

REDDELL-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
ANNUAL FINANCIAL REPORTS
DECEMBER 31, 2019 AND 2018

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Commissioners Reddell-Vidrine
 Water District
 Ville Platte, Louisiana

We have reviewed the accompanying financial statements of the business-type activity of the Reddell-Vidrine Water District, a component unit of the Evangeline Parish Police Jury, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Reddell-Vidrine Water District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Service Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated March 4, 2020, on the results of our agreed-upon procedures.

Required Supplementary Information

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

The Board of Commissioners Reddell-Vidrine
Water District
Ville Platte, Louisiana

Other Supplementary Information

The other supplementary information on pages 23 and 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements and has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but has been compiled. Such information is the responsibility of management. We have not audited or reviewed the other supplementary information and accordingly, we do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

The accompanying schedule of compensation, benefits, and other payments to the agency head, or chief executive officer on page 24 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

John S. Dowling & Company

Opelousas, Louisiana
March 4, 2020

BASIC FINANCIAL STATEMENTS

REDELLE-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
STATEMENTS OF NET POSITION
DECEMBER 31, 2019 AND 2018

| | BUSINESS-TYPE ACTIVITIES PROPRIETARY FUND | |
|---|--|------------|
| | 2019 | 2018 |
| <u>ASSETS</u> | | |
| <u>CURRENT ASSETS</u> | | |
| Checking | \$ 61,526 | \$ 111,216 |
| Savings | 113,421 | 77,293 |
| Accounts receivable, net | 33,870 | 38,589 |
| NSF receivable | 4,305 | 4,538 |
| Due from restricted assets | 3,096 | 2,604 |
| <u>Total current assets</u> | 216,218 | 234,240 |
| <u>RESTRICTED ASSETS</u> | | |
| Bond Reserve Fund | 13,376 | 13,370 |
| Security deposits | 50,169 | 47,728 |
| Contingency | 9,650 | 7,174 |
| <u>Total restricted assets</u> | 73,195 | 68,272 |
| <u>PROPERTY, PLANT, AND EQUIPMENT</u> | | |
| Buildings and equipment | 338,968 | 338,968 |
| Water system | 852,215 | 818,537 |
| | 1,191,183 | 1,157,505 |
| Less: accumulated depreciation | (680,969) | (646,774) |
| Land | 24,500 | 24,500 |
| <u>Total property, plant, and equipment</u> | 534,714 | 535,231 |
| <u>OTHER ASSETS</u> | | |
| Security deposits | 10 | 10 |
| <u>Total other assets</u> | 10 | 10 |
| <u>Total assets</u> | 824,137 | 837,753 |

Continued on next page.

See accompanying notes and independent accountant's review report.

REDELLE-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2019 AND 2018

| <u>LIABILITIES</u> | BUSINESS-TYPE ACTIVITIES PROPRIETARY FUND | |
|---|--|----------|
| | 2019 | 2018 |
| <u>CURRENT LIABILITIES (from current assets)</u> | | |
| Accounts payable | \$ 6,833 | \$ 1,985 |
| Safe drinking water payable | - | 10,920 |
| Payroll taxes payable | 2,798 | 2,670 |
| FHA note-current portion | 7,330 | 6,990 |
| Accrued interest payable | 302 | 321 |
| <u>Total current liabilities</u> | 17,263 | 22,886 |
| <u>CURRENT LIABILITIES (from restricted assets)</u> | | |
| Security deposits payable | 47,073 | 45,124 |
| Due to operating | 3,096 | 2,604 |
| | 50,169 | 47,728 |
| <u>NON-CURRENT LIABILITIES</u> | | |
| FHA note | 108,849 | 116,177 |
| <u>Total non-current liabilities</u> | 108,849 | 116,177 |
| <u>Total liabilities</u> | 176,281 | 186,791 |
| <u>NET POSITION</u> | | |
| Net investment in capital assets | 534,714 | 535,231 |
| Net position - restricted | 23,026 | 20,544 |
| Net position - unrestricted | 90,116 | 95,187 |
| <u>Total net position</u> | 647,856 | 650,962 |
| <u>Total liabilities and net position</u> | 824,137 | 837,753 |

See accompanying notes and independent accountant's review report.

