

**EAST COLUMBIA WATERWORKS DISTRICT**  
**Columbia, Louisiana**

**Annual Financial Statements**

**As of and for the Year Ended**  
**December 31, 2020**

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

Annual Financial Statements  
As of and for the Year Ended December 31, 2020

C O N T E N T S

	Statement	Page No.
<b>Independent Auditor's Report</b>		3
<b>Required Supplemental Information:</b>		
Management's Discussion and Analysis		6
<b>Basic Financial Statements:</b>		
Enterprise Fund Financial Statements:		
Statement of Net Position	A	10
Statement of Revenues, Expenses, and Changes in Fund Net Position	B	11
Statement of Cash Flows	C	12
Notes to the Financial Statements		13
	<b>Schedule</b>	<b>Page No.</b>
<b>Supplemental Information Schedules:</b>		
Schedule of Compensation, Benefits and Other Payments to Agency Head and Board of Commissioners	1	23
Schedule of Prior Year Findings	2	24
Schedule of Expenditures of Federal Awards	3	25
<b>Independent Auditor's Reports Required by Government Auditing Standards and the Uniform Guidance:</b>		
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>		27

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
Annual Financial Statements  
As of and for the Year Ended December 31, 2020

**C O N T E N T S** (Contd.)

Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	29
<b>Schedule of Findings and Questioned Costs</b>	<b>32</b>
<b>Corrective Action Plan</b>	<b>36</b>

*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Auditor's Report**

BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

**Report on the Financial Statements**

I have audited the accompanying financial statements of East Columbia Waterworks District (the "District"), a component unit of Caldwell Parish, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
Independent Auditor's Report  
December 31, 2020

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

**Opinion**

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

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

**Other Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise East Columbia Waterworks District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head and Board of Commissioners and the Schedule of Prior Year Findings are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head and Board of Commissioners, the Schedule of Prior Year Findings, and the Schedule of Expenditures of Federal Awards, as required by Title 2 *U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting

BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
Independent Auditor's Report  
December 31, 2020

and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head and Board of Commissioners, the Schedule of Prior Year Findings, and the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated April 9, 2021, on my consideration of East Columbia Waterworks District's internal control over financial reporting and on my tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

/s Carleen Dumas  
Calhoun, Louisiana  
April 9, 2021

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2020

Our discussion and analysis of East Columbia Waterworks District's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2020. Please read it in conjunction with the District's financial statements that begin on page 9.

**BASIC FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of :

- a. Management's discussion and analysis (MD&A)
- b. Statement of net position
- c. Statement of revenues, expenses, and changes in net position
- d. Statement of cash flows
- e. Notes to the financial statements
- f. RSI other than MD&A, if applicable

The East Columbia Waterworks District is a special-purpose government engaged only in business-type activities.

**Enterprise Fund Financial Statements**

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position provide information in a way that shows the change in the District's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and the changes in it. Net position - the difference between assets (what the District owns) and liabilities (what the District owes) is a way to measure the financial position of the District. Over time, increases or decreases in the District's net position is an indicator of whether the District's financial position is improving or deteriorating.

EAST COLUMBIA WATERWORKS DISTRICT  
 Columbia, Louisiana  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 For the Year Ended December 31, 2020

The Statement of Cash Flows provides information on the changes in cash during the year. This statement reports the net cash provided or used by operating activities, capital and related financing activities, and investing activities.

**COMPARATIVE ANALYSIS OF  
 FINANCIAL DATA**

The District's net position increased by \$34,271 during 2020. Operating revenues increased \$8,762 while operating expenses decreased \$7,356 from the prior year. The following presents an analysis of net position and changes in net position of the District's business-type activities:

	BUSINESS-TYPE ACTIVITIES	
	2020	2019
<b>Assets</b>		
Current assets	\$321,622	\$247,311
Restricted assets	6,865	7,018
Capital assets	3,382,822	512,198
Total assets	<u>3,711,309</u>	<u>766,527</u>
<b>Liabilities</b>		
Current liabilities	3,206,413	47,989
Long-term liabilities	1,046,418	1,294,331
Total liabilities	<u>4,252,831</u>	<u>1,342,320</u>
<b>Net Position</b>		
Net investment in capital assets	264,548	272,696
Restricted for debt service	6,756	6,748
Restricted for construction	109	270
Unrestricted (deficit)	<u>(812,935)</u>	<u>(855,507)</u>
Total net position (deficit)	<u>(541,522)</u>	<u>(575,793)</u>
Operating revenues	403,766	395,004
Operating expenses	336,770	344,126
Non-operating revenues (expenses)	<u>(32,725)</u>	<u>(15,524)</u>
Change in net position	34,271	35,354
Net position (deficit) - beginning	<u>(575,793)</u>	<u>(611,147)</u>
Net position (deficit) - ending	<u><u>(\$541,522)</u></u>	<u><u>(\$575,793)</u></u>

**OVERALL FINANCIAL POSITION**

Unrestricted net position (deficit) was (\$812,935) at year end. The deficit in unrestricted net position is a result of recording a \$1,046,818 liability related to the URAF loan that had not been reported in the financial statements prior to the year ended December 31, 2019. Net position restricted for debt service

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2020

was \$6,756 and restricted for construction was \$109. The net investment in capital assets was \$264,548 at year end.

## **CAPITAL ASSETS AND DEBT**

### **Capital Assets**

At the end of the year, the District had capital assets (net of accumulated depreciation) totaling \$3,382,822. Capital assets include land, construction in progress, the water system, and equipment costing \$1,000 or more. The District purchased a new vehicle at a total cost of \$25,823 and other equipment totaling \$4,004 and incurred \$2,868,935 in costs in connection with the ongoing water system improvement project during the year ended December 31, 2020. Additional information about the District's capital assets is presented in Note 4 to the financial statements.

### **Debt**

On December 10, 2019, the District issued two different series of 2019 Bond Anticipation Notes to provide interim financing for a portion of the costs of the ongoing water system improvement project. The total amount of the bond anticipation notes is \$3,129,000. The total principal advances on the bonds total \$2,889,792 at December 31, 2020. Water Revenue Bonds, Series 2021 in the amount of \$3,129,000 were sold to the United States Department of Agriculture (USDA), Rural Development on February 2, 2021, and the proceeds were used to pay the principal and accrued interest on the 2019 Bond Anticipation Notes on that date. The District's long-term debt is a Louisiana Department of Transportation and Development (DOTD) Utility Relocation Assistance Fund (URAF) loan balance of \$1,046,418. Additional information about the District's debt is presented in Note 5 to the financial statements.

## **ECONOMIC FACTORS**

Operating revenues are expected to increase approximately \$47,700 for 2021 and operating expenses are expected to remain approximately the same as 2020 operating expenses. Debt service on the Water Revenue Bonds, Series 2021 for 2021 will be \$90,750. The District expects to receive approximately \$190,180 in proceeds from Bond Anticipation Notes and \$501,000 in grant funds from the United States Department of Agriculture in connection with the ongoing water system improvement project.

**BASIC FINANCIAL STATEMENTS**

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

STATEMENT OF NET POSITION  
December 31, 2020

**ASSETS**

## Current assets:

Cash	\$227,277
Investments	82,083
Receivables (net of allowance for bad debts)	12,262
Total current assets	<u>321,622</u>

## Noncurrent assets:

Restricted cash	6,865
Property, plant and equipment (net of accumulated depreciation)	3,382,822
Total noncurrent assets	<u>3,389,687</u>
Total assets	<u>3,711,309</u>

**LIABILITIES**

## Current liabilities:

Accounts payable	11,137
Accounts payable - construction of capital assets	228,482
Payroll taxes payable	4,381
Sales tax payable	134
Accrued interest payable	35,517
Bond anticipation notes	2,889,792
Customer deposits	36,970
Total current liabilities	<u>3,206,413</u>

## Noncurrent liabilities:

Long-term debt - URAF loan	1,046,418
Total liabilities	<u>4,252,831</u>

**NET POSITION**

Net investment in capital assets	264,548
Restricted for debt service	6,756
Restricted for construction	109
Unrestricted (deficit)	(812,935)
Total net position (deficit)	<u>(\$541,522)</u>

See accompanying notes.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION

For the Year Ended December 31, 2020

**OPERATING REVENUES**

Water sales	\$380,759
Installation fees	10,515
Reconnect fees	1,125
Penalties	9,254
Other revenue	2,113
Total operating revenues	403,766

