

**WATERWORKS DISTRICT NO 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

YEAR ENDED JUNE 30, 2023

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

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YEAR ENDED JUNE 30, 2023**

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CLINTON, LOUISIANA
BASIC FINANCIAL STATEMENTS
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YEAR ENDED JUNE 30, 2023**

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Member

AICPA

Member

LCPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Waterworks District No. 7 of East Feliciana Parish
P O Box 8826
Clinton, LA 70722

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the business-type activities, of the Waterworks District No. 7 of East Feliciana Parish (the "District"), a component unit of East Feliciana Parish Police Jury, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents

In my opinion, the accompanying 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 June 30, 2023 and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in my 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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. I 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 my inquiries, the basic financial statements, and other knowledge we obtained during my audit of the basic financial statements. I 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial

statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

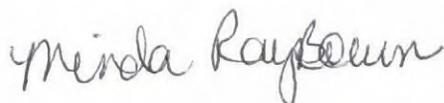
Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of content are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, based on my audit, the procedures performed as described above, the supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 29, 2023 on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



Minda Raybourn, CPA

Franklinton, LA
December 29, 2023

BASIC FINANCIAL STATEMENTS

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2023**

ASSETS

Current Assets

Cash and cash equivalents	\$ 77,157
Investments	10,000
Accounts receivable, net	60,950
Unbilled receivables	18,916
Prepaid Expenses	28,793
Total Current Assets	195,816

RESTRICTED ASSETS

Restricted Cash	130,735
Restricted Investments	44,032
Total Restricted Assets	174,767

PROPERTY, PLANT, AND EQUIPMENT

Land	4,500
Land lease, net	2,929
Plant and equipment, net	1,410,459
Total Property, Plant, and Equipment	1,417,888

TOTAL ASSETS

1,788,471

DEFERRED OUTFLOWS OF RESOURCES

\$ -

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

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2023**

LIABILITIES

Current Liabilities

Accounts payable	\$ 8,579
Payroll withholdings and related payables	1,317
Accrued salaries payable	8,928
Customer deposits	47,300
Bonds payable-current portion	31,736
Total Current Liabilities	97,860

Long-Term Liabilities

Bonds payable-revenue	208,867
Total Long-Term Liabilities	208,867

TOTAL LIABILITIES

306,727

DEFERRED INFLOWS OF RESOURCES

-

NET POSITION

Net investment in capital assets	1,177,285
Restricted for debt service and contingencies	130,735
Unrestricted	173,724
TOTAL NET POSITION	\$ 1,481,744

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

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION
JUNE 30, 2023**

OPERATING REVENUES

Charges for services	
Water sales	\$ 480,115
Late fees	12,150
Safe water fees	11,265
Miscellaneous revenues	32
Connection fees	12,200
Total operating revenues	515,762

OPERATING EXPENSES

Administrative	50,702
Depreciation/amortization	94,071
Employee and related expenses	169,231
Occupancy	64,751
Personal services	102,918
Total operating expenses	481,673

OPERATING INCOME	34,089
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NON-OPERATING REVENUES (EXPENSES)

Grant proceeds	21,542
Insurance recovery	72,502
Interest income	1,051
Interest expense	(13,369)
Net non-operating income (expense)	81,726

Change in net position	115,815
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Net position, beginning	1,365,929
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Net position, ending	\$ 1,481,744
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The accompanying notes are an integral part of the financial statements.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
STATEMENT OF CASH FLOWS
JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 465,397
Cash received for customer deposits	(420)
Other income	32
Cash paid to suppliers for goods services	(237,532)
Cash paid to employees for services	(129,628)
Net cash provided by operating activities	<u>97,849</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash received from grants	21,542
Cash received from other sources	-
Net cash provided by non-capital financing activities	<u>21,542</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(103,684)
Sale of capital assets	72,502
Interest paid on bonds	(13,369)
Principal paid on bond maturities	(29,508)
Net cash used for capital and related financing activities	<u>(74,059)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from certificate of deposits	-
Interest received	1,051
Net cash used for Investing Activities	<u>1,051</u>
Net Increase (Decrease) in cash and cash equivalents	<u>46,383</u>
Cash and Cash equivalents, beginning of year	161,509
Cash and Cash equivalents, ending of year	<u>207,892</u>
Unrestricted	77,157
Restricted	130,735
Cash and cash equivalents, end of year	<u>\$ 207,892</u>

