

**EAST RICHLAND WATERWORKS DISTRICT**

*Component Unit Financial Statements  
For the Year Ended December 31, 2020*

EAST RICHLAND WATERWORKS DISTRICT  
(A Component Unit of Richland Parish Police Jury)

FOR THE YEAR ENDED DECEMBER 31, 2020

INDEX

Independent Auditor’s Report ----- 1-2

Required Supplemental Information (Part A)

Management’s Discussion and Analysis ----- 3-5

Component Unit Financial Statements

Business-Type Financial Statements:

Statement of Net Position ----- 6

Statement of Revenues, Expenses and Changes in Net Position ----- 7

Statement of Cash Flows ----- 8-9

Notes to Financial Statements----- 10-16

Supplemental Schedules

Schedule II – Schedule of Water Rates ----- 17

Schedule III – Schedule of Insurance Coverage ----- 18

Schedule IV – Compensation Paid to Board Members ----- 19

Compliance Reporting

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 *Governmental Auditing Standards* ----- 20-21

Schedule of Findings and Questioned Costs ----- 22-23

Schedule of Prior Year Findings ----- 24

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
East Richland Waterworks District  
Delhi, Louisiana

***Report on the Financial Statements***

I have audited the accompanying financial statements of the governmental activities of East Richland Waterworks District, a component unit of the Richland Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

To the Board of Commissioners  
East Richland Waterworks District  
Delhi, Louisiana

### ***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of East Richland Waterworks District, as of December 31, 2020, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 I obtained during the 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 me with sufficient evidence to express an opinion or provide any assurances.

### ***Other Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise East Richland Waterworks District's basic financial statements. The introductory section and the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer is the responsibility of management and was derived directly from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the introductory section and the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer 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 February 5, 2021 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*David M. Saut, CPA (APAC)*

West Monroe, Louisiana  
February 5, 2021

**REQUIRED SUPPLEMENTAL INFORMATION (PART A)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**EAST RICHLAND WATERWORKS DISTRICT  
A COMPONENT UNIT OF RICHLAND PARISH POLICE JURY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the East Richland Waterworks District (the District) financial statements provides an overview of its activities for the year ended December 31, 2020. Please read it in conjunction with the District's financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, provide information about the activities of the District as a whole.

**Reporting the District as a Whole**

**The Statement of Net Position and the Statement of Activities**

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) measure the District's financial position. Increases or decreases in the District's net position are an indicator of whether its financial position is improving or not.

**The District as a Whole**

For the years ended December 31, 2020 and 2019, net position changed as follows:

	2020	2019
Beginning net position	\$ 642,251	\$ 659,082
Decrease in net position	( 38,471)	( 16,831)
Ending net position	\$ 603,780	\$ 642,251

## The District's Funds

The following schedule presents a summary of revenues and expenses for the years ended December 31, 2020 and 2019:

Revenues	2020	Percent of Total	2019	Percent of Total
Charges for Services	\$ 527,820	100%	\$ 507,390	100%
Other Fees and Charges	-	-%	-	-%
Total Revenues	\$ 527,820		\$ 507,390	

Expenditures	2020	Percent of Total	2019	Percent of Total
Operating Expenditures	\$ 567,105	100%	\$ 526,370	100%

## CAPITAL ASSET AND DEBT ADMINISTRATION

At December 31, 2020, the District had \$621,949 invested in capital assets (\$222,131 net of accumulated depreciation) including land, water lines, and office equipment.

Assets	December 31, 2019	Additions	Disposals	December 31, 2020
Land	\$ 17,500	-	-	\$ 17,500
Building Improvements	58,880	-	-	58,880
Water Lines and equipment	439,536	96,933	-	536,469
Office Equipment	9,100	-	-	9,100
Construction in Progress	-	-	-	-
Total at historical cost	525,016	-	-	621,949
Less: Accumulated Depreciation:	(394,198)	( 5,620)	-	(399,818)
Capital assets, net	130,918	91,313		222,131

## Debt

At year end, the District had no debt.