**OPERATING EXPENSES**

Commissioners per diem	2,700
Accounting	6,000
Materials and supplies	51,426
Maintenance and repairs	21,913
Office expense	14,946
Fees, dues, and permits	3,291
Utilities and telephone	27,132
Insurance	13,250
Employees health insurance	24,537
Salaries	126,212
Postage	5,697
Collections expense	1,013
Payroll taxes	9,656
Contract labor	225
Depreciation	28,138
Uniforms	634
Total operating expenses	336,770

**OPERATING INCOME**

66,996

**NON-OPERATING REVENUES (EXPENSES)**

Interest income	1,329
Gain on sale of capital asset	3,293
Interest expense	(35,520)
Debt issuance costs	(1,827)
Total non-operating revenues (expenses)	(32,725)

**INCREASE IN NET POSITION**

34,271

**NET POSITION - BEGINNING (Deficit)**

(575,793)

**NET POSITION - ENDING (Deficit)**

(\$541,522)

See accompanying notes.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2020

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$399,697
Customer deposit receipts, net	1,894
Refund on overpayment of payroll taxes	1,481
Payments to suppliers	(175,763)
Payments to employees and board	(129,137)
Net cash provided by operating activities	<u>98,172</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>	
Purchase and construction of capital assets	(2,670,280)
Proceeds from sale of capital assets	3,293
Principal paid on long-term debt	(400)
Loan proceeds	2,642,279
Debt issuance costs	(1,827)
Decrease in restricted cash	153
Net cash used by capital financing activities	<u>(26,782)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	1,329
Increase in investments	(1,155)
Net cash provided by investing activities	<u>174</u>
<b>NET INCREASE IN CASH</b>	71,564
<b>CASH AT BEGINNING OF YEAR</b>	<u>155,713</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$227,277</u></u>

**Reconciliation of Operating Income to Net Cash**

<b>Provided by Operating Activities</b>	
Operating Income	<u>\$66,996</u>
Adjustments:	
Depreciation	28,138
Increase in accounts receivable	(2,588)
Decrease in prepaid expenses	993
Increase in accounts payable	1,237
Increase in taxes payable	1,502
Increase in customer deposits	1,894
Total adjustments	<u>31,176</u>
Net cash provided by operating activities	<u><u>\$98,172</u></u>

See accompanying notes.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2020

## INTRODUCTION

East Columbia Waterworks District was created by the Caldwell Parish Police Jury on September 6, 1949, as authorized by Louisiana Revised Statute 33:3811 for the purpose of supplying safe drinking water to the population of the District. The District is governed by a six member board appointed by the police jury to serve five-year terms. East Columbia Waterworks District commissioners receive \$50 per regular and special meeting attended. The District serves approximately 935 customers and has four employees.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Statements, East Columbia Waterworks District is considered a component unit of the Caldwell Parish Police Jury. As a component unit, the accompanying financial statements maybe included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Financial Statements

GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of :

1. Management's discussion and analysis (MD&A)
2. Statement of net position
3. Statement of revenues, expenses, and changes in net position
4. Statement of cash flows
5. Notes to the financial statements
6. RSI other than MD&A, if applicable

The East Columbia Waterworks District is a special-purpose government engaged only in business-type activities.

EAST COLUMBIA WATERWORKS DISTRICT  
Notes to the Financial Statements

**B. Measurement Focus, Basis of Accounting, and  
Financial Statement Presentation**

Enterprise fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenues of East Columbia Waterworks District are water sales, installation, reconnect fees, penalties, and other operating fees. Operating expenses for enterprise funds include the costs of the services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**C. Deposits and Investments**

Cash includes amounts in interest-bearing and non-interest bearing demand deposits. State law limit's the District's credit risk by restricting the District's investments to collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 2020, the District's investments consist of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost. The District's interest rate risk is limited by the investment of funds for periods not to exceed 24 months.

**D. Receivables**

Accounts receivable consist of amounts due from customers for water service provided prior to year end. Receivables from water service are reported net of an allowance for uncollectible accounts which is an estimate based on the number of closed accounts at year end. Accounts are closed when they are considered uncollectible by management.