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

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
STATEMENT OF CASH FLOWS
JUNE 30, 2023**

RECONCILIATION OF OPERATING INCOME TO
NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 34,089
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation/amortization	94,071
(Increase)/decrease in assets:	
Accounts receivable	(18,404)
Unbilled accounts receivable	(8,780)
Prepaid insurance	(9,260)
Increase/(decrease) in liabilities	
Accounts payable	3,066
Accrued salaries	3,053
Payroll tax withholdings	434
Customer Deposits	(420)
Net cash provided by operating activities	<u>\$ 97,849</u>

The accompanying notes are an integral part of the financial statements

NOTES TO FINANCIAL STATEMENTS

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

INTRODUCTION

The Waterworks District No. 7 of East Feliciana Parish (hereinafter referred to as the District), located in Clinton, Louisiana, was created by the East Feliciana Parish Police Jury as allowed under Louisiana Revised Statute 33:7702. Its board members are appointed by the East Feliciana Parish Police Jury.

The District was created to provide water resources to the citizens of East Feliciana Parish residing within the boundaries of the District. It serves an average of 938 customers.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the District conforms to governmental accounting principles generally accepted in the United States of America. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the East Feliciana Parish Police Jury is the financial reporting entity for East Feliciana Parish. The District is considered a component unit of the East Feliciana Parish Police Jury because it appoints a voting majority of the District's governing body and its services are rendered within the Police Jury's boundaries. The accompanying financial statements present information only on the fund(s) 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.

Fund Accounting: The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified under one category: proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Proprietary Funds - used to account for governmental activities that are similar to activities performed by commercial enterprises in that goods/services are provided for a fee. Proprietary funds of the District include the following fund types:

1. Enterprise -account for operations (a) 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

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

continuing basis be financed or recovered primarily through user charges, or (b) 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.

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

Basis of accounting refers to when revenues and expenses are recognized and reported and relates to the time of the measurement, regardless of the measurement focus applied. The fund statements of the District are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred. In these statements, capital assets are reported and depreciated, and long-term debt is reported.

Operating/Non-Operating Revenues: Proprietary funds separately report operating and non operating revenues. Revenues from transactions of the District's water services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Budgets and Budgetary Accounting: The District adopts an annual budget prepared in accordance with the basis of accounting utilized by that fund. The governing body must approve any revisions that alter the total expenditures. Budget amounts lapse at year-end.

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

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value, based on quoted market prices, with the corresponding increase or decrease reported in investment earnings.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Inventory: Inventory is recorded at cost. It includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Receivables: Trade receivables are recorded at management's estimate of the amount that is expected to be collected. This is based in part on historical information. Revenues become susceptible to accrual when they become both measurable and available.

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

Capital Assets: The District's assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing assets. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows: vehicles - 5 years, furniture and equipment - 5 to 7 years and distribution system - 15 to 40 years. The District has a land lease that it is amortizing over a period of 60 years.

In June 1999, the GASB issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the basic financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the District elected not to report its governmental infrastructure retroactively. From that point forward, the District has used the basic approach to infrastructure reporting for its governmental activities when applicable.

Net Position: In the statement of net position, the difference between a government's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Position

Net position that is reserved by external sources, such as banks or by law, is reported separately as restricted net position. When assets are required to be retained in perpetuity, this non-expendable net position are recorded separately from expendable net position. These are components of restricted net position.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Unrestricted Net Position

This category represents net position not appropriate for expenditures or legally segregated for a specific future use.

NOTE 2-CASH AND CASH EQUIVALENTS

The cash and cash equivalents on hand (book balances) of the District are as follows:

Petty Cash	\$ 100
Interest-bearing demand deposits	77,057
Restricted:	
Interest-bearing demand deposits	<u>130,735</u>
Total	<u>\$ 207,892</u>

Deposits are stated at cost, which approximates market. Under state law, they 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.