## ECONOMIC FACTORS AND NEXT YEAR'S RATES

The District's revenues are derived mainly from water and connection fees. The District is not aware of any significant increases or decreases in those revenue sources or associated expenditures but in light of the current economic volatility, the District must continue to monitor its limited resources to fit the needs of the citizens of Richland Parish and be aware of other funding opportunities that may present themselves.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the funds received by it. If you have any questions about this report or need additional financial information, contact: Sean Sikes at 1032 Highway 80, Delhi, LA 71232.



**COMPONENT UNIT FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

EAST RICHLAND WATERWORKS DISTRICT  
RICHLAND PARISH POLICE JURY  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020

Assets

Cash and Cash Equivalents	\$ 313,195
Investments	33,799
Accounts Receivable, net of allowance of \$4,188	44,701
Other Receivables	225
Total Current Assets	<u>391,920</u>
Restricted Assets	
Cash - Customer deposits	46,789
Capital Assets Net of Accumulated Depreciation	204,631
Land	17,500
Total Capital Assets Net of Accumulated Depreciation	<u>222,131</u>
Deferred Outflows	<u>1,448</u>
Total Assets	<u>662,288</u>

Liabilities

Accounts Payable	8,283
Safe Water Tax Payable	3,287
Accrued Salaries and Payroll Tax Liabilities	4,199
Customer Deposits	<u>42,739</u>
Total Liabilities	58,508

Net Position

Net Investment in Capital Assets	222,131
Net Position - Unrestricted	<u>381,649</u>
Total Net Position	<u>\$ 603,780</u>

The accompanying notes are an integral part of this financial statement.

EAST RICHLAND WATERWORKS DISTRICT  
RICHLAND PARISH POLICE JURY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Operating Revenue</u>	
Charges for services	\$ 527,820
Other fees and charges	-
Total Operating Revenue	<u>527,820</u>
<u>Operating Expenses</u>	
Water and Sewer Purchases	204,788
Salaries and Wages	128,518
Operator Fees	24,485
Credit Card	4,994
Administrative	1,146
Repairs and Maintenance	39,642
Office Supplies	3,304
Mileage Expense	14,950
Depreciation	5,620
Insurance	13,807
Professional Fees	21,591
Taxes and Licenses	12,675
Directors Fees	9,000
Utilities and Sewer	4,113
Contract Labor	59,060
Postage	3,054
Miscellaneous	15,593
Bad Debt Expense	765
Total Operating Expenses	<u>567,105</u>
<u>Operating Income</u>	(39,285)
<u>Non-Operating Revenues (Expenses)</u>	
Interest Income	814
Total Non-Operating Revenues (Expenses)	<u>814</u>
<u>Net Change</u>	(38,471)
<u>Net Position - Beginning of the Year</u>	<u>642,251</u>
<u>Net Position - End of the Year</u>	<u>\$ 603,780</u>

The accompanying notes are an integral part of this financial statement.

EAST RICHLAND WATERWORKS DISTRICT  
DELHI, LOUISIANA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$	523,266
Cash paid to suppliers		(433,120)
Cash paid to employees		(128,518)
Cash paid to others for services, taxes, etc.		-
Net Cash provided by operating activities		(38,372)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets		(96,933)
Net cash used for capital financing activities		(96,933)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on deposits		814
Net Cash provided by investing activities		814

NET DECREASE IN CASH AND RESTRICTED CASH (134,491)

CASH AND RESTRICTED CASH, BEGINNING OF YEAR 494,475

CASH AND RESTRICTED CASH, END OF YEAR \$ 359,984

Reconciliation of cash and restricted cash reported within the balance sheet that sum to the total of the same such amounts in the statements of cash flows:

Cash and Cash Equivalents	\$	313,195
Restricted Cash - Customer Deposits		46,789
Total Cash and Restricted Cash	\$	359,984

The accompanying notes are an integral part of this financial statement.

EAST RICHLAND WATERWORKS DISTRICT  
DELHI, LOUISIANA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020

RECONCILIATION OF OPERATING INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$	(38,471)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Bad debt expense		765
Depreciation		5,620
Changes in assets and liabilities:		
(Increase) Decrease in investments		(232)
(Increase) Decrease in accounts receivable		4,554
(Increase) Decrease in other receivables		-
(Increase) Decrease in prepaid expenses		2,337
Increase (Decrease) in accounts payable and accrued expenses		(14,907)
Increase in customer deposits		1,962
		<hr/>
Total Adjustments		99
		<hr/>
Net Cash Provided(Used) by Operating Activities	\$	<u>(38,372)</u>

The accompanying notes are an integral part of this financial statement.

