2053. The bonds are payable over 30 years and bear interest from 3.375% -4.375% as shown in the following schedule,

<u>Bonds maturing July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2024	\$ 0	3.375%
2025	\$ 10,000	3.375%
2026	\$ 10,000	3.375%
2027	\$ 5,000	3.375%
2028	\$ 5,000	3.375%
2029	\$ 5,000	3.375%
2030	\$ 20,000	3.375%
2031	\$ 15,000	3.375%
2032	\$ 20,000	3.375%
2033	\$ 20,000	3.375%
2034	\$ 25,000	4.000%
2035	\$ 25,000	4.000%
2036	\$ 25,000	4.000%
2037	\$ 25,000	4.000%
2038	\$ 25,000	4.000%
2039	\$ 30,000	4.125%
2040	\$ 25,000	4.125%
2041	\$ 25,000	4.125%
2042	\$ 30,000	4.125%
2043	\$ 30,000	4.125%
2044	\$ 30,000	4.375%
2045	\$ 30,000	4.375%
2046	\$ 200,000	4.375%
2047	\$ 205,000	4.375%
2048	\$ 215,000	4.375%
2049	\$ 225,000	4.375%
2050	\$ 235,000	4.375%
2051	\$ 245,000	4.375%
2052	\$ 255,000	4.375%
2053	\$ 270,000	4.375%

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

Under the indenture, the District is required to maintain certain reserves for the routine payment of interest and principal and for certain other contingencies outlined in the agreement. The District is in compliance with all terms of the bond agreement including the maintenance of required reserves as of December 31, 2023.

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

2040	\$ 160,000	3.0%
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The annual requirements to amortize debt outstanding at December 31, 2023, are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 89,607	\$ 89,607
2025	10,000	98,050	108,050
2026	10,000	97,712	107,712
2027	5,000	97,378	102,378
2028	5,000	97,206	102,206
2029-2033	80,000	480,800	560,800
2034-2038	125,000	461,687	586,687
2039-2043	140,000	435,344	575,344
2044-2048	680,000	382,155	1,062,155
2049-2053	<u>1,230,000</u>	<u>166,249</u>	<u>1,396,249</u>
	<u>\$ 2,285,000</u>	<u>\$ 2,406,188</u>	<u>\$ 4,691,188</u>

NOTE 5 – CONTINGENCIES

Litigation - There is no pending litigation against the District.

Environmental Contingencies - Management of the District is not aware of any unrecorded material environmental commitments or contingent environmental liabilities. Environmental contingencies have been mitigated by testing of the water systems on a regular basis and providing the test results to the proper environmental authorities.

The District is committed to a major capital expenditure project to build new water system infrastructure. Management expects the project to be funded through grant money and remaining bond issuance funds in the project fund.

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 – COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to the board members is as follows:

	<u>2023</u>	<u>2022</u>
Ashley Bonds	\$ 1,000	\$ 1,300
Danny Boudreaux	800	-
Hillard Caldwell	100	1,000
Tommy Guidry	800	-
Freddie Solomon	1,600	1,300
Ray Jarreau	900	1,200
John Smith	2,550	1,950
Chad Vosburg	800	-
	<u>\$ 8,550</u>	<u>\$ 6,750</u>

NOTE 7 - MAINTENANCE AGREEMENT

The District has entered into a maintenance agreement with M & C Water, L.L.C. ("Contractor") for the maintenance of all service lines to minimum standards of the State of Louisiana, maintenance of wells, after hour call outs for necessary repairs and maintenance, disconnect water service, and attendance at board meetings. The Contractor is to be paid monthly. Fees incurred under the agreement for the year ended December 31, 2023 and 2022 were \$107,361 and \$103,774, respectively.

The District has entered into a maintenance agreement with M & M Water Systems Maintenance, LLC for the maintenance of all service lines to minimum standards of the State of Louisiana, maintenance of wells, after hour call outs for necessary repairs and maintenance, disconnect water service, and attendance at board meetings related to the new equipment and customers acquired in the purchase of M & S Water Supply, Inc. Fees paid under the agreement for the year ended December 31, 2023 and 2022 were \$61,598 and \$63,158 respectively.

NOTE 8 - FINANCIAL SERVICES & BILLING AGREEMENTS

The District has entered into a financial service and billing agreement with Merrick & Hogan, CPAs for accounting and billing services. For the year ended December 31, 2023 and 2022, fees and reimbursed costs incurred under the agreements amounted to \$35,448 and \$65,762 respectively.

