

SAREPTA WATERWORKS DISTRICT  
OF WEBSTER PARISH  
WEBSTER PARISH POLICE JURY  
Sarepta, Louisiana

ANNUAL FINANCIAL STATEMENTS

JUNE 30, 2021

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH  
WEBSTER PARISH POLICE JURY  
Sarepta, Louisiana

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**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Management of the Sarepta Waterworks  
District of Webster Parish  
Component Unit of the Webster Parish Police Jury  
Sarepta, Louisiana

We have reviewed the accompanying financial statements of the business-type activities, and each major fund of the Sarepta Waterworks District of Webster Parish, a component unit of Webster Parish Police Jury, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principle 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.

***Accountant's Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

***Supplementary Information***

The accompanying Schedule of Compensation Paid Board Members and Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the representation of management. We have reviewed the information, and based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

***Required Supplementary Information***

Management has omitted the Management 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 of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

*Wesley Martin & Cole LLC*

Minden, Louisiana

March 28, 2022

**BASIC FINANCIAL STATEMENTS**

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH  
WEBSTER PARISH POLICE JURY  
Sarepta, Louisiana**

**Statement of Net Position  
June 30, 2021**

**ASSETS**

## Current assets:

Cash and cash equivalents	\$ 264,480
Accounts receivable - trade	26,836
Prepays	<u>6,299</u>
Total current assets	<u>297,615</u>

## Noncurrent assets:

Restricted cash - meter deposits	21,835
Capital assets:	
Land	9,100
Depreciable capital assets, net of depreciation	<u>907,614</u>
Total noncurrent assets	<u>938,549</u>

TOTAL ASSETS 1,236,164

**LIABILITIES**

## Current liabilities:

Accounts and other payables	55,315
Customer meter deposits	<u>21,835</u>
Total current liabilities	<u>77,150</u>

## Long-term liabilities:

Due within one year	19,092
Due in more than one year	<u>65,905</u>
Total long-term liabilities	<u>84,997</u>
TOTAL LIABILITIES	<u>162,147</u>

**NET POSITION**

Net invested in capital assets	916,714
Unrestricted	<u>157,303</u>
TOTAL NET POSITION	<u>\$ 1,074,017</u>

See accompanying notes and accountants' report.

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH  
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**Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2021**

<b>Operating revenues:</b>	
Water sales	\$ 235,946
Penalties	10,020
Meter installation	2,953
Reconnect charges	<u>1,265</u>
Total operating revenues	<u>250,184</u>
<b>Operating expenses:</b>	
Salaries	18,165
Contract labor	61,836
Maintenance and supplies	17,294
Utilities	13,618
Vehicle expense	430
Office	7,507
Insurance	12,782
Legal and auditing	3,446
Commissioners	3,780
Taxes	1,686
State fees	2,952
Bank fees	330
Depreciation	25,647
Bad debt	<u>165</u>
Total operating expenses	<u>169,638</u>
<b>Operating income</b>	<b>80,546</b>
<b>Nonoperating revenues and expenses:</b>	
Interest income	300
Interest expense	<u>(3,310)</u>
Total nonoperating revenues and expenses	<u>(3,010)</u>
<b>Change in net position</b>	<b>77,536</b>
<b>Total net position - beginning</b>	<u>996,481</u>
<b>Total net position - ending</b>	<u>\$ 1,074,017</u>

See accompanying notes and accountants' report.