**OTHER SUPPLEMENTAL SCHEDULES**

EAST RICHLAND WATERWORKS DISTRICT  
DELHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

INTRODUCTION

East Richland Water Works District (the District) was created by the Richland Parish Police Jury, as authorized by Chapter 8 of Title 33 of the Louisiana Revised Statutes of 1950. The District is governed by a five-member board, appointed by the police jury. The District is responsible for maintaining and operating the water distribution system within the boundaries of the District. The District employs 5 people and an operator on a contract basis to operate the system. At December 31, 2020, the District had 855 residential customers.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the District is considered a component unit of the Richland Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The District's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The District applies all Governmental Accounting Standards Board (GASB) pronouncements as well as the Financial Accounting Standards Board (FASB) statements and interpretations.

The District is a special purpose government engaged only in business type activities. All activities of the District are accounted for in a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing authority is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

The term measurement focus denotes what is being measured and reported in the District's operating statement. Financial operations of the District are accounted for on the flow of economic resources measurement focus. With this measurement focus, all of the assets and liabilities available to the District for the purpose of providing services to the public, are measured on the balance sheet. The activity statement includes all costs of providing goods and services during the period.

EAST RICHLAND WATERWORKS DISTRICT  
DELHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations, primarily the provision of water to rural areas of Richland Parish. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

**B. CASH AND CASH EQUIVALENTS**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

**C. INVESTMENTS**

Investments are limited by Louisiana R.S. 33:2955 and the District's investment policy. If the original maturities of investment exceed ninety days, they are classified as investments; however, if the original maturities are ninety days or less, they are classified as cash equivalents.

**D. ACCOUNTS RECEIVABLE**

Receivables for water sales are shown net of an allowance for uncollectible accounts. The allowance is an estimate based on the amount of receivables that are past due and historical collection rates.

**E. PREPAID ITEMS**

Payments made to vendors that will benefit periods beyond the end of the current calendar year are recorded as prepaid items. Prepaid items consist primarily of prepaid insurance premiums.

**F. RESTRICTED ASSETS**

Certain assets are restricted to set aside funds for customer deposit accounts.



EAST RICHLAND WATERWORKS DISTRICT  
DELHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

G. CAPITAL ASSETS

Capital assets of the District are defined by the District as assets with an initial, individual cost of more than \$300, and an estimated useful life in excess of one year. Capital assets are recorded at either historical cost or estimated historical cost. Donated assets, including water systems donated for continued maintenance by the District, are valued at their estimated fair market value on the date donated. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	15-30 years
Equipment and Furniture	3-7 years
Water System	20-40 years

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

H. COMPENSATED ABSENCES

The District's five part-time employees receive no vacation or sick leave each year.

I. LONG-TERM OBLIGATIONS

Long-term liabilities are recognized within the Enterprise Fund. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. At December 31, 2020, the District had no long-term obligations.

J. NET POSITION

GASB Statement No. 34 required classification of net assets into three separate components. GASB Statement No. 63 revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required component of the residual measure and by renaming that measure at net position, rather than net assets. GASB No. 63 requires the following components of net position:

EAST RICHLAND WATERWORKS DISTRICT  
DELHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

- Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- Restricted – The component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the assets result from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- Unrestricted – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

K. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In some instances, GASB requires a government to delay the recognition of decreases in net position as expenditures or increases in net position as revenues until a further period. In these circumstances, deferred outflows of resources or deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows as of December 31, 2020.

L. 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 and expenses during the reporting period. Actual results could differ from those estimates.

EAST RICHLAND WATERWORKS DISTRICT  
DELHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 2 - CASH AND CASH EQUIVALENTS

*Custodial Credit Risk – deposits.* The custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District’s policy to ensure there is no exposure to this risk is to require the financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Accordingly, the District had no custodial credit risk related to its deposits at December 31, 2020.

