

CAMERON PARISH WATERWORKS DISTRICT NO. 11  
Grand Lake, Louisiana

ANNUAL FINANCIAL REPORT  
AND INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 2022

## TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3-6
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	7-8
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	9-10
STATEMENT OF CASH FLOWS	11-12
NOTES TO FINANCIAL STATEMENTS	13-31
REQUIRED SUPPLEMENTAL INFORMATION:	
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL	33-34
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS	35
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY	36
SCHEDULE OF EMPLOYER CONTRIBUTIONS	37
OTHER INFORMATION:	
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER	39
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	40-41
SCHEDULE OF FINDINGS AND RESPONSES	42

## INDEPENDENT AUDITORS' REPORT

June 29, 2023

Board of Commissioners  
Cameron Parish Waterworks District No. 11  
Grand Lake, Louisiana

### Opinions

We have audited the accompanying financial statements of the business-type activities of the Cameron Parish Waterworks District No. 11, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Cameron Parish Waterworks District No. 11's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Cameron Parish Waterworks District No. 11 as of December 31, 2022, and the respective changes in financial position and the cash flows thereof for the year then ended in accordance with accounting standards generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cameron Parish Waterworks District No. 11 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibility of Management for the Financial Statements

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

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

Cameron Parish Waterworks District No. 11'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.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, is representations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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.
- Obtaining 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 Cameron Parish Waterworks District No. 11's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cameron Parish Waterworks District No. 11's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, schedule of changes in net OPEB liability and related ratios, schedule of employer's proportionate share of net pension liability and schedule of employer contributions 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The District has not presented 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. Our opinion on the basic financial statements is not affected by this missing information.

### **Other Information**

Management is responsible for the other information included in the annual financial report. The other information comprises of The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Board of Commissioners  
Cameron Parish Waterworks District No. 11  
June 29, 2023  
Page Four

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, on our consideration of Cameron Parish Waterworks District No. 11's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Cameron Parish Waterworks District No. 11's internal control over financial reporting and compliance.

*Haggen, Cassidy: Shillory*

## CAMERON PARISH WATERWORKS DISTRICT NO. 11

## Statement of Net Position

December 31, 2022

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 191,047	\$ 360,152
Receivables		
Ad valorem taxes, net	160,682	124,661
Accounts, net	40,489	44,372
Intergovernmental - FEMA	78,603	117,655
Prepaid expenses	10,427	9,498
Restricted assets		
Bond sinking fund		
Cash	40,318	41,077
Inventory, at cost	29,565	25,591
Due from other governments	3,000	3,000
Total Current Assets	<u>554,131</u>	<u>726,006</u>
Property, plant and equipment		
Buildings	187,282	187,282
Distribution system	5,318,716	5,318,716
Furnitures, fixtures and equipment	349,645	302,688
	<u>5,855,643</u>	<u>5,808,686</u>
Less accumulated depreciation	3,487,107	3,305,103
	<u>2,368,536</u>	<u>2,503,583</u>
Land	10,000	10,000
	<u>2,378,536</u>	<u>2,513,583</u>
Other assets		
Net pension asset	<u>135,469</u>	<u>56,268</u>
<b>TOTAL ASSETS</b>	<u>3,068,136</u>	<u>3,295,857</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>112,857</u>	<u>134,576</u>

Continued

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

## CAMERON PARISH WATERWORKS DISTRICT NO. 11

## Statement of Net Position - Continued

December 31, 2022

	<u>2022</u>	<u>2021</u>
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 4,327	\$ 12,893
Accrued liabilities	15,003	16,035
Customer deposits	7,115	6,865
Accrued interest	6,021	6,802
Current portion of long-term debt	<u>85,000</u>	<u>85,000</u>
Total Current Liabilities	117,466	127,595
Long term debt, net of current maturities	570,000	655,000
Net pension liability	-	-
Net OPEB obligation	<u>149,258</u>	<u>173,783</u>
Total Liabilities	836,724	956,378
DEFERRED INFLOWS OF RESOURCES	<u>174,640</u>	<u>125,785</u>
NET POSITION		
Net investment in capital assets	1,723,536	1,773,583
Net position - restricted	34,297	34,275
Net position - unrestricted	<u>411,796</u>	<u>540,412</u>
Total Net Position	<u>\$ 2,169,629</u>	<u>\$ 2,348,270</u>

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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Revenues, Expenses  
and Changes in Net Position

Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 754,945	\$ 706,511
Fees and installation charges	35,184	39,286
Miscellaneous revenue	<u>1,245</u>	<u>3,584</u>
<b>TOTAL OPERATING REVENUES</b>	<b>791,374</b>	<b>749,381</b>
<b>OPERATING EXPENSES</b>		
Auto	15,834	11,877
Bank charges	2,033	2,883
Contract labor	8,700	6,000
Depreciation	182,004	178,404
Dues	475	475
Employee benefits - OPEB	14,268	8,744
Insurance - general	13,751	13,519
Insurance - health	100,794	87,618
Interest	19,569	21,885
Maintenance	79,962	70,529
Miscellaneous	650	4,565
Per diem	2,520	2,520
Postage	14,558	13,825
Printing and publishing	529	136
Professional fees	11,090	10,423
Rent - airport well	168	182
Rent - equipment	583	1,245
Retirement - expense	28,338	29,606
Retirement - net pension	(47,420)	(14,916)
Salaries	260,155	258,260
Supplies	123,195	107,223
Taxes and licenses	4,480	4,292
Telephone	6,720	6,610
Training	983	915
Utilities	<u>46,185</u>	<u>36,535</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>890,124</b>	<b>863,355</b>
<b>OPERATING INCOME (LOSS)</b>	<b><u>(98,750)</u></b>	<b><u>(113,974)</u></b>

Continued

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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

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

Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
NON-OPERATING REVENUES (EXPENSES)		
Ad valorem taxes, net	\$ 184,389	\$ 125,721
Interest income	20	12
Intergovernmental - FEMA	-	39,052
Hurricane related expenses	(275,125)	(252,275)
Gain on sale of assets	-	4,912
Rent income	10,825	10,825
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(79,891)</u>	<u>(71,753)</u>
CHANGE IN NET POSITION	(178,641)	(185,727)
NET POSITION - BEGINNING	<u>2,348,270</u>	<u>2,533,997</u>
NET POSITION - ENDING	<u>\$ 2,169,629</u>	<u>\$ 2,348,270</u>

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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Cash Flows

Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers and others	\$ 834,309	\$ 763,981
Payments for supplies and expenses	(542,197)	(497,017)
Payments to employees for services	(214,106)	(208,163)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>78,006</u>	<u>58,801</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	148,368	128,734
Disastor recovery expenses	(275,125)	(252,275)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>(126,757)</u>	<u>(123,541)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Rental income	10,825	10,825
Purchase of fixed assets	(46,957)	-
Proceeds from the sale of fixed assets	-	4,912
Bond issue costs on borrowings	-	-
Net payments on debt borrowings	(85,000)	(85,000)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(121,132)</u>	<u>(69,263)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>20</u>	<u>12</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(169,863)	(133,991)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>401,229</u>	<u>535,220</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 231,366</u>	<u>\$ 401,229</u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	<u>\$ 20,350</u>	<u>\$ 22,624</u>

Continued

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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Cash Flows - Continued

Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (98,750)	\$ (113,974)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	182,004	178,404
Net change in deferred outflows/inflows	70,574	29,003
(Increase) decrease in:		
Accounts receivable	42,935	11,629
Prepaid expenses	(929)	154
Inventory	(3,974)	(1,390)
Net pension asset	(79,201)	(56,268)
Increase (decrease) in:		
Accounts payable	(8,566)	(11,437)
Accrued liabilities	(1,563)	1,586
Net pension liability	-	(1,268)
OPEB obligation	(24,525)	22,362
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 78,005</u>	<u>\$ 58,801</u>

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

# CAMERON PARISH WATERWORKS DISTRICT NO. 11

## Notes to Financial Statements

December 31, 2022

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cameron Parish Waterworks District No. 11 was created by the Cameron Parish Police Jury under the provisions of Louisiana Revised Statutes 33:3811 for the purpose of providing water to the Big Lake/Grand Lake/Sweetlake areas of the Parish. The District is governed by a board of commissioners composed of five members.

#### 1. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity for Cameron Parish Waterworks District No. 11. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Cameron Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints a voting majority to the board and has the ability to impose its will, the District was determined to be a component unit of the Cameron Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by the governmental unit, or the other governmental units that comprise the financial reporting entity.

# CAMERON PARISH WATERWORKS DISTRICT NO. 11

## Notes to Financial Statements

December 31, 2022

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### 2. Basis of Presentation

The accompanying financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments", issued in June 1999.

The financial statements of the District are prepared on the accrual basis of accounting. Whereby revenues are recognized when earned and expenses are recognized when incurred.

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. The operating revenues of the District come from metered sales to residential and commercial customers as well as service connection charges and penalties from late payment of bills. Operating expenses from 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 nonoperating revenues and expenses.

#### 3. Cash

Cash includes amounts in demand deposits and time deposits 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 and national banks having their principal offices in Louisiana.