REDDELL-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

| | BUSINESS-TYPE ACTIVITIES PROPRIETARY FUND | |
|---|--|-----------------------|
| | 2019 | 2018 |
| <u>OPERATING REVENUES</u> | | |
| Water sales and late fees | \$ 310,411 | \$ 349,721 |
| Connection, installations and miscellaneous | 9,120 | 8,440 |
| <u>Total operating revenues</u> | <u>319,531</u> | <u>358,161</u> |
| <u>OPERATING EXPENSES</u> | | |
| Accounting | 6,250 | 5,980 |
| Advertising | 540 | 393 |
| Bad debt expense | 4,930 | 2,722 |
| Bank service charge | 704 | 495 |
| Depreciation | 34,196 | 32,352 |
| Entertainment | 1,370 | 1,662 |
| Fees and permits | 139 | 278 |
| Fuel and truck expense | 7,274 | 6,951 |
| Insurance | 22,403 | 17,528 |
| Legal | - | 150 |
| Office expense and postage | 9,521 | 7,800 |
| Repairs | 9,636 | 12,631 |
| Salaries and wages | 117,335 | 111,953 |
| Supplies | 47,866 | 40,260 |
| Per diem paid board members | 5,325 | 5,400 |
| Payroll taxes | 9,703 | 9,298 |
| Pension plan expense | 1,945 | 2,278 |
| Rent expense | 2,612 | 2,400 |
| Seminars | 550 | 300 |
| Telephone | 7,030 | 7,774 |
| Uniforms | 481 | 831 |
| Utilities | 27,365 | 30,898 |
| <u>Total operating expenses</u> | <u>317,175</u> | <u>300,334</u> |
| <u>Operating income</u> | <u>2,356</u> | <u>57,827</u> |
| <u>NON-OPERATING REVENUES (EXPENSES)</u> | | |
| Interest revenue | 216 | 107 |
| Interest expense | (5,678) | (6,006) |
| <u>Total non-operating revenues (expenses)</u> | <u>(5,462)</u> | <u>(5,899)</u> |
| <u>CHANGE IN NET POSITION</u> | <u>(3,106)</u> | <u>51,928</u> |
| <u>NET POSITION, beginning of year</u> | <u>650,962</u> | <u>599,034</u> |
| <u>NET POSITION, end of year</u> | <u>647,856</u> | <u>650,962</u> |

See accompanying notes and independent accountant's review report.

REDELLE-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

| | BUSINESS-TYPE ACTIVITIES | |
|--|---------------------------------|-----------------|
| | PROPRIETARY FUND | |
| | <u>2019</u> | <u>2018</u> |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Receipts from customers and users | \$ 326,432 | \$ 354,743 |
| Payments to suppliers for goods and services | (171,588) | (149,251) |
| Payments to employees for services | (117,335) | (111,953) |
| <u>Net cash provided by operating activities</u> | <u>37,509</u> | <u>93,539</u> |
| <u>CASH FLOWS FROM CAPITAL AND</u> | | |
| <u>RELATED FINANCING ACTIVITIES</u> | | |
| Purchase of capital assets | (33,678) | - |
| Principal payment on loans | (6,988) | (6,668) |
| Interest paid on loans | (5,698) | (6,023) |
| <u>Net cash used by capital and related</u> | | |
| <u>financing activities</u> | <u>(46,364)</u> | <u>(12,691)</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | |
| Interest earned | 216 | 107 |
| <u>Net cash provided by investing activities</u> | <u>216</u> | <u>107</u> |
| <u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u> | (8,639) | 80,955 |
| <u>CASH AND CASH EQUIVALENTS, beginning of year</u> | 256,781 | 175,826 |
| <u>CASH AND CASH EQUIVALENTS, end of year</u> | 248,142 | 256,781 |
| <u>RECONCILIATION OF OPERATING INCOME TO NET</u> | | |
| <u>CASH PROVIDED BY OPERATING ACTIVITIES</u> | | |
| Operating income | \$ 2,356 | \$ 57,827 |
| Adjustments to reconcile operating income to | | |
| net cash provided by operating activities | | |
| Depreciation expense | 34,196 | 32,352 |
| (Increase) decrease in receivables | 4,952 | (4,948) |
| Increase (decrease) in payables | (5,944) | 6,778 |
| Increase (decrease) in meter deposits | 1,949 | 1,530 |
| <u>Total adjustments</u> | <u>35,153</u> | <u>35,712</u> |
| <u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u> | 37,509 | 93,539 |