**E. Restricted Assets**

Certain resources set aside for future construction costs and accounts established as required by the letter of conditions in connection with the 2021 Water Revenue Bonds

EAST COLUMBIA WATERWORKS DISTRICT  
 Notes to the Financial Statements

are classified as restricted assets on the balance sheet because their use is limited. It is the policy of the District to first use restricted assets for construction costs and unrestricted funds when both restricted and nonrestricted assets are available for the purposes specified by the letter of conditions.

**F. Capital Assets**

Capital assets, which include land, construction in progress, the water system, and equipment are reported in the enterprise fund financial statements. All of the District's capital assets are capitalized at historical cost. The East Columbia Waterworks District maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. In accordance with GASB Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, interest cost incurred before the end of the construction period is recognized as an expense in the period in which the cost is incurred and not capitalized as part of the historical cost of the capital asset.

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - Water system	25 years
Equipment	5-15 years

**G. Long-term Obligations**

The URAF loan is reported as a long-term debt on the statement of net position.

**H. Interest Costs**

The following provides disclosure on interest costs for the year ended December 31, 2020:

Total interest cost expensed	\$35,520
Total interest cost capitalized	<u>NONE</u>
Total interest costs incurred	<u>\$35,520</u>

EAST COLUMBIA WATERWORKS DISTRICT  
Notes to the Financial Statements

**I. 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 certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. DEPOSITS IN FINANCIAL INSTITUTIONS**

At December 31, 2020, the District has cash, investments, and restricted cash (book balances) as follows:

Non-interest bearing checking accounts	\$102,288
Interest bearing savings accounts	131,854
Investments - certificates of deposit	<u>82,083</u>
Total	<u>\$316,225</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At December 31, 2020, East Columbia Waterworks District had \$397,785 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

**3. RECEIVABLES**

At December 31, 2020, the District has net receivables of \$12,262 as follows:

Water sales	\$29,814
Fees collected for others	8,143
Allowance for uncollectible accounts	<u>(25,695)</u>
Net receivables	<u>\$12,262</u>

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2020, is as follows:

EAST COLUMBIA WATERWORKS DISTRICT  
Notes to the Financial Statements

	Balance at January 1, 2020	Increases	Decreases	Balance at December 31, 2020
Capital assets not being depreciated:				
Land	\$32,950			\$32,950
Construction in progress	303,925	\$2,868,935		3,172,860
	<u>336,875</u>	<u>2,868,935</u>	NONE	<u>3,205,810</u>
Capital assets being depreciated:				
Water system	1,702,507			1,702,507
Equipment	142,466	29,827	(\$15,622)	156,671
Total capital assets being depreciated	<u>1,844,973</u>	<u>29,827</u>	<u>(15,622)</u>	<u>1,859,178</u>
Less accumulated depreciation for:				
Water system	1,560,715	10,095		1,570,810
Equipment	108,935	18,043	(15,622)	111,356
Total accumulated depreciation	<u>1,669,650</u>	<u>28,138</u>	<u>(15,622)</u>	<u>1,682,166</u>
Total assets being depreciated, net	<u>175,323</u>	<u>1,689</u>	NONE	<u>177,012</u>
Total assets	<u>\$512,198</u>	<u>\$2,870,624</u>	NONE	<u>\$3,382,822</u>

Depreciation expense of \$28,138 for the year ended December 31, 2020 was reported in the statement of revenues, expenses, and changes in net position.

**5. DEBT**

The following is a summary of debt transactions for the year ended December 31, 2020:

	LA DOTD URAF Loan	2019 Bond Anticipation Notes	Total
Balance at January 1, 2020	\$1,046,818	\$247,513	\$1,294,331
Additions		2,642,279	2,642,279
Reductions	(400)		(400)
Balance at December 31, 2020	<u>\$1,046,418</u>	<u>\$2,889,792</u>	<u>\$3,936,210</u>

EAST COLUMBIA WATERWORKS DISTRICT  
Notes to the Financial Statements

During the year ended December 31, 2005, the District entered into four separate agreements with the Louisiana Department of Transportation and Development (DOTD) to relocate the District's water lines that were located within the limits of a road construction project. The agreements with DOTD provide that the District is responsible for repaying funding received during 2005, 2006, and 2007. The agreements provide that the District may repay in partial amounts, in exchange for goods and/or services or any combination thereof. The board of commissioners agreed to pay \$100 per year. The District paid \$400 during the year ended December 31, 2020. The loan is non-interest bearing.

