

**ST. TAMMANY PARISH
SEWERAGE DISTRICT NO. 4
Covington, Louisiana**

Financial Statements
and
Independent Accountant's Compilation Report

December 31, 2017



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Independent Accountant's Compilation Report

To the Board of Commissioners
St. Tammany Parish Sewerage District No. 4
Covington, Louisiana

Management is responsible for the accompanying statement of net position of St. Tammany Parish Sewerage District No. 4 (the District), a component unit of St. Tammany Parish, Louisiana, as of and for the year ended December 31, 2017, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures as required in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Required Supplementary Information

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The management's discussion and analysis, 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.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
June 21, 2018

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 4
Statement of Net Position
December 31, 2017

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 127,874
Revenues Receivable - Charges for Services	17,270
Due from Other Governmental Entity - St. Tammany Parish Waterworks	28,805
Prepaid Insurance	<u>6,004</u>
Total Current Assets	<u>179,953</u>
Non-Current Assets	
Property, Plant, and Equipment (Net of Accumulated Depreciation)	<u>5,158</u>
Total Non-Current Assets	<u>5,158</u>
Total Assets	<u>185,111</u>
Liabilities	
Current Liabilities	
Accounts Payable and Other Accruals	6,868
Bonds Payable - Less than One Year	<u>24,000</u>
Total Current Liabilities	<u>30,868</u>
Non-Current Liabilities	
Bonds Payable - More than One Year	<u>26,000</u>
Total Non-Current Liabilities	<u>26,000</u>
Total Liabilities	<u>56,868</u>
Net Position	
Deficit in Net Investment in Capital Assets	(44,842)
Unrestricted	<u>173,085</u>
Total Net Position	<u><u>\$ 128,243</u></u>

See independent accountant's compilation report.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 4
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2017

Operating Revenues	
Charges for Services	\$ 176,492
Administrative Fees for New Users	<u>700</u>
Total Operating Revenues	<u>177,192</u>
Operating Expenses	
Board Members' Per Diem	3,660
Depreciation	102
Insurance	8,379
Licenses and Permits	1,361
Office Supplies and Expenses	719
Postage	997
Professional Services	11,629
Repairs and Maintenance	138,353
Telephone	472
Utilities	<u>18,726</u>
Total Operating Expenses	<u>184,398</u>
Operating Loss	<u>(7,206)</u>
Non-Operating Revenues (Expenses)	
Interest Income	505
Late Fees Received	3,344
Interest Expense	<u>(1,887)</u>
Total Non-Operating Revenues (Expenses)	<u>1,962</u>
Change in Net Position	(5,244)
Net Position, Beginning of Year	<u>133,487</u>
Net Position, End of Year	<u><u>\$ 128,243</u></u>

See independent accountant's compilation report.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 4
Statement of Cash Flows
For the Year Ended December 31, 2017

Cash Flows from Operating Activities	
Cash Received from Customers	\$ 179,552
Cash Payments to Suppliers for Goods and Services	(177,080)
Cash Payments to Board Members	<u>(3,660)</u>
Net Cash Used in Operating Activities	<u>(1,188)</u>
Cash Flows from Non-Capital Financing Activities	
Increase in Due from Other Governmental Entity	<u>48,490</u>
Net Cash Provided by Non-Capital Financing Activities	<u>48,490</u>
Cash Flows from Capital Financing Activities	
Principal Payments on Bond Indebtedness	(46,000)
Interest Paid	<u>(1,887)</u>
Net Cash Used in Capital Financing Activities	<u>(47,887)</u>
Cash Flows from Investing Activities	
Interest Received	<u>505</u>
Net Cash Provided by Investing Activities	<u>505</u>
Decrease in Cash and Cash Equivalents	(80)
Cash and Cash Equivalents, Beginning of Year	<u>127,954</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 127,874</u></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating Loss	\$ (7,206)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Depreciation	102
Late Fees Received	3,344
Increase in Receivables	(984)
Increase in Prepaid Insurance	(16)
Increase in Accounts Payable and Other Accruals	<u>3,572</u>
Net Cash Used in Operating Activities	<u><u>\$ (1,188)</u></u>

See independent accountant's compilation report.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 4
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2017

Agency Head
 William M. Bartlett, Jr., Chairperson

Purpose	Amount
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$540
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent accountant's compilation report.