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH  
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**Statement of Cash Flows  
For the Year Ended June 30, 2021**

Cash flows from operating activities:	
Cash received from customers	\$ 238,923
Cash payments for goods and services	(74,120)
Cash payments to employees and commissioners	<u>(21,945)</u>
Net cash provided by operating activities	<u>142,858</u>
Cash flows from noncapital financing activities:	
Net increase in meter deposits	<u>(583)</u>
Net cash (used) by noncapital financing activities	<u>(583)</u>
Cash flows from capital and related financing activities:	
Construction of capital assets	(228,249)
Debt proceeds	100,300
Principal paid on debt	(15,303)
Interest paid of debt	<u>(3,310)</u>
Net cash (used) by capital and related financing activities	<u>(146,562)</u>
Cash flows from investing activities:	
Investment income	<u>300</u>
Net cash provided by investing activities	<u>300</u>
Net increase (decrease) in cash and cash equivalents	(3,987)
Cash and cash equivalents at beginning of year	<u>290,302</u>
Cash and cash equivalents at end of year	<u>\$ 286,315</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Net income (loss) from operations	\$ 80,546
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	25,647
Bad debt	165
(Increase) decrease in accounts receivable	(11,261)
(Increase) decrease in prepaids	(755)
Increase (decrease) in accounts payable - trade	48,449
Increase (decrease) in payroll liabilities	27
Increase (decrease) in sales tax payable	<u>40</u>
Net cash provided by operating activities	<u>\$ 142,858</u>

See accompanying notes and accountants' report.



SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH  
WEBSTER PARISH POLICE JURY  
Sarepta, Louisiana  
Notes to the Financial Statements  
As of and for the year ended June 30, 2021

**INTRODUCTION**

The Sarepta Waterworks District of Webster Parish was created under Revised Statutes 33:3811, by the Webster Parish Police Jury, by Ordinance No. 502, on September 2, 1958. As a result, the District is a component unit of the Webster Parish Police Jury, which has the authority to appoint all members of the Board of Waterworks Commissioners.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Sarepta Waterworks District of Webster Parish have been prepared in conformity with accounting principles accepted in the United States (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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict the guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. The significant accounting policies used by the District are discussed below.

**A. Reporting Entity**

The District is a component unit of the Webster Parish Police Jury, the financial reporting entity. The Police Jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.

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 that governmental unit, or the other governmental units that comprise the financial reporting entity.

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The Utility Fund is used to account for water service operations that are financed and operated in a manner similar to private business enterprise. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided the periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**B. Basic Financial Statements**

The District's basic financial statements include fund financial statements (reporting the District's major funds.) The fund financial statements categorize primary activities as either governmental or business-type. The District has no governmental-type activities. All District activities are business-type. As such, the District's basic financial statements include only the financial statements required by enterprise funds.

Proprietary Fund Financial Statements

In the Statement of Net Position, business-type activities column is presented on a consolidated basis by column and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The Statement of Revenues, Expenses, and Changes in Net Position reports both the gross and net cost of the district's function. The function is supported by program revenues, operating and capital grants.

Business-type activities are normally supported by fees and charges.

Major Proprietary Fund

Water Fund – This fund is used to account for the provision of water to residents of the District. This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH  
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Notes to the Financial Statements

As of and for the year ended June 30, 2021

**C. Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/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.

Proprietary Funds – The financial statements of the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues, and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds are from charges for water services. Operating expenses for enterprise funds include the cost of sales services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Budgets and Budgetary Accounting**

The Sarepta Waterworks District of Webster Parish is not required by state law to formally adopt a budget for proprietary funds and generally accepted accounting procedures do not require budgetary comparison of financial statements.

**E. Cash and Investments**

Cash includes amounts in demand deposits, interest-bearing demand deposits and money market accounts. 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 money market accounts with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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.

The District has no investments as of June 30, 2021.

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**F. Inventories**

Supplies used to repair water lines, pumps, and meters, are immaterial and are expensed when purchased.

**G. Receivables**

In the proprietary fund financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of accounts receivable. The major receivable balance of the business-type activities is for utilities.

**H. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the proprietary fund of the District. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The Sarepta Waterworks District of Webster Parish maintains a threshold level of \$2,500 or more for capitalizing capital assets.