See accompanying notes and independent accountant's review report.

REDDELL-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. SCOPE OF ENTITY

The Reddell-Vidrine Water District of Evangeline Parish, Louisiana was created by the Evangeline Parish Police Jury on July 14, 1967, and is governed by five board members appointed by the Evangeline Parish Police Jury. The Water District was created to provide water within the District. The Water District is a component unit of the Evangeline Parish Police Jury. It is economically dependent upon the District it serves.

As the governing authority of the parish, for reporting purposes, the Evangeline Parish Police Jury is the financial reporting entity for Evangeline Parish.

The financial reporting entity consists of (a) the primary government (Parish 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 Evangeline 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 Parish 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 Parish Police Jury.
2. Organizations for which the Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Parish 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 Parish Police Jury appoints a voting majority of the Water District's governing body and the Parish Police Jury has the ability to impose its will on the Water District, the Water District was determined to be a component unit of the Evangeline Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Water District and do not present information on the Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

REDDELL-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF PRESENTATION

The accounts of Reddell-Vidrine Water District are organized in one fund, which is considered a separate accounting entity. The operations of the fund are accounted for by self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses. The fund presented in the financial statements is described as follows:

Proprietary Fund

Proprietary funds account for activities for which a fee is charged to external users for goods and services.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The Proprietary Fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

Business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Billed and unbilled utility receivables are recorded at year-end.

Basis of Accounting

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year, unless material.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principle operating revenues for proprietary funds are charges to customers for sales or services. Principle operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

REDELL-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. INVESTMENTS

Investments are recorded at cost, which approximates market.

Louisiana statutes authorize Reddell-Vidrine Water District to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, the Louisiana Asset Management Pool, or any other federally insured investment.

E. CAPITAL ASSETS

Capital assets (including infrastructure assets), which constitute assets of the Proprietary Fund, are recorded at cost and depreciation is computed under the straight-line method and the modified accelerated cost recovery method. The service lives by type of asset are as follows:

| | |
|------------------------|------------|
| Water system | 50 years |
| Building and equipment | 5-50 years |

F. BUDGET

Reddell-Vidrine Water District submits a yearly budget to the United States Department of Agriculture – Rural Development for approval. The Water District is not required to adopt a budget under state law.

G. STATEMENT OF CASH FLOWS

For purposes of reporting cash flows, all highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

H. ENCUMBRANCES

Reddell-Vidrine Water District does not employ the encumbrance system of accounting.

I. COMPENSATED ABSENCES

Vacation and sick leave cannot be accumulated. Employees do not get paid for unused vacation or sick leave.

J. RETIREMENT

The employees of the District contribute to a Simple Plan. See NOTE (7).

K. BAD DEBTS

Uncollectable amounts due for customers receivables are recognized as bad debts through the adjustment of an allowance account to the balance of the individual accounts over 90 days old and deemed uncollectable at the end of the fiscal year.

REDDELL-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

L. ESTIMATES

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

M. EQUITY CLASSIFICATION

Equity is classified as net position and displayed in three components:

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

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

NOTE (2) - CASH

At December 31, 2019 and 2018 the bank balances of cash in checking accounts and savings accounts were \$275,593 and \$266,720, respectively. As of December 31, 2019, the District's total bank balances were fully insured and therefore not exposed to custodial credit risk.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting balances) must be secured by federal deposit insurance or similar federal security 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 bank.