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. At December 31, 2022, the District has \$232,559 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agency bank.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Receivables

Aging of Accounts Receivable, net, as of December 31, 2022 are as follows:

<u>0-30</u> <u>Days</u>	<u>31-60</u> <u>Days</u>	<u>61-90</u> <u>Days</u>	<u>over 90</u> <u>Days</u>	<u>Total</u>
\$ 34,330	\$ 4,799	\$ 1,360	\$ -	\$ 40,489

The District utilizes the allowance method to recognize doubtful accounts. The allowance for doubtful accounts at December 31, 2022 was \$38,961.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for water user fees. The District's ability to collect the amounts due from the users of the District water system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disasters or other calamity in this one concentrated geographic location.

Intergovernmental – FEMA receivable at December 31, 2022 of \$78,603 represents FEMA and Insurance expected reimbursements from repairs due to 2020 Hurricane Laura and Delta. It is estimated that an additional \$173,949 may be due but has not been reported as a receivable at December 31, 2022.

5. Inventory

Inventory is valued at cost using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

6. Compensated Absences

The District has the following policy relating to vacation and sick leave:

Vacation – 5-25 days per year depending on length of service

Sick Leave – 12-18 days per year, depending on length of service

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The District's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 also provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

At December 31, 2022, the District had an accrual for compensated absences of \$16,150.

7. Statement of Cash Flow

For purpose of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less when purchased to be cash equivalents. The statement reflects ending cash and cash equivalents of \$231,365 which represents unrestricted amounts of \$191,047 and restricted amounts of \$40,318.

# CAMERON PARISH WATERWORKS DISTRICT NO. 11

## Notes to Financial Statements

December 31, 2022

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### 8. Budgets

An enterprise fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget.

Expenditures may not legally exceed budgeted appropriations at the activity level.

The budget was amended once during the year.

#### 9. Net Position

In the financial statements, equity is classified as net assets and displayed in three components:

- a. Net investment in capital assets – Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net position – Consists of net position with constraints placed on use either by (1) external groups such as creditors, grantors, contributors, laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the District to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the District the committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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.

11. Subsequent Events

Management has evaluated subsequent events through June 29, 2023 the date the financial statements were available to be issued.

12. Comparative Data

Comparative totals for the prior have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

NOTE B – AD VALOREM TAXES

For the year ended December 31, 2022, taxes of 5.70 mills were levied on property with taxable assessed valuations totaling \$29,189,503.

Total taxes levied were	<u>\$ 166,381</u>
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Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15<sup>th</sup> of the current year, and become delinquent after December 31<sup>st</sup>. Property taxes not paid by the end of February are subject to lien.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE C – PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are valued at historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related assets, as applicable.

Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Buildings	40 years
Distribution system	7-40 years
Equipment, Furniture and Fixtures	5-10 years

A summary of changes in property, plant and equipment for the year ended December 31, 2022 are as follows:

	Beginning of Year	Net Additions	End of Year
Buildings	\$ 187,282	\$ -	\$ 187,282
Distribution system	5,318,716	-	5,318,716
Equipment, furniture and fixtures	302,688	46,957	349,645
Land	10,000	-	10,000
	<u>5,818,686</u>	<u>\$ 46,957</u>	<u>5,865,643</u>
Less accumulated depreciation	<u>3,305,103</u>		<u>3,487,107</u>
TOTALS	<u>\$ 2,513,583</u>		<u>\$ 2,378,536</u>

Depreciation expense was \$182,004 for the year ended December 31, 2022.

NOTE D – LONG-TERM DEBT

The following is a summary of bond transactions of the District for the year ended December 31, 2022.

Bonds payable, beginning	\$ 740,000
Bonds issued	-
Bonds retired	<u>(85,000)</u>
Bonds payable, ending	<u>\$ 655,000</u>

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE D – LONG-TERM DEBT– CONTINUED

Bonds payable at December 31, 2022 is comprised of the following individual issue:

Revenue Bonds:	
\$825,000 Water Revenue Refunding Bonds Series 2020 with Red River Bank dated September 2, 2020 due in annual installments of \$85,000 to \$100,000 through September 1, 2029; interest at 2.75%	\$ 655,000
Less currently payable	(85,000)
Total long-term debt	<u>\$ 570,000</u>

The annual requirements to amortize all debts outstanding as of December 31, 2022 are as follows:

<u>Year ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 85,000	\$ 18,013
2024	90,000	15,675
2025	90,000	13,200
2026	95,000	10,725
2027	95,000	8,113
Thereafter	200,000	8,250

The revenue bonds are to be retired from revenues derived from the operations of the District.