NOTE 9- STATE FEES

Certain fees required by the Louisiana Department of Health are passed on to the District's customers. These fees are billed, collected and remitted to the appropriate state agency and are not included in the revenues and expenses of the District.

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 10-AGREEMENT WITH POINTE COUPEE POLICE JURY

Through November 2022 the District billed customers for charges for services provided by Pointe Coupee Parish. When these fees were collected by the District they were then remitted to the Pointe Coupee Police Jury (PCPJ). The receivables and payables related to these billings were not recognized in the District's financial statements since the District has no claim to these funds. Effective December 31, 2022, the PCPJ took over billing customers for all water and other services. In December 2022, the District turned over the billing of all customers to the PCPJ and now they bill and collect all funds and remit collections to the District monthly. At December 31, 2023 and 2022, PCPJ owed the District \$116,423 and \$0, respectively for funds received from customers but not remitted to the District.

NOTE 11- RECLASSIFICATIONS

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

NOTE 12: NEW ACCOUNTING PRONOUNCEMENT

GASB Statement No. 87, "Leases" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a defined inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this standard had no material effect on the District's financial statements for the year ended December 31, 2022.

NOTE 13- SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 15, 2024, which is the date the financials were available to be issued.

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on internal control and on compliance with laws and regulations and other matters as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the basic financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

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*

Board of Directors
Waterworks District No. 1 of Pointe Coupee Parish, LA
New Roads, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities of the Waterworks District No. 1 of Pointe Coupee Parish, Louisiana, as of and for the years ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Waterworks District No. 1 of Pointe Coupee Parish, Louisiana's basic financial statements, and have issued our report thereon dated October 15, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Waterworks District No. 1 of Pointe Coupee Parish, Louisiana'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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Waterworks District No. 1 of Pointe Coupee Parish, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Waterworks District No. 1 of Pointe Coupee Parish, Louisiana'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 the Waterworks District No. 1 of Pointe Coupee Parish, Louisiana's financial statements are free from 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 financial statements. 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 or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
October 15, 2024

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
For the Year Ended December 31, 2023

Section A – Summary of Auditors' Reports

- The auditors' report expresses an unmodified opinion on the financial statements of the Waterworks District No. 1 of Pointe Coupee Parish, LA.
- No deficiencies were disclosed during the audit of the financial statements.
- No instances of noncompliance were disclosed during the audit of the financial statements.

Section B - Findings Relating to the Financial Statements Required to be Reported in Accordance with Government Auditing Standards

2023-001 – Late filing of audit with Louisiana Legislative Auditor

Fiscal year finding initially occurred: 2023

CONDITION – The District did not submit the audited financial statements to the Louisiana Legislative Auditor by the extended due date.

CRITERIA – L.R.S. 24:513 provides that the financial statements are to be filed with the Legislative Auditor within six months of the close of the fiscal year plus approved extensions.

CAUSE – The CPA firm was understaffed due to unforeseen turnover and the audit was not completed timely.

EFFECT – According to the Legislative Auditor of the State of Louisiana, failure to comply with the six-month plus approved extensions statutory submission of the financial reports is a reportable instance of noncompliance with state law.

RECOMMENDATION – Management should get the audit firm to start the audit earlier to ensure timely completion in future period.

MANAGEMENT'S CORRECTIVE ACTION PLAN – In the future the District will contract with the audit firm to start the audit within 90 days of year end and ask for audit to be delivered in advance of the six month deadline.

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
For the Year Ended December 31, 2022

Section A – Summary of Auditors' Reports

- The auditors' report expresses an unmodified opinion on the financial statements of the Waterworks District No. 1 of Pointe Coupee Parish, LA.
- No deficiencies were disclosed during the audit of the financial statements.
- No instances of noncompliance were disclosed during the audit of the financial statements.

Section B - Findings Relating to the Financial Statements Required to be Reported in Accordance with Government Auditing Standards

- **None**

Other Supplemental Information

WATERWORKS DISTRICT NO. 1 OF POINTE COUPEE PARISH, LA

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD, POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER

For the Year Ended December 31, 2023

Agency Head Name: There is no agency head, political subdivision head or chief executive officer.

Board Members were paid the following in non-employee compensation for attending board meetings.