The District does not have a policy for custodial credit risk.

REDELL-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE (3) - ACCOUNTS RECEIVABLE

Reddell-Vidrine Water District's accounts receivable consist of uncollected billed utility services. An accounts receivable aging schedule is as follows:

| <u>Days</u> | <u>December 31, 2019</u> | | <u>December 31, 2018</u> | |
|----------------------------------|--------------------------|-------------------------------|--------------------------|-------------------------------|
| | <u>Amounts</u> | <u>Number of Accounts</u> | <u>Amounts</u> | <u>Number of Accounts</u> |
| 0-30 days | \$ 24,469 | 966 | \$ 26,578 | 967 |
| 31-60 days | 7,100 | | 9,123 | |
| 61-90 days | 2,301 | | 2,887 | |
| Over 90 days | <u>22,767</u> | | <u>17,838</u> | |
| <u>Total accounts receivable</u> | 56,637 | | 56,426 | |
| Less: allowance | <u>(22,767)</u> | | <u>(17,837)</u> | |
| | <u>33,870</u> | <u>966</u> | <u>38,589</u> | <u>967</u> |

The present water rates are as follows:

Commercial and Residential Rates

| | | | |
|---------------------------|----|-------|-----------------|
| Flat rate for 3/4 inch: | \$ | 15.00 | |
| Flat rate for 1 inch: | | 23.00 | |
| Flat rate for 1 1/2 inch: | | 33.00 | |
| Flat rate for 2 inch: | | 43.00 | |
| 0-2000 Gallons: | | 15.00 | Flat Rate |
| Over 2000 Gallons: | | 0.22 | per 100 gallons |

The District has 926 residential and 40 commercial customers.

REDELL-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE (4) - CAPITAL ASSETS

The following is a summary of the capital assets at December 31, 2019:

| | <u>Balance</u> <u>1/1/2019</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> <u>12/31/2019</u> |
|--|-----------------------------------|------------------|--------------------|-------------------------------------|
| Business-type activities: | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 24,500 | \$ - | \$ - | \$ 24,500 |
| Capital assets being depreciated | | | | |
| Building and equipment | 338,968 | 28,025 | - | 366,993 |
| Water system | 818,537 | 5,653 | - | 824,190 |
| Total capital assets | <u>1,157,505</u> | <u>33,678</u> | <u>-</u> | <u>1,191,183</u> |
| Less: accumulated depreciation: | | | | |
| Building and equipment | (177,533) | (16,696) | - | (194,229) |
| Water system | (469,240) | (17,500) | - | (486,740) |
| Total accumulated depreciation | <u>(646,773)</u> | <u>(34,196)</u> | <u>-</u> | <u>(680,969)</u> |
| Business-type activities capital assets, net | <u>535,232</u> | <u>(518)</u> | <u>-</u> | <u>534,714</u> |

The following is a summary of the capital assets at December 31, 2018:

| | <u>Balance</u> <u>1/1/2018</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> <u>12/31/2018</u> |
|--|-----------------------------------|------------------|--------------------|-------------------------------------|
| Business-type activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 24,500 | \$ - | \$ - | \$ 24,500 |
| Capital assets being depreciated | | | | |
| Building and equipment | 338,968 | - | - | 338,968 |
| Water system | 818,537 | - | - | 818,537 |
| Total capital assets | <u>1,157,505</u> | <u>-</u> | <u>-</u> | <u>1,157,505</u> |
| Less: accumulated depreciation | | | | |
| Building and equipment | (162,163) | (15,370) | - | (177,533) |
| Water system | (452,258) | (16,982) | - | (469,240) |
| Total accumulated depreciation | <u>(614,421)</u> | <u>(32,352)</u> | <u>-</u> | <u>(646,773)</u> |
| Business-type activities capital assets, net | <u>567,584</u> | <u>(32,352)</u> | <u>-</u> | <u>535,232</u> |

Depreciation expense amounted to \$34,196 and \$32,352 for the years ended December 31, 2019 and 2018, respectively.