The District has outstanding water revenue refunding bonds totaling \$655,000 and notes from direct borrowings and direct placements totaling \$0. As of year end the District has no unused lines of credit nor any assets pledged as collateral. The remedies for significant events of default is all installments to be immediately due and payable. In addition, the District will pay reasonable attorney fees and other such expenses.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE E – COMPONENTS OF RESTRICTED NET POSITION

	Revenue Bond <u>Sinking</u>	<u>Total</u>
Cash	<u>\$ 40,318</u>	<u>\$ 40,318</u>

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The “bond sinking” account is used to segregate resources accumulated for debt service payments over the next twelve months.

The amount of net position reserved for debt service is detailed as follows:

Restricted assets:		
Revenue bond sinking		\$ 40,318
Less:		
Accrued interest, payable from restricted assets		<u>6,021</u>
Net position reserved for debt service		<u>\$ 34,297</u>

NOTE F - RETIREMENT COMMITMENTS

The District participates in a state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the District’s full-time employees. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. Additional disclosures with respect to the District’s participation in these systems are provided below.

Parochial Employees’ Retirement System

The System is composed of two distinct plans, Plan A and Plan B with separate assets and benefit provisions. Employees of the District are members of Plan A. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least twenty-eight hours per week and not participating in another public funded retirement system. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the system. Under Plan A, employees hired prior to January 1, 2007 can retire at any age with 30 or more years of creditable service, age 55 with 25 years of creditable service, age 60 with 10 years of creditable service, or age 65 with 7 years of creditable service. Employees hired after January 1, 2007 can retire at age 55 with 30 or more years of creditable service, age 62 with 10 years of creditable service, or age 67 with 7 years of creditable service. Retirees are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE F - RETIREMENT COMMITMENTS – CONTINUED

their final average compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or jointed months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Parochial Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, LA 70898.

Plan members are required to contribute 9.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 10.8% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the System's Board of Trustees. The District's contributions to the System for the year ended December 31, 2022 totaled \$28,338.

At December 31, 2022, the District reported an asset of \$135,469 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2022, the District's proportion was .0287593%.

For the year ended December 31, 2022, the District recognized pension benefit of \$47,420 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$713. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE F - RETIREMENT COMMITMENTS – CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,185	\$ 9,818
Difference between expected and actual assumption	7,065	-
Difference between expected and actual Investment	-	117,178
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	3,674	5,331
Contributions subsequent to the measurement date	28,338	-
Total	<u>\$ 47,262</u>	<u>\$ 132,326</u>

\$28,338 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2023	\$ (21,747)
2024	(45,951)
2025	(32,432)
2026	(13,273)
2027	-
Thereafter	-

*Actuarial methods and assumption.* The total pension liability in the December 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE F - RETIREMENT COMMITMENTS – CONTINUED

Valuation Date	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.40% (Net of investment expense)
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A – 4.75% (2.30% Inflation)
Cost of Living Adjustments	The present values of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet amortized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP 2018 scale for disabled annuitants.

The discount rate used to measure the total pension liability was 6.40% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE F - RETIREMENT COMMITMENTS – CONTINUED

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations and projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2021.

Best estimates of arithmetic real rates of return for major asset class included in the System’s target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	33%	0.85%
Equity	51%	3.23%
Alternatives	14%	0.71%
Real assets	2%	0.11%
Total	100%	4.90%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.00%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System’s liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE F - RETIREMENT COMMITMENTS – CONTINUED

*Sensitivity to changes in discount rate.* The following presents the net pension liability of the District calculated using the discount rate of 6.40%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate.

	Changes in Discount Rate		
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
		\$	
Net Pension Liability (Asset)	\$ 24,151	(135,469)	\$ (269,180)

NOTE G - PER DIEM

In accordance with Louisiana Revised Statute 33:3819, per diem is allowed not to exceed \$60 per meeting attended, up to twenty-four regular meetings and twelve special meetings. The Board has approved per diem at \$60.

Per diem paid commissioners for the year ended December 31, 2022 were as follows:

<u>Board Member</u>	<u>Address</u>	<u>Term Expires</u>	<u>Per Diem</u>
Carl Granger	120 Klumpp Lane Lake Charles, LA 70607	May 2025	\$ 480
Wayne Hebert	166 Lucy Lane Lake Charles, LA 70607	February 2025	480
John Constance	730 Big Pasture Road Lake Charles, LA 70607	March 2026	600
Jerome Verzwylvelt	115 Smith Lane Lake Charles, LA 70607	March 2025	480
Grace Robideaux	1315 Hwy 384 Lake Charles, LA 70607	October 2022	480
			<u>\$ 2,520</u>

# CAMERON PARISH WATERWORKS DISTRICT NO. 11

## Notes to Financial Statements

December 31, 2022

### NOTE H - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

### NOTE I – JOINT SERVICE AGREEMENT

The District has entered into a joint service agreement with the Lake Charles Regional Airport for a term of twenty-five years to lease the land and water tower as part of the “Airport Well and Line Project”. The agreement became effective May 2006. At June 2011, the District will pay to the airport a fee of \$1 per month for five years for each Calcasieu Parish customer, not to exceed \$500 per month. For the year ended December 31, 2022 a total of \$168 was paid by the District.