The District has cash and cash equivalents (book balances), savings, and investments in certificates of deposit totaling \$393,783 at December 31, 2020 as follows:

Demand Deposits	\$ 358,553
Petty Cash	1,431
Certificates of Deposit	<u>33,799</u>
<u>TOTAL</u>	<u>\$ 393,783</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2020, are secured as follows:

	<u>Non-Interest Bearing</u>	<u>Time and Savings</u>
Bank Balances	\$ 392,276	\$ 33,799
FDIC Insurance – Non-Interest Bearing Accounts	250,000	-
FDIC Insurance – Time & Savings Accounts	-	33,799
Pledged Collateral	<u>300,000</u>	<u>-</u>
Uninsured Amount	<u>\$ -</u>	<u>\$ -</u>

The accounts are managed by the District’s fiscal agent and consist of securities issued or guaranteed by the U.S. government. Investments are in accordance with LRS 33:2955(A)(1)(e) and are not required to be covered by the pledge of securities owned by the fiscal agent bank.

EAST RICHLAND WATERWORKS DISTRICT  
DELHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 3 - INVESTMENTS

At December 31, 2020, the District's investment balances were in certificates of deposit. The investments are carried at cost, which approximates market value.

Note 4 - ACCOUNTS RECEIVABLE

At December 31, 2020 the District's accounts receivable consisted of the following:

Water Sales	\$ 48,889
Less: Allowance for uncollectible accounts	( 4,188)
Net receivables	<u>\$ 44,701</u>

Note 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 and 2019 is as follows:

	December 31, 2019 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	December 31, 2020 <u>Balance</u>
Non-Depreciable Assets:				
Land	\$ 17,500	\$ -	\$ -	\$ 17,500
Depreciable Assets:				
Water Lines and Equipment	439,536	96,933	-	536,469
Building Improvements	58,880	-	-	58,880
Construction in Progress	-	-	-	-
Office Equipment	<u>9,100</u>	<u>-</u>	<u>-</u>	<u>9,100</u>
Totals at Historical Cost	525,016	96,933	-	621,949
Less Accumulated Depreciation:	<u>(394,198)</u>	<u>( 5,620)</u>	<u>-</u>	<u>(399,818)</u>
<u>CAPITAL ASSETS, NET</u>	<u>\$ 130,818</u>	<u>\$ 91,313</u>	<u>\$ -</u>	<u>\$ 222,131</u>

Depreciation expense was 5,620 in 2020.

Note 6 - LITIGATION AND CLAIMS

The District was not involved in any litigation at December 31, 2020, nor is it aware of any unasserted claims.

EAST RICHLAND WATERWORKS DISTRICT  
DELHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 7 - ECONOMIC DEPENDENCE AND CREDIT CONCENTRATION

The District supplies water to residents in East Richland Parish. The District purchases all of its water supply from the Town of Delhi.

The District's customers are concentrated in East Richland Parish. The balance of receivables due from these customers is \$44,701.

Note 8 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 5, 2021, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

Covid-19

The Covid-19 outbreak in the United States and our state has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the District and the duration cannot be estimated at this time.

Note 9- RELATED PARTY

The District assesses sewer fees to Settlers Point Subdivision and remits the collections monthly to the homeowner's association.

**OTHER SUPPLEMENTAL SCHEDULES**

EAST RICHLAND WATERWORKS DISTRICT  
RICHLAND PARISH POLICE JURY  
SUPPLEMENTAL INFORMATION SCHEDULE  
SCHEDULE OF WATER RATES  
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Classification</u>	<u>Tariff</u>	<u>Rate</u>
Residential	Monthly minimum for 2,000 gallons	\$22.00
	2,000 - 4,000 gallons	22.00 + 5.50/1,000
	6,000 gallons and up	22.00 + 7.50/1,000
Two-Line Residential	Monthly minimum for 4,000 gallons	\$44.00
	4,000 - 6,000 gallons	44.00 + 5.50/1,000
	over 6,000 gallons	88.00 + 7.50/1,000
Commercial	0 - 15,000 gallons	\$98.85
	15,000 gallons and up	98.85 + 5.50/1,000
Bayou Macon Contract	Per 1,000 gallons	\$2.90
Government	Monthly minimum for 15,000 gallons	\$98.85
	15,000 gallons and up	98.85 + 5.50/1,000