REDDELL-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE (5) - LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions as of December 31, 2019:

| <u>Description of Debt</u> | <u>Balance January 1, 2019</u> | <u>Issued</u> | <u>Retired</u> | <u>Balance December 31, 2019</u> | <u>Due Within One Year</u> |
|--|--|---------------|----------------|--|--------------------------------|
| \$225,000 of Water Revenue Bonds dated May 11, 1998 | \$ 123,167 | \$ - | \$ 6,988 | \$ 116,179 | \$ 7,330 |
| | <u>123,167</u> | <u>-</u> | <u>6,988</u> | <u>116,179</u> | <u>7,330</u> |

The following is a summary of long-term debt transactions as of December 31, 2018:

| <u>Description of Debt</u> | <u>Balance January 1, 2018</u> | <u>Issued</u> | <u>Retired</u> | <u>Balance December 31, 2018</u> | <u>Due Within One Year</u> |
|--|--|---------------|----------------|--|--------------------------------|
| \$225,000 of Water Revenue Bonds dated May 11, 1998 | \$ 129,835 | \$ - | \$ 6,668 | \$ 123,167 | \$ 6,990 |
| | <u>129,835</u> | <u>-</u> | <u>6,668</u> | <u>123,167</u> | <u>6,990</u> |

FHA Note:

\$225,000 Water Revenue Bonds, series 1998, bearing interest at the rate of 4.75% per annum with monthly payments of \$1,057.50 due on the 11th day of each month beginning June 11, 1999.

An amount of \$53 per month will be taken from the District's revenues and deposited in the reserve account until fully funded. As of December 31, 2019 and 2018 the reserve account had \$13,376 and \$13,370 respectively which was fully funded. Monthly deposits of at least \$53 are required for the contingency and depreciation account as of December 31, 2019 and 2018 respectively; all deposits for the contingency and depreciation account were made.

The annual requirements to amortize revenue bonds are as follows:

| <u>Year Ending December 31,</u> | <u>Principal Amount</u> | <u>Interest Amount</u> |
|-------------------------------------|-----------------------------|----------------------------|
| 2020 | \$ 7,330 | \$ 5,360 |
| 2021 | 7,686 | 5,004 |
| 2022 | 8,059 | 4,631 |
| 2023 | 8,450 | 4,240 |
| 2024 | 8,860 | 3,830 |
| 2025-2029 | 51,186 | 12,264 |
| 2030-2031 | <u>24,608</u> | <u>1,258</u> |
| Total | <u>116,179</u> | <u>36,587</u> |

REDELL-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE (6) - CASH AND CASH EQUIVALENTS

Cash and cash equivalents are made up of the following accounts:

| | <u>2019</u> | <u>2018</u> |
|-------------------|----------------|----------------|
| Checking | \$ 61,526 | \$ 111,216 |
| Savings | 113,421 | 77,293 |
| Bond Reserve Fund | 13,376 | 13,370 |
| Contingency | 9,650 | 7,174 |
| Security deposits | <u>50,169</u> | <u>47,728</u> |
| | <u>248,142</u> | <u>256,781</u> |

NOTE (7) - RETIREMENT PLAN

The Water District has adopted a Simple Plan for employees who have earned at least \$5,000 in any prior two (2) years and have been actively employed by the Water District in at least one (1) year. All contributions made under this plan are fully vested and non-forfeitable. The plan may not be amended except to modify entries inserted in blanks or boxes provided in general requirements, timing of salary reductions elections, procedures for withdrawals and transfers by the designated financial institution, and the plan effective date. The Water District matches employee elected deferrals dollar for dollar up to three percent (3%) of wages. The Water District has contributed \$1,945 and \$2,278 as of December 31, 2019 and 2018, respectively.