### NOTE J – SCHEDULE OF INSURANCE COVERAGE

The schedule of insurance coverage as of December 31, 2022 is as follows:

	<u>Limits</u>	<u>Expiration Date</u>
Automobile liability	\$1,000,000 bodily injury and physical damage	September 15, 2023
Commercial general liability	\$1,000,000 per occurrence-bodily injury and physical damage	September 15, 2023
Commercial property	\$130,000 building & contents	March 1, 2023
Equipment	\$90,000, as listed	March 1, 2023
Surety bond	\$100,000	July 31, 2023
Errors & Omissions	\$100,000	July 31, 2023
Workers compensation	\$1,000,000	September 15, 2023

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE K – SCHEDULE OF RATES AND NUMBER OF CUSTOMERS

At December 31, 2022, the number of customers were as follows:

Residential - 1,657  
Commercial - 76

The schedule of rates is as follows:

Standard rate	\$18.00, first 2,000 gallons \$3.00 per 1,000 gallons thereafter \$2.70 debt service fee
Senior rate	\$11.00, first 2,000 gallons \$3.00 per 1,000 gallons thereafter \$2.70 debt service fee
Calcasieu Parish	\$26.00, first 2,000 gallons \$3.00 per 1,000 gallons thereafter \$2.70 debt service fee

NOTE L – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

**General Information about the OPEB Plan**

*Plan description* – The District provides certain continuing health care and life insurance benefits for its retired employees. The District's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the District. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the District. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

*Benefits Provided* – Medical and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE L – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS -  
CONTINUED

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. A level \$20,000 amount of insurance coverage while active is continued after retirement.

Employees covered by benefit terms – At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>5</u>
	<u>5</u>

**Total OPEB Liability**

The District’s total OPEB liability of \$149,258 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, including inflation
Discount rate	2.06% annually (Beginning of Year to Determine ADC)
	3.72%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually
Mortality	Pub-2010/2021

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2022, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2010 to December 31, 2022.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE L – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS -  
CONTINUED

**Changes in the Total OPEB Liability**

Balance at December 31, 2021	<u>\$ 173,783</u>
Changes for the year:	
Service cost	8,260
Interest	3,665
Differences between expected and actual experience	7,454
Changes in assumptions	(43,904)
Benefit payments and net transfers	<u>-</u>
Net changes	<u>(24,525)</u>
Balance at December 31, 2022	<u>\$ 149,258</u>

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.72%) or 1-percentage-point higher (4.72%) than the current discount rate:

	<b>1.0% Decrease (2.72%)</b>	<b>Current Discount Rate (3.72%)</b>	<b>1.0% Increase (4.72%)</b>
Total OPEB liability	\$ 173,324	\$ 149,258	\$ 129,144

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	<b>1.0% Decrease (4.5%)</b>	<b>Current Trend (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
Total OPEB liability	\$ 133,307	\$ 149,258	\$ 167,697

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2022

NOTE L – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS -  
CONTINUED

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB**

For the year ended December 31, 2022, the District recognized OPEB expense of \$14,269. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,441	\$ -
Changes in assumptions	15,154	(42,314)
<b>Total</b>	<b>\$ 65,595</b>	<b>\$ (42,314)</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	Amount
2023	2,344
2024	2,344
2025	2,344
2026	2,344
2027	2,344
Thereafter	11,589

REQUIRED SUPPLEMENTAL INFORMATION

## CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Revenues, Expenses and Changes in  
Net Position - Budget and Actual