EAST RICHLAND WATERWORKS DISTRICT  
RICHLAND PARISH POLICE JURY  
SUPPLEMENTAL INFORMATION SCHEDULE  
SCHEDULE OF INSURANCE COVERAGE  
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Type of Coverage</u>	<u>Name of Insurer</u>	<u>Policy Number</u>	<u>Amount of Coverage</u>	<u>Expiration</u>
General Liability	Allied World Assurance Co.	5105-1546-05	\$1,000,000/ 3,000,000	February 11, 2021
Fire	Allied World Assurance Co.	5105-1546-05	\$1,000,000	February 11, 2021
Medical Payments	Allied World Assurance Co.	5105-1546-05	\$10,000	February 11, 2021
Fidelity Bond	Allied World Assurance Co.	5105-1546-05	\$100,000	February 11, 2021
Cyber Liability	Allied World Assurance Co.	5105-1546-05	\$1,000,000	February 11, 2021
Umbrella	Allied World Assurance Co.	5105-1546-05	\$1,000,000	February 11, 2021
Worker's Comp	Wesco Insurance Co.	WWC3451453	\$1,000,000	February 11, 2021



Schedule III

EAST RICHLAND WATERWORKS DISTRICT  
RICHLAND PARISH POLICE JURY  
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS  
AND OTHER PAYMENTS TO AGENCY HEAD,  
POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2020

Name	Office	Director Fees	Reimbursements, Benefits, Other
Bo Hosea	Board Member	\$ 1,000	\$ -
Shane Lester	Board Member	2,000	-
Richard King	Board Member	2,000	-
Clarence McCall	Board Member	2,000	-
Mary Jo Clack	Board Member	2,000	-

**COMPLIANCE REPORTING**

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 Commissioners  
East Richland Waterworks District  
Delhi, Louisiana

I have audited the accompanying financial statements of the business-type activities of East Richland Waterworks District, of the parish of Richland, state of Louisiana, a component unit of Richland Parish Police Jury, as of December 31, 2020 and for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Internal Control Over Financial Reporting***

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that I consider to be significant deficiencies as item 2020-1.

To the Board of Commissioners  
East Richland Waterworks District  
Delhi, Louisiana

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether East Richland Waterworks District'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 my 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 for the use of management of East Richland Waterworks District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*David M. Hunt, CPA (APAC)*

West Monroe, Louisiana  
February 5, 2021

EAST RICHLAND WATERWORKS DISTRICT  
DELHI, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

To the Board of Commissioners  
 East Richland Waterworks District  
 Delhi, Louisiana

I have audited the financial statements of East Richland Waterworks District, a component unit of the Richland Parish Police Jury as of and for the year ended December 31, 2020, and have issued my report thereon dated February 5, 2021. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2020, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness \_\_\_ yes X no  
 Significant Deficiencies not considered to be  
 Material Weaknesses X yes \_\_\_ no

Compliance

Compliance Material to Financial Statements \_\_\_ yes X no

B. Federal Awards – N/A

Material Weakness Identified \_\_\_ yes \_\_\_ no  
 Significant Deficiencies not considered to be  
 Material Weaknesses \_\_\_ yes \_\_\_ no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified \_\_\_\_\_ Qualified \_\_\_\_\_  
 Disclaimer \_\_\_\_\_ Adverse \_\_\_\_\_

Are their findings required to be reported in accordance with the Uniform Guidance?  
 N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance? N/A

EAST RICHLAND WATERWORKS DISTRICT  
DELHI, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I - Internal Control and Compliance Material to the Financial Statements

**2020-1** Inadequate Segregation of Duties

**Condition:** Personnel perform functions that allow for errors or irregularity that is material to the financial statements to occur and remain undetected.

**Cause:** Limited number of employees

**Criteria:** A good system of internal control begins with adequate segregation of duties.

**Effect of Condition:** Errors could occur and remain undetected.

**Recommendation:** Management should review the need to segregate duties among employees.

**Management Corrective Action Plan:** Management, along with the Board, have taken an active role in overseeing the day to day functions of the office. We feel that the cost far outweighs the benefits of hiring additional staff to help with the operations.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

EAST RICHLAND WATERWORKS DISTRICT  
DELHI, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I - Internal Control and Compliance Material to the Financial Statements

**2017-1**      **Inadequate Segregation of Duties**  
Status: See Reportable Condition 2019-1.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

No management letter issued.