**AGREED-UPON PROCEDURES REPORT
St. Tammany Parish Sewerage District No. 4**

**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

For the Period of January 1, 2017 - December 31, 2017

To the Board of Commissioners
St. Tammany Parish Sewerage District No. 4
Covington, Louisiana

We have performed the procedures enumerated below, which were agreed to by management of St. Tammany Parish Sewerage District No. 4 (the District) and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the District's compliance with certain laws and regulations during the period of January 1, 2017 through December 31, 2017, in accordance with Act 774 of 2014 Regular Legislative Session.

Management of the District, a component unit of St. Tammany Parish, Louisiana, is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the District and the Legislative Auditor. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the report has been requested or for any other purpose.

The procedures and associated results are as follows:

Written Policies and Procedures (follow up)

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a. **Contracting**, including (1) types of services requiring written contracts and (2) legal review.

Results: The District's policies over contracting did not include the types of services requiring written contracts or legal review.

- b. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (LRS) 42:1111-1121 and (2) system to monitor possible ethics violations.

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Results: The District's policies over ethics did not include the prohibitions as defined in LRS 42:1111-1121 or a system to monitor possible ethics violations.

Management Response: The District agrees with this finding and will review their policy and procedures and make the recommended additions to their policies.

Board Oversight

1. Obtain and review all board minutes for the fiscal period, and:
 - a. Report whether the minutes for each meeting referenced or included financial information about the entity's operations (e.g., monthly revenues and expenses, estimated annual net income/loss, cash flow projections), intended to demonstrate the Board's oversight and monitoring of public funds.

Results: The minutes of each meeting referenced the approval of the previous month's financial report.

- b. Report if a reconciliation of billing receipts to joint bank account, reconciliation of customer billings to deposits, and/or customer account adjustments was presented to the Board for at least one meeting during the fiscal period.

Results: A reconciliation of billing receipts to the joint bank account, reconciliation of customer billings to deposits, and/or customer account adjustments was not presented to the Board for at least one meeting during the fiscal period.

Management Response: The District agrees with this finding, and going forward, will change their procedure to include the recommended documents to be presented at each board meeting.

Open Meetings Law Compliance

1. Report whether a copy of the Open Meetings Law is posted at the location where the entity holds its meetings.

Results: A copy of the Open Meetings Law is not posted at the location where the entity holds its meeting.

Management Response: The District agrees with this finding, and going forward, will post a copy of the Open Meetings Law at the location where the meeting is held.

2. Using the board minutes obtained under Board Oversight above, report whether the entity maintained written minutes for each board meeting and if each set of written meeting minutes included:
 - a. Date, time, and place of the meeting
 - b. The members of the public body recorded as either present or absent

- c. The substance of all matters decided, and, at the request of any member, a record, by individual member, of any votes taken
- d. Whether the entity provided an opportunity for public comment prior to a vote being taken
- e. Report whether the entity held an executive session during the meeting. If so, report whether:
 - i. 2/3 of members present at the open meeting voted to enter an executive session.
 - ii. The reason for entering the executive session was included in the minutes.
 - iii. A notice of intent to move into Executive Session was attached to the written public notice of the meeting.
 - iv. Whether the written public notice contained a statement identifying any court, case number or parties relative to any pending litigation to be considered at the meeting, and a statement identifying the parties involved and reasonable identifying the subject matter of any prospective litigation for which formal written demand has been made.
 - v. If the entity entered executive session to discuss the character, professional competence, or physical/mental health of a person, report whether the entity provided written notice to the individual at least 24 hours, exclusive of weekends and legal holidays, prior to the meeting.

Results: The minutes of each board meeting included the date and time, however the place of the meeting was not included. The minutes of each board meeting also included the members of the public body recorded as either present or absent, the substance of all matters decided. The minutes did not reference whether the District provided an opportunity for public comment prior to votes being taken. There were no executive sessions held during any of the meetings.

Management Response: The District agrees with this finding, and will change its meeting minutes to include the place of the meeting and reference that the opportunity for public comment prior to taking the vote was made.

- 3. Report whether the minutes of the each selected meeting was published in the official journal of the entity.

Results: The minutes of each selected meeting was not published in the official journal of the entity.

Management Response: The District agrees with this finding and will make sure each meeting is published in the official journal.

This agreed-upon procedures engagement was conducted 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, the objective of which would be the expression of an opinion or conclusion. 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.

This report is intended solely for the use of management of St. Tammany Parish Sewerage District No. 4 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.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
June 21, 2018