Year Ended December 31, 2022

	Budget		Actual	Variance
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 750,000	\$ 750,000	\$ 754,945	\$ 4,945
Fees and installation charges	31,250	31,250	35,184	3,934
Miscellaneous revenue	1,500	1,500	1,245	(255)
TOTAL OPERATING REVENUES	782,750	782,750	791,374	8,624
OPERATING EXPENSES				
Auto	12,000	17,000	15,834	1,166
Bank charges	2,000	2,000	2,033	(33)
Contract labor	5,000	5,000	8,700	(3,700)
Depreciation	182,000	182,000	182,004	(4)
Dues	400	400	475	(75)
Employee benefits - OPEB	-	-	14,268	(14,268)
Insurance - general	13,605	13,605	13,751	(146)
Insurance - health	96,000	96,000	100,794	(4,794)
Interest	20,350	20,350	19,569	781
Maintenance	65,000	90,000	79,962	10,038
Miscellaneous	1,300	1,300	650	650
Per diem	3,600	3,600	2,520	1,080
Postage	13,000	13,000	14,558	(1,558)
Printing and publishing	300	300	529	(229)
Professional fees	11,000	11,000	11,090	(90)
Rent - airport well	200	200	168	32
Rent - equipment	500	500	583	(83)
Retirement - expense	33,000	33,000	28,338	4,662
Retirement - net pension	-	-	(47,420)	47,420
Salaries	275,000	275,000	260,155	14,845
Supplies	123,000	128,000	123,195	4,805
Taxes and licenses	5,000	5,000	4,480	520
Telephone	6,800	6,800	6,720	80
Training	975	975	983	(8)
Travel	800	800	-	800
Utilities	42,000	42,000	46,185	(4,185)
TOTAL OPERATING EXPENSES	912,830	947,830	890,124	57,706
OPERATING INCOME (LOSS)	(130,080)	(165,080)	(98,750)	66,330

Continued

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Revenues, Expenses and Changes in  
Net Position - Budget and Actual - Continued

Year Ended December 31, 2022

	Budget		Actual	Variance
	Original	Final		
NON-OPERATING REVENUES (EXPENSES)				
Ad valorem taxes, net	\$ 129,142	\$ 129,142	\$ 184,389	\$ 55,247
Interest income	200	200	20	(180)
Intergovernmental - FEMA	-	39,000	-	(39,000)
Hurricane related expenses	-	(265,000)	(275,125)	(10,125)
Rent income	10,825	10,825	10,825	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	140,167	(85,833)	(79,891)	5,942
CHANGE IN NET POSITION	10,087	(250,913)	(178,641)	72,272
NET POSITION - BEGINNING	2,348,270	2,348,270	2,348,270	-
NET POSITION - ENDING	<u>\$ 2,358,357</u>	<u>\$2,097,357</u>	<u>\$ 2,169,629</u>	<u>\$ 72,272</u>

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Schedule of Changes in Net OPEB Liability and Related Ratios

Year Ended December 31, 2022

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
<b>Total OPEB Liability</b>					
Service cost	\$ 8,260	\$ 7,898	\$ 5,637	\$ 3,694	\$ 4,370
Interest	3,665	3,294	2,732	2,734	2,274
Differences between expected and actual experience	7,454	9,592	44,146	6,856	1,817
Changes of assumptions / Inputs	(43,904)	1,578	2,021	18,768	(7,560)
Benefit payments	-	-	-	-	-
<b>Net change in total OPEB Liability</b>	<b>(24,525)</b>	<b>22,362</b>	<b>54,536</b>	<b>32,052</b>	<b>901</b>
<b>Total OPEB liability - beginning</b>	<b>173,783</b>	<b>151,421</b>	<b>96,885</b>	<b>64,833</b>	<b>63,932</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 149,258</b>	<b>\$ 173,783</b>	<b>\$ 151,421</b>	<b>\$ 96,885</b>	<b>\$ 64,833</b>
Covered-employee payroll	\$ 239,471	\$ 291,685	\$ 283,189	\$ 222,231	\$ 215,758
Net OPEB liability as a percentage of covered-employee payroll	6233.00%	59.58%	53.47%	43.60%	30.05%
<b>Notes to Schedule:</b>					
<i>Benefit Changes</i>	None	None	None	None	None
<i>Changes of Assumption.</i>					
<i>Discount Rate</i>	3.72%	2.06%	2.12%	2.74%	4.10%
<i>Mortality</i>	Pbu-2010/2021	RP-2014	RP-2014	RP-2000	RP-2000
<i>Trend</i>	Getzen model	Variable	Variable	5.50%	Variable

This schedule is intended to show information for 10-years. Additional years will be displayed as they become available.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Schedule of Employer's Proportionate Share of Net Pension Liability