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. 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 that the fiscal agent has failed to pay deposited funds upon demand.

With the adoption of GASB Statement No. 40, only deposits are considered exposed to custodial credit risk are required to be disclosed. The District has no deposits exposed to custodial credit risk.

NOTE 3-INVESTMENTS

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity or are held either by the counter party or the counter-party's trust department or agent not in the entity's name. Investments of the District are certificates of deposit held by the counter-party in the District's name. They are secured from risk by \$250,000 of federal deposit insurance.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

A summary of investments for which cost and fair value are the same are as follow:

Certificate of Deposit	Cost	Interest Rate	Maturity
Feliciana Bank & Trust	\$ 44,032	1.05%	9/28/2023
Feliciana Bank & Trust	10,000	0.35%	5/2/2024
	<u>\$ 54,032</u>		

NOTE 4-RECEIVABLES

The net receivables at June 30, 2023 are as follows:

	Year Ended June 30, 2023
Current	\$ 52,568
31-60 Days	25,209
Over 61 Days	25,173
Subtotal	<u>102,950</u>
Less Allowance for Bad Debt	<u>(42,000)</u>
Accounts Receivables, net	<u>60,950</u>
Accrued Billings	<u>18,916</u>
Total Accounts Receivable	<u>\$ 79,866</u>

The District utilizes the allowance method for receivables estimated to not be collected. The current year receivables include \$25,173 in delinquent accounts that are more than 60 days old.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 - RESTRICTED ASSETS

Restricted assets consist of the following:

Restricted Assets		
Cash and Cash Equivalents		
Revenue Bonds		
Depreciation and Contingency Fund	\$	88,435
Meter Deposits		47,300
Total	\$	135,735
Investments		
Restricted for Reserve Requirements	\$	44,032
Total	\$	44,032

The Revenue Bond Resolution, Section 8, originally adopted on September 5, 1985, provides for all income and revenue derived from the operation of the District to be pledged for the security and payment of Series A and Series 2001 Water Revenue Bonds. The first priority is the payment of reasonable and necessary costs of operating and maintaining the water distribution system.

Secondly, the District is required to maintain a Waterworks System Revenue Bond Reserve Fund (hereinafter referred to as the Reserve Fund) and a Depreciation and Contingency Fund (hereinafter referred to as the Depreciation Fund). The Reserve Fund, established when the system became revenue producing, includes monthly deposits of \$181 continuing until such time that the fund has accumulated a sum equal to \$43,275.90. These funds are restricted to the payment of principal and interest of all bonds payable to avoid default. The balance at June 30, 2023, is \$44,032 and was fully funded.

The Depreciation Fund, established at the same time, includes monthly deposits of \$185 continuing until all bonds have been paid in full. These funds are restricted to unusual or extraordinary maintenance, repairs, replacements or extensions as well as the costs of improvements which will either enhance the system's revenue-producing capacity or provide a higher degree of service. In the event that the funds available in the Reserve Fund are insufficient to cover principal and interest payments, the necessary balance may be transferred from this Fund. The balance at June 30, 2023, is \$88,435 and was fully funded.

Resources to be used for customer deposits are set aside in restricted cash in the amount of \$47,300.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6-CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets:				
Non-Depreciable				
Land	\$ 4,500	\$ -	\$ -	\$ 4,500
Construction in Progress	(0)	-	-	(0)
Capital Assets				
Depreciable				
Buildings	157,838		-	157,838
Distribution system	2,750,008	102,439	-	2,852,447
Furniture and equipment	105,781	1,245	-	107,026
Vehicles	58,981	-	-	58,981
Total capital assets, depreciable	3,072,608	103,684	-	3,176,292
Less accumulated depreciation				
Buildings	27,368	4,046	-	31,414
Distribution system	1,500,456	81,111	-	1,581,567
Furniture and equipment	93,128	4,518	-	97,646
Vehicles	50,893	4,313	-	55,206
Total accumulated depreciation	1,671,845	93,988	-	1,765,833
Total capital assets, depreciable, net	1,400,763	9,696	-	1,410,459
Total capital assets, net	\$ 1,405,263	\$ 9,696	\$ -	\$ 1,414,958