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

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Utility plant and additions	25-40
Water wells	40
Transportation equipment	5-10
Office equipment/improvements	5-8

**I. Long-Term Obligations**

In the proprietary fund, long-term debt and other long-term liabilities are reported as liabilities in the applicable business-type activities in the Statement of Net Position.

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**J. Compensated Absences**

The District's vacation and sick policy provides for five days paid time off for employees in their first year of employment and ten days beginning in the second year of employment. No payment is made for unused vacation and sick time at the end of the fiscal year or upon leaving employment with the District.

**K. Restricted Net Position**

For the government-wide Statement of Net Position, net position is reported as restricted if either of the following conditions exists:

- Restrictions are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Restrictions are imposed by law through constitutional provision or enabling legislation.
- The primary restricted assets are related to utility meter deposits.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**L. Pension Plan**

The district does not participate in a pension plan and therefore has no unfunded liability.

**M. Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the Sarepta Waterworks District of Webster Parish considers all highly liquid investments (including restricted assets) to be cash equivalents.

**N. Bad Debt**

Uncollectible amounts due for customer accounts are recognized as bad debts through the use of the direct write-off method at the time information becomes available which would indicate the uncollectibility of the particular receivable. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting procedures.

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**O. Estimates**

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

**2. CASH AND CASH EQUIVALENTS**

These deposits are stated at cost, which approximates fair market. Under state law, these 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 June 30, 2021, the District had cash and cash equivalents (book balances) totaling \$286,315.

These deposits are reported as follows:

Cash and cash equivalents	\$ 264,480
Restricted cash	<u>21,835</u>
Total	\$ <u>286,315</u>

**Custodial credit risk – deposits**

At June 30, 2021, the District had \$288,539 in collected bank balances. These deposits are secured from risk by \$250,000 of federal deposit insurance and \$169,887 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though pledged securities are considered uncollateralized (Category 3) under the provisions of GASB statement No. 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 fund upon demand.

The District's policies do not address custodial credit risk.

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**3. INVESTMENTS**

The District had investments in a money market account totaling \$79,664 that was closed October 2020. As of June 30, 2021, the District had no investments.

**4. ACCOUNTS RECEIVABLE**

The receivables of business activities at June 30, 2021 are \$25,870 which is made up of amounts owed for water services. Receivables of \$966 is made up of amounts owed for overpayment of state taxes.

These receivables are expected to be collected in full; therefore, there is no allowance for doubtful accounts recognized.

**5. RESTRICTED ASSETS**

At June 30, 2021, the District had restricted assets totaling \$21,835 deposits held for utility customer deposits.

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**6. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2021, for the District is as follows:

	Balance <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2021</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ <u>9,100</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>9,100</u>
Total capital assets, not being depreciated	<u>9,100</u>	<u>-</u>	<u>-</u>	<u>9,100</u>
Capital assets being depreciated				
Buildings	190,027	-	-	190,027
Land improvements other than buildings	968,095	228,249	-	1,196,344
Equipment	38,260	-	-	38,260
Vehicles	<u>25,807</u>	<u>-</u>	<u>-</u>	<u>25,807</u>
Total capital assets being depreciated	<u>1,222,189</u>	<u>228,249</u>	<u>-</u>	<u>1,450,438</u>
Less accumulated depreciation for:				
Buildings	(185,469)	(501)	-	(185,970)
Land improvements other than buildings	(269,483)	(24,721)	-	(294,204)
Equipment	(36,418)	(425)	-	(36,843)
Vehicles	<u>(25,807)</u>	<u>-</u>	<u>-</u>	<u>(25,807)</u>
Total accumulated depreciation	<u>(517,177)</u>	<u>(25,647)</u>	<u>-</u>	<u>(542,824)</u>
Total capital assets, being depreciated, net	<u>705,012</u>	<u>202,602</u>	<u>-</u>	<u>907,614</u>
Business-type activities capital assets, net	<u>\$ 714,112</u>	<u>\$ 202,602</u>	<u>\$ -</u>	<u>\$ 916,714</u>

Depreciation expense of \$25,647 was charged as a direct expense of the government.