Year Ended December 31, 2022

Parochial Employees' Retirement System of Louisiana

<u>Date</u>	<u>Employer's portion of the net pension liability (asset)</u>	<u>Employer's proportionate share of the net pension liability (asset)</u>	<u>Employer's covered payroll</u>	<u>Employers' proportionate share of the net pension liability (asset) as a percentage of it's covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
Municipal Employees Retirement System of Louisiana (System):					
2015	0.02498%	\$ 6,830	\$ 213,734	3.20%	99.14%
2016	0.02538%	\$ 66,808	\$ 223,024	29.96%	92.23%
2017	0.02890%	\$ 59,516	\$ 232,296	25.62%	94.15%
2018	0.02717%	\$ (26,164)	\$ 229,017	-8.80%	101.98%
2019	0.02585%	\$ 114,712	\$ 239,957	47.81%	88.86%
2020	0.26930%	\$ 1,268	\$ 282,833	0.45%	99.89%
2021	0.03209%	\$ (56,268)	\$ 247,649	-22.72%	104.00%
2022	0.28759%	\$ (135,469)	\$ 261,494	-51.81%	110.46%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

\*The amounts presented have a measurement date of December 31, 2021.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Schedule of Employer Contributions

Year Ended December 31, 2022

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Municipal Employees Retirement System of Louisiana (System):					
2015	\$ 29,808	\$ 29,808	\$ -	\$ 213,734	13.9%
2016	\$ 27,520	\$ 27,520	\$ -	\$ 223,024	12.3%
2017	\$ 28,843	\$ 28,843	\$ -	\$ 232,296	12.4%
2018	\$ 26,337	\$ 26,337	\$ -	\$ 229,017	11.5%
2019	\$ 25,944	\$ 25,944	\$ -	\$ 239,957	10.8%
2020	\$ 33,874	\$ 33,874	\$ -	\$ 282,833	12.0%
2021	\$ 29,606	\$ 29,606	\$ -	\$ 247,649	12.0%
2022	\$ 28,338	\$ 28,338	\$ -	\$ 261,494	10.8%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

## OTHER INFORMATION

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Schedule of Compensation, Benefits and Other Payments  
To Chief Executive Officer

Year Ended December 31, 2022

Chief Executive Officer: Carl Granger, Board President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	480
Reimbursements	-
Travel	-
Registration fees	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing Unvouchered expenses	-
Special meals	-

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

June 29, 2023

Board of Commissioners  
Cameron Parish Waterworks District No. 11  
Grand Lake, Louisiana

We have audited, 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, the financial statements of the business-type activities of the Cameron Parish Waterworks District No. 11, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Cameron Parish Waterworks District No. 11's basic financial statements, and have issued our report thereon dated June 29, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cameron Parish Waterworks District No. 11'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 Cameron Parish Waterworks District No. 11's internal control. Accordingly, we do not express an opinion on the effectiveness of Cameron Parish Waterworks District No. 11'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or, detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cameron Parish Waterworks District No. 11's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Dragan, Cassidy: Skully*

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Schedule of Findings and Responses

Year Ended December 31, 2022

1. Summary of Auditors' Results:

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weaknesses(es) identified? \_\_\_\_\_ yes  X  no
- Control deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes  X  no

2. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

None

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Findings

None

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

May 15, 2023

Board of Commissioners  
Cameron Parish Waterworks District No. 11  
Cameron, Louisiana

We have performed the procedures included 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 year January 1, 2022 through December 31, 2022. The District's management is responsible for those C/C areas identified in the SAUPs.

Cameron Parish Waterworks District No. 11 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 year 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:

***1) Written Policies and Procedures***

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A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- i. *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

***The District does not have a written policies and procedures manual.***

- ii. *Purchasing*, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

***The District does not have a written policies and procedures manual.***

- iii. *Disbursements*, including processing, reviewing, and approving.

***The District does not have a written policies and procedures manual.***

- iv. *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmations with outside parties,

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

***The District does not have a written policies and procedures manual.***

- v. *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

***The District does not have a written policies and procedures manual.***

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

***The District does not have a written policies and procedures manual.***

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

***The District does not have a written policies and procedures manual.***

- viii. *Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

***The District does not have a written policies and procedures manual.***

- ix. *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

***The District does not have a written policies and procedures manual.***

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

***The District does not have a written policies and procedures manual.***

- xi. *Information Technology Disaster Recovery/Business Continuity*, includes (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 does not have a written policies and procedures manual.***

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

***The District does not have a written policies and procedures manual.***

***Management Response: Management will implement a policies and procedures manual in the future.***

## ***2) Board or Finance Committee***

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- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
  - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

***The board did not meet with quorum for two of the months during the fiscal period.***

***Management Response: Management will meet monthly in the future when a quorum is present.***

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

***No exceptions were found as a result of this procedure.***

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

***No exceptions were found as a result of this procedure.***

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

*No exceptions were found as a result of this procedure.*

### **3) Bank Reconciliations**

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A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*No exceptions were found as a result of this procedure.*

- ii. Bank reconciliations include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

*No exceptions were found as a result of this procedure.*

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

*The items outstanding for more than 12 months from the statement closing date did not have documentation reflecting that it has been researched.*

*Management Response: Management will document its research for the outstanding items.*

### **4) Collections**

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

*The listing was provided by management.*

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe the job duties are properly segregated at each collection location such that:

- i. Employees that are responsible for cash collections do not share cash drawers/registers;

*No exceptions were found as a result of this procedure.*

- ii. 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:

*No exceptions were found as a result of this procedure.*

- iii. 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; and

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- C. 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.