The District's capital assets, net of accumulated depreciation at June 30, 2023 was \$1,414,958. Additions during the current year totaled \$103,684. The additions consisted of major repairs to the pumps on Well #2 for \$102,439 and equipment for \$1,245. Depreciation expense for the year totaled \$93,988.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7-ACCOUNTS AND OTHER PAYABLES

The payables at June 30, 2023 are as follows:

Accounts payable	\$	8,579
Payroll withholdings and related payables		1,317
Accrued salaries payable		8,928
Customer deposits		47,300
Bonds payable-current portion		31,736
Total	\$	97,860

NOTE 8-LONG TERM LIABILITIES

Revenue Bonds. The District is currently making payment on three different issues as follows:

Series 1987 issued in the amount of \$305,600, dated July 8, 1987, due in annual installments of \$21,863 including interest at 6.5% beginning 7/8/1990 for a period of 40 years.

Series 1991 issued in the amount of \$74,800, dated July 29, 1993, due in monthly installments of \$397.94 including interest at 5.625% beginning 8/8/1995 for a period of 38 years.

Series 2001 issued in the amount of \$295,000, dated August 3, 2001, due in monthly installments of \$1,386.50 including interest at 4.75% beginning 9/3/2002 for a period of 40 years.

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

	Beginning Balance	Addition	Reductions	Ending Balance	Due Within One Year
Revenue bonds	\$ 270,511	\$ -	\$ (29,908)	\$ 240,603	\$ 31,736

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

The annual debt service requirements to maturity for bonded debt are as follows:

Year Ending	Principal	Interest	Total
2024	\$ 31,737	\$ 11,540	\$ 43,276
2025	33,670	9,606	43,276
2026	22,126	7,760	29,886
2027	10,165	7,475	17,639
2028	9,267	6,570	15,837
2029-2033	58,159	25,031	83,190
2034-2038	74,934	9,476	84,410
2039-2043	546	3	549
Total	<u>\$ 240,603</u>	<u>\$ 77,461</u>	<u>\$ 318,064</u>

NOTE 9-LEASES

Operating Leases. The District entered into a 60 year lease for land commencing on August 3, 1999 and terminating August 2, 2058. It prepaid the entire lease of \$5,000 at the time the lease was executed and is being amortized at an amount of \$83 per year. Accumulated amortization at June 30, 2023, was \$2071 providing for a land lease value of \$2,929.

NOTE 10- RETIREMENT PLAN

The District does not provide a retirement plan for its employees other than social security in which it matches the 6.2% of gross salaries paid in by the employee.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

The District does not provide post-employment benefits.

NOTE 12-RELATED PARTY TRANSACTIONS

The District obtains water under the terms of a local service agreement with the East Feliciana Parish Policy Jury, of which it is a component unit. The water utilized by the District is obtained from a well constructed by the EFP Policy Jury on property owned by the District. The service agreement provides for a 50-year lease of the well that began when the well was first placed into service.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

In exchange, the District agreed to issue revenue bonds to place into operation a waterworks utility system for which it was granted a franchise by the EFP Police Jury. Both parties agreed that no action would be taken by either party that would impair the security for or the payment of the revenue bonds.

The District has the option of purchasing the water well from the EFP Policy Jury at any time by paying a sum equal to the original cost of the well less depreciation as may be certified by the District's consulting engineer. The cost was \$155,000, funded by proceeds from a grant through U.S. Housing and Urban Development.

NOTE 13 - LITIGATION AND CLAIMS

There is no litigation that would require disclosure in the accompanying financial statements.

NOTE 14- SUBSEQUENT EVENTS

There are no transactions or events between the close of the year through December 29, 2023, the date on which the financial statements were available to be issued, that would materially impact these basic financial statements.