Interest expense of \$3,310 related to debt issued for construction of water system improvements was charged and expensed during the period. This interest expense was not capitalized.



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**7. ACCOUNTS PAYABLE**

Accounts payable at June 30, 2021 consisted of the following:

<u>Class of Payable</u>	<u>Amount</u>
Accounts	\$ 35,988
Retainage	19,125
Sales tax	86
Payroll tax	<u>116</u>
Total	<u>\$ 55,315</u>

**8. CUSTOMERS' DEPOSITS**

Deposits held for customers that are currently active on the water and sewer systems total \$21,835 at June 30, 2021. These amounts are payable from restricted assets. See Note 5.

**9. LEASES**

Sarepta Waterworks District of Webster Parish has a lease with the Webster Parish School Board for 40 years, with the option to renew the lease for six successive ten-year periods upon the same terms and conditions set forth in the original agreement dated July 1, 1984, for the sum of \$1 per year. The rental cost paid on this lease for the year ended June 30, 2021 was \$1.

The lease is subject to the following provisions:

- a) The property must be used for the purpose of the operation and maintenance of a well and booster station site and for the operation of the water system by Sarepta Waterworks District of Webster Parish.
- b) The District must maintain liability insurance for operations conducted on the subject property in an amount not less \$100,000 per accident.

Future payments are as follows:

2022	\$ 1
2023	1
2024	<u>1</u>
	<u>\$ 3</u>

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**10. LONG-TERM OBLIGATIONS**

The long-term obligations for the year ended June 30, 2021 is as follows:

	Balance			Balance	Amount due
	<u>July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2021</u>	<u>Within one year</u>
Business activities					
Direct borrowing					
and direct placement	\$ _____-	\$ <u>100,300</u>	\$ <u>(15,303)</u>	\$ <u>84,997</u>	\$ <u>19,092</u>

Direct borrowings at June 30, 2021, are comprised of the following individual issue:

	<u>Principal</u>	<u>Interest to</u>
	<u>Outstanding</u>	<u>Maturity</u>
\$100,000 Citizens National Bank Loan dated August 19, 2020; due in monthly installments of \$1,861.29 through August 19, 2025; interest at 4.25%	\$ <u>84,997</u>	\$ <u>7,882</u>

The Citizens National Bank Loan is secured with collateral of deposits or certificates of deposits at present or in the future with Citizens National Bank. The note is being issued for the purpose of acquiring, constructing and improving the water system to be used in giving water services to the Issuer, said note has been authorized in July 27, 2020 minutes.

Total interest expense paid on long-term debt as of June 30, 2021 was \$3,310. The annual requirements to amortize all debt outstanding as of June 30, 2021, including interest payments of \$7,882, are as follows:

Year ending			
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 19,092	\$ 3,243	\$ 22,335
2023	19,920	2,416	22,336
2024	20,783	1,553	22,336
2025	21,683	652	22,335
2026	<u>3,519</u>	<u>18</u>	<u>3,537</u>
	\$ <u>84,997</u>	\$ <u>7,882</u>	\$ <u>92,879</u>

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**11. LITIGATION AND CLAIMS**

At June 30, 2021 the District is involved in one lawsuit. It is the opinion of the District that the outcome of the lawsuit is not presently determinable.

**12. 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 attempts to minimize risk from significant losses through the purchase of insurance. There were no significant reductions in insurance coverage from the previous year.