NOTE (8) - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Reddell-Vidrine Water District does not provide any post-employment benefits to retirees and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions.

NOTE (9) - SUBSEQUENT EVENTS

Subsequent events were evaluated through March 4, 2020, which is the date the financial statements were available to be issued. As of March 4, 2020, there were no subsequent events noted.

OTHER SUPPLEMENTARY INFORMATION

James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
 www.jsdc-cpas.com

John S. Dowling, CPA
 1904-1984
 John Newton Stout, CPA
 1936-2005
 Chizal S. Fontenot, CPA
 1955-2012

Van L. Auld, CPA

Retired

Harold Dupre, CPA
 1996
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003
 Russell J. Stelly, CPA
 2005

**INDEPENDENT ACCOUNTANT'S REPORT
 ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners Reddell-Vidrine
 Water District
 Ville Platte, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Reddell-Vidrine Water District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Reddell-Vidrine Water District's compliance with certain laws and regulations during the year ended December 31, 2019, included in the accompanying Louisiana Attestation Questionnaire. Management of Reddell-Vidrine Water District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000 and public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

The District had no expenditures for material and supplies exceeding \$30,000 or public works exceeding \$157,700.

Code of Ethics for Public Officials and Public Employees

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

Management provided us with the required list including the noted information.

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

Management provided us with the required list.

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

The employees included on the list of employees provided by management in agreed-upon procedure 3 did not appear on the list provided by management in agreed-upon procedure 2.

P. O. Box 1549
 4766 I-49 North Service Road
 Opelousas, Louisiana 70570
 Phone: 337-948-4848
 Fax: 337-948-6109

112 Fountain Bend Dr.
 Lafayette, LA 70506
 Phone: 337-984-9717
 Fax: 337-984-5544

To the Board of Commissioners Reddell-Vidrine
 Water District
 Page 2

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

Management provided us with the required list including the noted information. No vendors appeared on both lists.

Budgeting

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

Reddell-Vidrine Water District records all activities in a proprietary fund and, therefore, is not required to adopt a budget.

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

Reddell-Vidrine Water District records all activities in a proprietary fund and, therefore, is not required to adopt a budget.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more and whether actual expenditures exceed budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceed budgeted amounts by 10% or more per category or 5% or more in total).

Reddell-Vidrine Water District records all activities in a proprietary fund and, therefore, is not required to adopt a budget.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c) report whether the six disbursements were approved in accordance with management's policies and procedures.

All six disbursements agreed to supporting documentation for amount and payee. All six disbursements were coded to the correct fund and general ledger account.

To the Board of Commissioners Reddell-Vidrine
Water District
Page 3

Meetings

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

Reddell-Vidrine Water District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Management has asserted that such documents were properly posted.

Debt

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

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness

Advances and Bonuses

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

A reading of the minutes of the District showed no indication of approval of bonuses, advances or gifts. We also inspected payroll records for the year and noted no instances which would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

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

Our prior year report, dated March 13, 2019, included one comment which remains unresolved.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Reddell-Vidrine Water District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

John S. Dowling & Company

Opelousas, Louisiana
March 4, 2020

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

11/06/2019 (Date Transmitted)

John S. Dowling & Company (CPA Firm Name)

P.O. Box 1549 (CPA Firm Address)

Opelousas, LA 70571-1549 (City, State Zip)

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

Public Bid Law

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

Yes No

Code of Ethics for Public Officials and Public Employees

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

Yes No

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

Yes No

Budgeting

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

Yes No

Accounting and Reporting

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

Yes No

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

Yes No

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

Yes No

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

Yes No

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

Yes No

Meetings

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

Yes No

Debt

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

Yes No

Advances and Bonuses

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

Yes No

Prior-Year Comments

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

Yes No

General

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

Yes No

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

Yes No

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

Yes No

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

Yes No

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

Yes No

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

Yes No

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

| | | | |
|------------------------------------|-----------|-------------------|------|
| <u>Wahyuni</u> | Secretary | <u>11/06/2019</u> | Date |
| <u>Tiara H. Shaha/Kane Fortuit</u> | Treasurer | <u>11/06/2019</u> | Date |
| <u>Joy Semages</u> | President | <u>11/06/2019</u> | Date |

REDELL-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2019-1 Inadequate Segregation of Accounting Functions

Condition: Due to the small number of employees, The Reddell-Vidrine Water District does not have adequate segregation of functions within the accounting system. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion.