SUPPLEMENTARY INFORMATION

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2022**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
OPERATING REVENUES				
Charges for services				
Water sales	\$ 408,000	\$ 450,000	\$ 480,115	\$ 30,115
Late fees	11,500	10,800	12,150	1,350
Safe water fees	8,000	11,500	11,265	(235)
Miscellaneous revenues	500	50	32	(18)
Connection fees	9,500	10,000	12,200	2,200
Total operating revenues	<u>437,500</u>	<u>482,350</u>	<u>515,762</u>	<u>33,412</u>
OPEARTNG EXPENSES				
Administrative	51,000	54,000	50,702	(3,298)
Depreciation amortization	87,000	91,500	94,071	2,571
Employee and related expenses	160,500	168,500	169,231	731
Occupancy	64,000	69,000	64,751	(4,249)
Personal services	102,500	117,100	102,918	(14,182)
Total operating expenses	<u>465,000</u>	<u>500,100</u>	<u>481,673</u>	<u>(18,427)</u>
OPERATING INCOME	(27,500)	(17,750)	34,089	51,839
NON-OPERATING REVENUES (EXPENSES)				
Grant proceeds	900,000	25,000	21,542	(3,458)
Gain on sales of asset	-	-	72,502	72,502
Interest income	800	800	1,051	251
Interest expense	(18,000)	(14,000)	(13,369)	631
Net non-operating ncome (expense)	<u>882,800</u>	<u>11,800</u>	<u>81,726</u>	<u>69,926</u>
Change in net position	<u>855,300</u>	<u>(5,950)</u>	<u>115,815</u>	<u>121,765</u>
Net position, beginning	1,314,728	1,365,928	1,365,929	-
Net position, ending	<u>\$ 2,170,028</u>	<u>\$1,359,978</u>	<u>\$1,481,744</u>	<u>\$ 121,765</u>

See independent auditor's report.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**SCHEDULE OF OPERATING EXPENSES
JUNE 30, 2023**

ADMINISTRATIVE	
Advertising	\$ 69
Board expense	7,560
Dues and subscriptions	7,698
Office supplies	6,031
Postage	4,957
Bank charges	626
Miscellaneous	1,062
Website	442
Professional fees	22,257
Total administrative	<u>50,702</u>
DEPRECIATION/AMORTIZATION	<u>94,071</u>
EMPLOYEE AND RELATED EXPENSES	
Salaries	132,681
Clerical assistance	3,817
Payroll taxes	9,954
Employee health insurance	18,774
Training	-
Travel and seminars	4,005
Total employee and related expenses	<u>169,231</u>
OCCUPANCY	
Insurance	25,384
Telephone	4,101
Utilities	35,266
Total occupancy	<u>64,751</u>
PERSONAL SERVICES	
Bad Debts	1,000
Equipment rental	297
Repairs/maintenance	52,583
Safe drinking water fees	10,719
Vehicle operations	26,414
Supplies	11,905
Total personal services	<u>102,918</u>
TOTAL OPERATING EXPENSES	<u>\$ 481,673</u>

See independent auditor's report

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**STATEMENT OF REVENUES AND EXPENSES AS A PERCENTAGE OF
TOTAL OPERATING REVENUES**

JUNE 30, 2023

OPERATING REVENUES	<u>\$</u>	<u>%</u>
Charges for services		
Water sales	\$ 480,115	93.09%
Late fees	12,150	2.36%
Safe water fees	11,265	2.18%
Miscellaneous revenues	32	0.01%
Connection fees	12,200	2.37%
Total operating revenues	<u>515,762</u>	<u>100.00%</u>
 OPERATING EXPENSES		
Administrative	50,702	9.83%
Depreciation/amortization	94,071	18.24%
Employee and related expenses	169,231	32.81%
Occupancy	64,751	12.55%
Personal services	102,918	19.95%
Total operating expenses	<u>481,673</u>	<u>93.39%</u>
 OPERATING INCOME	<u>34,089</u>	<u>6.61%</u>
 NON-OPERATING REVENUES (EXPENSES)		
Grant proceeds	21,542	4.18%
Gain on disposal of asset	72,502	14.06%
Interest income	1,051	0.20%
Interest expense	(13,369)	-2.59%
Net non-operating income (expense)	<u>81,726</u>	<u>15.85%</u>
 CHANGE IN NET POSITION	<u>\$ 115,815</u>	<u>22.46%</u>

See independent auditor's report.

**WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH
SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2023**

<u>POLICY NUMBER</u>	<u>EXPIRATION DATE</u>	<u>COMPANY AND COVERAGE</u>	<u>AMOUNT</u>
PPK2276127	5/17/23	Tokio Marine Speciality Insurance Company	
	5/17/24	Bodily injury property damage-aggregate	\$3,000,000
		Bodily injury property damage per occurrence	\$1,000,000
		Personal injury & Adv. Injury-aggregate	\$3,000,000
		Personal injury & Adv. Injury-per occurrence	\$1,000,000
		Employee Benefits Liability-aggregate	\$3,000,000
		Employee Benefits Liability-per occurrence	\$1,000,000
		Damage to Rented Premises	\$100,000
PPK2276127	5/17/23	Tokio Marine Speciality Insurance Company	
	5/17/24	Auto Coverage Liability	\$1,000,000
		Uninsured Motorists	\$500,000
		Comprehensive Deductible	\$203
		Collison Deductible	\$476
PPK2276127	5/17/23	Tokio Marine Speciality Insurance Company	
	5/17/24	Real and Personal Property	
		Limit of insurance per occurrence	\$100,000
		Deductible property per occurrence	\$1,000
		Deductible inland marine per occurrence	\$500
22983-S	5/5/23	Louisiana Worker's Compensation Corp.	
	5/5/24	Worker's Compensation	Statutory
68686855	12/18/22	CNA Surety Company	
	12/18/23	Fidelity Bond	\$88,600
105651588	7/14/22	Travelers	
	7/14/23	Director's and Officer's Liability	\$1,000,000
		Employment Practices Liability	\$1,000,000

See independent auditor's report

See Independent Auditor's Report

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
COMPARATIVE DATA
June 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>SUMMARY OF STATEMENT OF REVENUES</u>						
Operating revenues	\$ 515,762	\$ 445,526	\$ 416,205	\$ 374,227	\$ 376,584	\$ 408,356
Operating expenses	481,673	411,121	417,057	392,227	370,511	353,679
Operating Income (Loss)	34,089	34,405	(852)	(18,000)	6,073	54,677
Non-operating revenues	95,095	113,569	8,901	2,275	108,159	1,747
Non-operating expenses	(13,369)	(15,074)	(16,891)	(18,212)	(19,645)	(20,995)
Net Income (Loss)	\$ 115,815	\$ 132,900	\$ (8,842)	\$ (33,937)	\$ 94,587	\$ 35,429

OTHER DATA

Capital assets, net	1,417,888	1,408,275	1,085,764	1,160,023	1,202,248	1,154,816
Net working capital	272,723	198,569	417,467	380,641	398,860	376,770
Total assets	1,788,471	1,696,429	1,598,844	1,632,312	1,683,418	1,628,772
Long-term liabilities	208,867	240,916	270,603	298,794	325,299	350,364
Total equity	1,481,744	1,365,928	1,233,028	1,241,870	1,275,809	1,181,222
Average no. of customers	938	944	944	938	938	945
Total cubic feet of water sold (MCF)	57,353.7	54,808.2	59,352.0	55,042.5	56,476.9	65,168.8
No. of residential customers	909	913	921	905	908	912
No. of commercial customers	31	31	29	31	30	32
No. of commercial customers with 3/4" meter	-	-	-	-	-	-

See Independent Auditor's Report

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**SCHEDULE OF SUBSEQUENT BUDGET
JUNE 30, 2024**

OPERATING REVENUES

Charges for services	
Water sales	\$ 500,000
Late fees	10,800
Safe water fees	11,500
Miscellaneous revenues	500
Connection fees	10,000
Total operating revenues	<u>532,800</u>

OPERATING EXPENSES

Administrative	59,100
Depreciation/amortization	92,000
Employee and related expenses	175,000
Occupancy	74,500
Personal services	116,500
Total operating expenses	<u>517,100</u>

OPERATING INCOME	<u>15,700</u>
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NON-OPERATING REVENUES (EXPENSES)

Grant proceeds	94,500
Gain on sale of equipment	-
Interest income	800
Bad debt expense	(5,000)
Interest expense	(14,000)
Net non-operating income (expense)	<u>76,300</u>