**13. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through March 28, 2022. This date represents the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH  
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Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 2021

Because of the constant participation of members of the Board of commissioners in day-to-day activities of the District, the members are paid a monthly per diem with additional per diem for attendance at special board meetings. The Sarepta Waterworks District, Louisiana paid the following amounts to the members of the board as of June 30, 2021:

	For the years ended	
	June 30, <u>2021</u>	June 30, <u>2020</u>
Andy Hanson	\$ 780	\$ 720
Thomas Garland	780	720
Michael Andrews	780	720
Jason Timmons	120	-
Garland Hughes	540	720
Pete Schuler	<u>780</u>	<u>720</u>
 Total	 <u>\$ 3,780</u>	 <u>\$ 3,600</u>

Jason Timmons was appointed 4/26/21

Garland Hughes served 7/1/20 – 3/31/21

Pete Schuler served 7/1/20 – 6/28/21

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Schedule of Compensation, Benefits, and Other Payments to Agency Head  
For the Year Ended June 30, 2021

Agency Head:	Garland Hughes, President 7/1/20 – 3/31/21	Andy Hanson, President 5/24/21 – 6/30/21
<u>Purpose</u>	<u>Amount</u>	<u>Amount</u>
Per diem	\$ 540	\$ 120

**OTHER REPORT**

**WISE, MARTIN & COLE, L.L.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Sarepta Waterworks District  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year fiscal year ended June 30, 2021, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations.

The 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 District's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2021. Additionally, the Louisiana Legislative Auditor 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 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:

***Public Bid Law***

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

*For the year ended June 30, 2021, we noted no expenditures exceeding \$30,000 for materials and supplies or for public works exceeding the public works limit in effect during the fiscal year.*

***Code of Ethics for Public Officials and Public Employees***

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

*Management provided us with the requested information.*



3. Obtain a list of all employees paid during the fiscal year.

*Management provided us with the requested information.*

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

*None of the employees included on the list provided by management for agreed-upon procedure 3 appeared on the list provided by management for agreed-upon procedure 2.*

5. Obtain a list of all disbursements made during the year; and a list of all outside business interests of board members' and employees and board members' and employees' immediate families. Report whether any vendors appear on both lists.

*Exception: The District made payments of \$182.49 to a businesses of a board members' immediate family.*

*Management response: We are located in a small town that only has one store with gas for sale. We do have a board member that has a family member that owns this store. Even though we do not have to buy gas very often, we will drive to the next town to get gas from now on.*

### ***Budgeting***

6. Obtain a copy of the legally adopted budget and all amendments.

*Not applicable - Management is a water district that reports a proprietary fund and business-type activities.*

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

*Not applicable - Management is a water district that reports a proprietary fund and business-type activities.*

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.

*Not applicable - Management is a water district that reports a proprietary fund and business-type activities.*

### ***Accounting and Reporting***

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- (a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

*Each of the six selected disbursements agreed to the amount and the payee in the supporting documentation.*

- (b) Report whether the six disbursements were coded to the correct fund and general ledger account.

*Each of the six selected disbursements were coded to the correct fund and general ledger account.*

- (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

*Five of the six selected disbursements were approved in accordance with management's policies and procedures.*

*Exception: One disbursement to refund a meter deposit was not approved. There are no approval procedures for checks written out of the meter deposit bank account.*

*Management response: The Customer Assurance Account which keeps the meter deposit money, will require two signatures instead of one from now on. This will assure that everybody knows where the checks go.*

### **Meetings**

10. Obtain evidence from management to support that agenda for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

*Management represented that the District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Although management has asserted that such documents were properly posted, no evidence was provided to support management's assertion other than copies of the notices and agendas.*

*Exception: There was no copy of agendas for special meetings. Management asserts that no agendas are created or posted for special meetings.*

*Management response: When we have a Special Meeting there will be an Agenda on the door with the date and time to be observed.*

### **Debt**

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

*We scanned copies of all bank deposit slips for the fiscal year. There was a deposit of \$100,000 that appeared to be the proceeds of a bank loan. This is part of a \$100,300 loan from the District's bank.*

**Exception:** *No evidence was presented for approval by the State Bond Commission. No approval was obtained by the State Bond Commission by management.*