	<u>2023</u>
Ashley Bonds	\$ 1,000
Danny Boudreaux	800
Hillard Caldwell	100
Tommy Guidry	800
Freddie Solomon	1,600
Ray Jarreau	900
John Smith	2,550
Chad Vosburg	<u>800</u>
	<u>\$ 8,550</u>

Board Members were reimbursed mileage in the following amounts for attending District related meetings.

	<u>2023</u>
Ashley Bonds	\$ -
Danny Boudreaux	-
Hillard Caldwell	-
Tommy Guidry	-
Freddie Solomon	-
Ray Jarreau	-
John Smith	1,127
Chad Vosburg	<u>-</u>
	<u>\$ 1,127</u>

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Waterworks District No. 1 of Pointe Coupee Parish (the District) and the Louisiana Legislative Auditor:

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

The Agency 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 period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - 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 confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - 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. ***Not applicable.***
 - 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.
 - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - 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). ***Not applicable.***

- 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) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (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.
- 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.

Finding: With regards to all items except "v" and "viii", the District has no written procedures within the organization resulting in findings for all written policies and procedures excluding the two mentioned above. Payroll and credit cards were not applicable

Management's Response: Management is a small organization with no employees. It is run by a board and an outside CPA firm. Practices are in place and followed consistently, but no policies are documented.

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 all 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.*

Finding: Budget to actual comparisons were not provided to the board.

Management's Response: Monthly financials are reviewed with the CPA and the board.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.

Not Applicable – only one fund – an enterprise fund.

- 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.



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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 or electronically logged);

Finding: Operating account was reconciled; others were not reconciled.

Management response: Accounts with monthly activity are reconciled monthly and reviewed by the board. Savings accounts are reconciled quarterly.

- ii. Bank reconciliations include written 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

Finding: Reconciliations do not include written evidence that a member of the board who does not handle cash has reviewed the reconciliation.

Management response: Accounts with monthly activity are reconciled monthly and reviewed by the board. Board members sign checks. Due to the small nature of the entity there is no one without authority over cash to review documents.

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

Finding: Reconciliations include outstanding items over 12 months old.

Management response: The amounts are not material.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/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).

- 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 there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

- i. Employees responsible for cash collections do not share cash drawers/registers;
- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
- iii. Each employee responsible for collecting cash is not also 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
- 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 also responsible for collecting cash, unless another employee/official verifies the reconciliation.



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- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - 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).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Finding: Pre-numbered deposit slips are not used. Majority of collections are made by Pointe Coupee Police Jury. No testing done on those deposits.

Management response: Due to the small nature of the entity there are no employees and only CPA handles deposits and accounting duties. Activity is reviewed with the board monthly.

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).
No exceptions noted.
- B. For each location selected under procedure #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;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - 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;
 - 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
 - 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.

Finding: There are no employees. One person at the CPA's office handles all steps in the process

Management response: Due to the small nature of the entity there are no employees and CPA handles all transactions. Activity is reviewed with the board monthly.

- 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
 - 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.

Finding: There are no employees. One person handles all steps in the process

Management response: Due to the small nature of the entity there are no employees and CPA handles all transactions. Activity is reviewed with the board monthly.

- 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) and 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.

Not applicable.

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

Not applicable.



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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - 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
 - 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;
 - 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);
 - 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
 - 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 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Not applicable.

- 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);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - 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 cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Not applicable.

- 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.

Not applicable.

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 that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions noted.

- ii. Observe whether the entity maintains documentation which demonstrates that 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.

Finding: The Agency has no ethics designee.

*Management Response: The Board Chairman makes sure all ethics requirements are met.
We will update our Policies and Procedures to include these discrepancies.*

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 State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- 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.

No exceptions noted.

- B. Observe that 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.

Not applicable – no premises or 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 there is 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.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is 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.
 - 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.
- 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.

Not applicable – the entity does not own any computers and has no employees.

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 that 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.
- B. Observe that 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).
- 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;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Finding: The Board members have not obtained sexual harassment training. The entity has no premise or website to post policy on. No annual sexual harassment report filed.

Management's Response: The District has no employees and is not aware Board members were required to obtain sexual harassment training and file the annual report since they have not employees.

We were engaged by Agency 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 Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

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CPAs & Financial Advisors
Baton Rouge, Louisiana
October 15, 2024