Change in net position	92,000
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Net position, beginning	1,481,744
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Net position, ending	<u><u>\$ 1,573,744</u></u>
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See independent auditor's report.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**SCHEDULE OF COMPENSATION PAID TO GOVERNING BODY
JUNE 30, 2023**

Brown, Samuel (President) 11332 Dan Delee Rd. Norwood, LA 70761 (225) 683-5032	\$ 1,560
Bryant, Louise Spurlock PO Box 1671 Clinton, LA 70722 (225) 683-8664	1,560
Granier, Jr., Larry (Vice-President) 12912 Graner Ln. Clinton, LA 70722 (225) 683-5030	1,560
Tony Rouchon Clinton, LA 70722	1,440
Randall, Eunice Clinton, LA 70722	1,440
Total	<u>\$ 7,560</u>

See independent auditor's report.

**WATERWORKS DISTRICT NO. 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
AGENCY HEAD
JUNE 30, 2023**

Agency Head: James Jenkins, Maintenance Supervisor

Salary	\$ 55,010
FICA	4,208
Health Insurance	8,476
Total	<u>\$ 67,694</u>

See independent auditor's report.

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

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

To the Board of Directors
Waterworks District No. 7 of East Feliciana Parish
P O Box 8826
Clinton, LA 70722

I 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 business-type activities of the Waterworks District No. 7 of East Feliciana Parish, a component unit of the East Feliciana Parish Policy Jury, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Waterworks District No. 7 of East Feliciana Parish's basic financial statements and have issued our report thereon dated December 29, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, I considered the Waterworks District No. 7 of East Feliciana Parish's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Waterworks District No. 7 of East Feliciana Parish's internal control. Accordingly, I do not express an opinion on the effectiveness of the Waterworks District No. 7 of East Feliciana Parish'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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

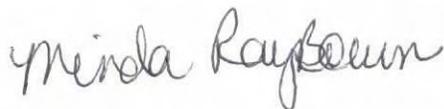
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Waterworks District No. 7 of East Feliciana Parish's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor, and federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Minda Raybourn CPA

Franklinton, LA

December 29, 2023

**WATERWORKS DISTRICT NO 7 OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2023**

I have audited the basic financial statements of the Waterworks District No. 7 of East Feliciana Parish as of and for the year ended June 30, 2023, and have issued my report thereon dated December 29, 2023. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2023, resulted in an unmodified opinion.

Section I Summary of Auditor’s Reports

Report on Compliance and Internal Control Material to the Financial Statements

A. Internal Control

- | | | | | |
|-------------------------------------|-----|-----|-----|----|
| • Material Weaknesses | ___ | Yes | _X_ | No |
| • Significant Deficiencies | ___ | Yes | _X_ | No |
| • Compliance Material to Statements | ___ | Yes | _X_ | No |

B. Federal Awards

N/A

Section II Financial Statement Findings

N/A

Section III Federal Award Findings and Questioned Costs

N/A

Section IV Management Letter

N/A

Minda B. Raybourn

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Waterworks District No. 7 of East Feliciana Parish
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, 2022 through December 31, 2022. Waterworks District No. 7 of East Feliciana Parish's (the "District") management is responsible for those C/C areas identified in the SAUPs.

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 C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. 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.
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
No exceptions to this procedure.
 - b) **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.

No exceptions to this procedure

- c) **Disbursements**, including processing, reviewing, and approving.

No exceptions to this procedure.

- d) **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).

The District has procedures it follows for receipts/collections but they are not in writing.

- e) **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(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions to this procedure.

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

No exceptions to this procedure

- g) **Credit Cards (and debit cards, fuel cards, P-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).

No exceptions to this procedure.

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

The District has procedures it follows for travel. Item 1 is in writing. Items 2 – 4 are not in writing

- i) **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.

No exceptions to this procedure

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

No exceptions to this procedure

- k) **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.

The District has policies it follows for information technology disaster recovery/business continuity but they are not in writing..

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

Item 1 is in writing but not item 2 and 3.

Management Response: the District will implement the policies and procedures noted above

Board or Finance Committee

- 2 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:

- a) 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 to this procedure.

- b) 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. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions to this procedure

- c) 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.

This is not applicable.

- d) 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 to this procedure

Bank Reconciliations

3. 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:

The listing of bank accounts and management's representation were obtained.