**Management response:** *We were unaware that we needed State Bond Approval for any loans the water district gets. In the future, we will go to the State Bond Approval Board before applying for any loans.*

#### **Advances and Bonuses**

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

*We scanned payroll disbursements and read the meeting minutes of the District's board for the fiscal year. We found no payments or approval for payments to employees that would constitute bonuses, advances or gifts.*

#### **State Audit Law**

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

*The District filed an extension allowing filing of report by March 31, 2022.*

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

*The District did not enter into any contracts that utilized state funds and were subject to public bid law. This procedure does not apply since the agency is in compliance with R.S. 24:513 (the audit law).*

#### **Prior-Year Comments**

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

*Our prior year report, dated December 31, 2020, included no findings.*

We were engaged by the 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 the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the United States Comptroller General. 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 the District's compliance with the foregoing matters. 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 the 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 the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

*Wise Martin & Cole, LLC*

Minden, LA  
March 28, 2022

Attachments:  
Signed Louisiana Attestation Questionnaire

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

10/12/2021 (Date Transmitted)

Wise Martin & Cole LLC (CPA Firm Name)  
601 Main Street (CPA Firm Address)  
Minden LA 71055 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2021 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes  No [ ] N/A [ ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes  No [ ] N/A [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes  No [ ] N/A [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes  No [ ] N/A

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes  No [ ] N/A [ ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes  No [ ] N/A [ ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes  No [ ] N/A [ ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No [ ] N/A [ ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No [ ] N/A [ ]

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes  No [ ] N/A [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes  No [ ] N/A [ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes  No [ ] N/A [ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes  No [ ] N/A [ ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes  No [ ] N/A [ ]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No [ ] N/A [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes  No [ ] N/A [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes  No [ ] N/A [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes  No [ ] N/A [ ]

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes  No [ ] N/A [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes  No [ ] N/A [ ]

The previous responses have been made to the best of our belief and knowledge.

<u>Yickie Deal</u>	Secretary	<u>10-12-21</u>	Date
<u>Kenno Stiles</u>	V. Pres. Treasurer	<u>10-12-21</u>	Date
<u>Andy Hanson</u>	President	<u>10-12-21</u>	Date

**OTHER INFORMATION**



SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH  
WEBSTER PARISH POLICE JURY  
Sarepta, Louisiana

Schedule of Prior Year Findings  
As of and for the year ended June 30, 2021

There were no findings required to be reported for the year ended June 30, 2020.

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH  
WEBSTER PARISH POLICE JURY  
Sarepta, Louisiana

Schedule of Current Year Findings  
As of and for the year ended June 30, 2021

**2021-01 Meetings**

Origination date: June 30, 2021

Criteria: Agendas for meetings are to be posted and advertised as required by R.S. 42:11 through 42:28 (the open meetings law).

Condition found: No copies of agendas for special meetings held during the year were provided.

Cause: Management asserts that no agendas were created or posted for special meetings.

Effect: Public was not made aware of agenda to be discussed and date of special meetings being held during the fiscal year.

Recommendation: All meetings of commission must be posted and advertised as required by the open meetings laws.

View of responsible officer and corrective action plan: When we have a special meeting there will be an agenda on the door with the date and time to be observed.

**2021-02 – State bond commission approval**

Origination date: June 30, 2021

Criteria: The District must receive State Bond Commission approval when seeking to incur debt.

Condition found: Sarepta Waterworks obtained a bank loan without obtaining approval from the Louisiana State Bond Commission.

Cause: District does not have procedures in place to address incurring debt.

Effect: District obtained debt without obtaining approval from the State Bond Commission.

Recommendation: Review Louisiana Legislative Auditor's best practices – debt service to help create policies and procedures related to debt.

View of responsible officer and corrective action plan: We were unaware that we needed State Bond approval for any loans the water district gets. In the future, we will go to the State Bond Approval Board before applying for any loans.