*No exceptions were found as a result of this procedure.*

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made no the same day). Obtain supported documentation for each of the deposits and:

- i. Observe that receipts are sequentially pre-numbered.

*No exceptions were found as a result of this procedure.*

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions were found as a result of this procedure.*

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions were found as a result of this procedure.*

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*No exceptions were found as a result of this procedure.*

- v. Trace the actual deposit per the bank statement to the general ledger.

*No exceptions were found as a result of this procedure.*

**5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements and petty cash purchases)***

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- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*The listing was provided by management.*

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

*No exceptions were found as a result of this procedure.*

- ii. At least two employees are involved in processing and approving payments to vendors;

*No exceptions were found as a result of this procedure.*

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

*The employee responsible for processing payments is not prohibited from adding/modifying vendor files. However, another employee is responsible for periodically reviewing changes to vendor files.*

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

*The employee who processes payments also mails the checks.*

***Management Response: The District will initiate a policy to have an employee who does not process payments to start mailing checks.***

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

***No exceptions were found as a result of this procedure.***

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
  - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

***No exceptions were found as a result of this procedure.***

- ii. Observe whether the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

***All transactions tested were authorized, approved and processed by different employees.***

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) 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 were found as a result of this procedure.***

#### ***6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)***

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

***The listing was provided by management.***

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each

card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excess fuel card usage) were reviewed and approved, in writing, (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

***No exceptions were found as a result of this procedure.***

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

***No exceptions were found as a result of this procedure.***

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g. each card should have 10 transactions subject to inspection). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

***No exceptions were found as a result of this procedure.***

## **7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

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

***Not applicable, there were no travel or travel-related expense reimbursements during the fiscal period.***

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

***Not applicable, there were no travel or travel-related expense reimbursements during the fiscal period.***

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

***Not applicable, there were no travel or travel-related expense reimbursements during the fiscal period.***

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

***Not applicable, there were no travel or travel-related expense reimbursements during the fiscal period.***

## **8) Contracts**

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

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

***No exceptions were found as a result of this procedure.***

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

***No exceptions were found as a result of this procedure.***

- iii. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

***No exceptions were found as a result of this procedure.***

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions were found as a result of this procedure.*

**9) Payroll and Personnel**

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- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to the authorized salaries/pay rates in the personnel files.

*No exceptions were found as a result of this procedure.*

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation sick, compensatory);

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

*No exceptions were found as a result of this procedure.*

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

*No exceptions were found as a result of this procedure.*

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulate leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to the entity policy.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

## **10) Ethics**

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

*No exceptions were found as a result of this procedure.*

- ii. 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 were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

## **11) Debt Service**

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

*The District did not issue any debt.*

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*No exceptions were found as a result of this procedure.*

## ***12) Fraud Notice***

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

*The District was not aware of any misappropriation of public funds or assets during the fiscal year.*

- B. 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.

*The District has the required notice posted in a conspicuous place upon its premises and website.*

## ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures.

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if 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.

*No exceptions were found as a result of this procedure.*

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*No exceptions were found as a result of this procedure.*

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*No exceptions were found as a result of this procedure.*

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

*No exceptions were found as a result of this procedure.*

#### **14) Prevention of Sexual Harassment**

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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 as required by R.S. 42:343.

*No exceptions were found as a result of this procedure.*

- B. 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 exceptions were found as a result of this procedure.*

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

*The annual sexual harassment report for 2022 was not filed as of February 1.*

- ii. Number of sexual harassment complaints received by the agency;

*The annual sexual harassment report for 2022 was not filed as of February 1.*

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

*The annual sexual harassment report for 2022 was not filed as of February 1.*

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

*The annual sexual harassment report for 2022 was not filed as of February 1.*

- v. Amount of time it took to resolve each complaint.

*The annual sexual harassment report for 2022 was not filed as of February 1.*

***Management response: Management will file the District's annual sexual harassment report as required.***

We were engaged by Cameron Parish Waterworks District No. 11 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 Cameron Parish Waterworks District No. 11 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

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