Criteria: The Reddell-Vidrine Water District should have adequate segregation of duties over accounting functions.

Cause: There are a small number of employees at Reddell-Vidrine Water District performing the daily operating activities.

Effect: Accounting functions are not segregated, and it is important that you are aware of this condition because errors or fraud could occur and not be detected.

Recommendation: A system of internal control procedures should be established in order to mitigate the problem of having such a small number of employees performing the daily operating activities.

Management's Response: Management has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No cash is collected, and a bookkeeping firm performs all bookkeeping functions. No plan is considered necessary.

Contact Person: Joseph Limoges

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

No findings.

REDDELL-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2018-1 Inadequate Segregation of Accounting Functions

Unresolved – Repeat comment.

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

No findings.

REDELLE-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
SCHEDULE OF DIRECTORS' AND OFFICERS' COMPENSATION
AS OF DECEMBER 31, 2019

| <u>Name of Commissioner</u> | <u>Office Held</u> | <u>Term</u> | <u>Amount</u> |
|-----------------------------|--------------------|-------------|---------------|
| Joseph Limoges | President | July 2020 | \$ 2,400 |
| Kane Fontenot | Vice-President | July 2020 | 450 |
| Mike Triplett | Commissioner | July 2021 | 825 |
| Dirk Fontenot | Commissioner | July 2021 | 825 |
| Twila Trahan | Commissioner | July 2021 | 825 |
| | | | <hr/> |
| Total | | | <u>5,325</u> |

See independent accountant's review report.

REDDELL-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
AS OF DECEMBER 31, 2019

Agency Head Name: Joseph Limoges, President

| Purpose | Amount |
|--|--------|
| Salary | 0 |
| Benefits-insurance | 0 |
| Benefits-retirement | 0 |
| Benefits-<list any other here> | 0 |
| Car allowance | 0 |
| Vehicle provided by government | 0 |
| Per diem | 2,400 |
| Reimbursements | 0 |
| Travel | 0 |
| Registration fees | 0 |
| Conference travel | 0 |
| Continuing professional education fees | 0 |
| Housing | 0 |
| Unvouchered expenses* | 0 |
| Special meals | 0 |
| Other | 0 |

See independent accountant's review report.

REDELLE-VIDRINE WATER DISTRICT
VILLE PLATTE, LOUISIANA
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2019

| <u>Insurer</u> | <u>Type</u> | <u>Amount</u> | <u>Expiration Date</u> |
|--|--|---|------------------------|
| Allied World Specialty Insurance Company | Property | \$775,000 real property & business personal property limit | |
| | | \$500,000 extension limit | 1/31/2020 |
| | Inland Marine | \$22,000 | 1/31/2020 |
| | Crime | \$100,000 per occurrence | 1/31/2020 |
| | General Liability | \$1,000,000/\$3,000,000 | 1/31/2020 |
| | Public Officials & Management Liability | \$1,000,000/\$3,000,000 | 1/31/2020 |
| | Cyber Liability | \$1,000,000 | 1/31/2020 |
| | Auto | \$1,000,000 | 1/31/2020 |
| | Excess Liability | \$1,000,000 | 1/31/2020 |
| Louisiana Construction & Industry Self Insures Fund | Worker's Compensation | \$100,000/500,000/100,000 | 1/31/2020 |
| CNA | Employee Bond (1 position) | \$30,000 | 1/1/2021 |
| CNA | Employee Bond | \$10,000 | 6/24/2020 |

See independent accountant's review report.