- a) 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);

No exception to this procedure.

- b) Bank reconciliations include evidence that a member of management 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

The bank reconciliations were prepared within 2 months of the closing date. The bank reconciliations were not initialed or logged. However, they are prepared by the external accountant.

- c) 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.

No exceptions to this procedure.

Collections (excluding electronic funds transfers)

- 4. 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).

A list of deposit sites and management's representation was obtained

- 5 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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

- a) Employees responsible for cash collections do not share cash drawers registers.

No exception to this procedure.

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

There are two employees collecting cash. One employee is responsible for the deposit. The other employee is responsible for reconciling cash collection documentation to the deposit.

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

The external accountant reconciles cash collections to the general ledger by revenue source and is not responsible for collecting cash.

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

The external accountant reconciles cash collections to the general ledger by revenue source and is not responsible for collecting cash

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

The District has a bond policy on employees who have access to cash

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). *Alternately, 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:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

There were no exceptions to procedures a through e

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. 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).

Management's representation was obtained. The entity has one location that processes payments

- 9. For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

The Manager can order if the purchase is under \$500. If over \$500, the board President or designee must approve.

- b) At least two employees are involved in processing and approving payments to vendors.

The Manager or President will verify the purchase depending on the amount. The invoice will then be provided to the Secretary for processing.

- c) 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.

New vendors are added after board approval by the external accountant to the accounting system

- d) 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.

No exception to this procedure.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- 10. For each location selected under #8 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:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions to this procedure

- b) Observe whether the disbursement documentation included evidence (e.g., initial date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions to this procedure.

- 11. 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.

No exceptions to this procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

A listing and management's representation were obtained.

13. 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:

- a) 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

No exceptions to this procedure.

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

No exceptions to this procedure.

14. Using the monthly statements or combined statements selected under #12 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 (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions to this procedure.

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

15. 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, 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:

The listing of travel expenses and management’s representation were obtained.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions to this procedure.

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

No exceptions to this procedure.

- c) Observe 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 policy (procedure #1h).

No exceptions to this procedure

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

No exceptions to this procedure.

Contracts

- 16. 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. *Alternately, 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:

Management's listing and management's representations were obtained.

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

No exceptions to this procedure.

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

No exceptions to this procedure

- c) If the contract was amended (e.g., change order), observe 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, was approval documented).

No exceptions to this procedure

- d) 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 the invoice and related payment agreed to the terms and conditions of the contract.

There were no exceptions to this procedure.

Payroll and Personnel

- 17. 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.

A listing and management's representation were obtained.

- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and or contract, the official should document his/her daily attendance and leave.)

No exceptions to this procedure.

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

No exceptions to this procedure

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions to this procedure

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions to this procedure.

19. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

No exceptions to this procedure

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

No exceptions to this procedure

Ethics

21. Using the 5 randomly selected employees officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions to this procedure

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

No exceptions to this procedure.

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

No exceptions to this procedure

Debt Service

22. 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 State Bond Commission approval was obtained for each debt instrument issued.

A listing of bonds and management representation were obtained. The District did not have issuances of debt in 2022/2023.

23. 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 exception to this procedure.

Fraud Notice

24. 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.

Management asserted there were no misappropriations. Management's representations were obtained.

25. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exception to this procedure

Information Technology Disaster Recovery/Business Continuity

26. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) 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..

I performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for

testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

I performed the procedure and discussed the results with management.

- c) 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.

I performed the procedure and discussed the results with management.

- 27. 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.

I performed the procedure and discussed the results with management

Sexual Harassment

- 28. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee official completed at least one hour of sexual harassment training during the calendar year

No exception to this procedure.

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

No exception to this procedure

- 30. 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 it includes the applicable requirements of R.S. 42.344.

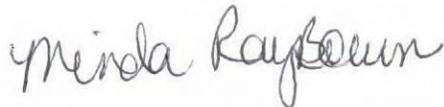
- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

No exception to this procedure.

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 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 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 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.

A handwritten signature in cursive script that reads "Minda Raybourn".

Minda B. Raybourn CPA
Franklinton, LA
December 30, 2023