On December 10, 2019, the District issued two different series of Bond Anticipation Notes to provide interim financing for a portion of the costs of constructing and acquiring improvements, extensions, and renovations to the waterworks system. Bond Anticipation Note R-1 in the principal amount of \$1,878,000 was purchased by Caldwell Bank and Trust. The note bears interest at a rate of 3% per annum on the principal amount advanced to the District. Bond Anticipation Note R-2 in the principal amount of \$1,251,000 was purchased by the Louisiana Public Facilities Authority and bears interest at a rate of 1.5% per annum on the principal amount advanced to the District. Both notes are payable solely from the proceeds of the Water Revenue Bonds, Series 2021, authorized to be issued in the principal amount of \$3,129,000 pursuant to a resolution adopted by the District on October 21, 2019, or from the income and revenues derived or to be derived from the operation of the water system, after provision has been made for the payment therefrom of the reasonable and necessary expenses of operating and maintaining the water system. The Water Revenue Bonds, Series 2021 in the amount of \$3,129,000 were sold to the United States Department of Agriculture (USDA), Rural Development on February 2, 2021, and the proceeds were used to pay the principal and accrued interest on the 2019 Bond Anticipation Notes on that date. The principal and interest on the Water Revenue Bonds, Series 2021 will be repaid over a 40 year period in monthly amortized payments of \$9,075 commencing March 2, 2021, and continuing monthly thereafter for a total of 480 monthly payments. The unpaid principal of the Water Revenue Bonds, Series 2021 shall bear interest at the rate of 1.750% per annum.

**6. RESTRICTED ASSETS**

The Letter of Intent to Meet Conditions dated September 25, 2018, that was issued by the District to USDA Rural Development requires the District to establish the following reserves as a condition of the issuance of the Water Revenue Bonds, Series 2021:

- A. Debt Service Reserve - The District must establish a Debt Service Reserve Fund equal to at least one annual loan installment that accumulates at the rate of 10% of one annual payment per year for ten years or until the balance is equal to one annual loan payment. Ten percent of the proposed loan installment would equal \$908 per month; to be deposited monthly until a total of \$108,900 has been accumulated. Prior written concurrence from USDA Rural Development must be obtained before funds may be withdrawn from this fund during the life of the loan.

EAST COLUMBIA WATERWORKS DISTRICT  
Notes to the Financial Statements

- B. Short-Lived Asset Reserve - The District must establish a Short-Lived Asset Reserve Fund and deposit at least \$29,928 annually for the life of the loan to pay for the repairs and/or replacement of major system assets. It is the District's responsibility to assess the facilities short-lived asset needs on a regular basis and adjust the amount deposited to meet those needs.

During 2019, the District established the accounts required in the letter of conditions. At December 31, 2020, the District has a total of \$6,756 set aside in these accounts. The District will begin funding the accounts in accordance with the letter of conditions in February 2021. These deposits are reported as restricted cash on the District's statement of net position.

## 7. DEFICIT NET POSITION

The District has a deficit net position in the amount of \$541,522 at December 31, 2020. The deficit was caused by the District's decision to record the balance on the loans payable to the Louisiana Department of Transportation and Development (DOTD) incurred under the Utilities Relocation Assistance Funding (URAF) program. The loans were incurred during 2005, 2006, and 2007. Prior to 2019, the District did not report the liability under the agreements on its statement of net position due to the repayment terms specified in the agreements. The agreements with DOTD provide that the District may repay in partial amounts, in exchange for goods and/or services or any combination thereof. Prior to 2019, the District was of the opinion that it was unlikely that DOTD would require the District to repay the loans. However, during the fiscal years ended December 31, 2018 and 2019, DOTD invoiced the District and requested an annual payment on the loans. The Board of Commissioners agreed to pay \$400 per year. For the year ended December 31, 2020, the District had a net increase in net position of \$34,271 and therefore reduced the deficit by that amount. USDA Rural Development has approved a \$501,000 grant in connection with the District's ongoing water system improvement project. This grant, along with the expected net increase in net position for the next fiscal period, should eliminate the deficit within the next fiscal period.

## 8. COMMITMENTS UNDER CONTRACTS

The total budgeted cost for the water system improvement project is \$3,630,000. In addition to the \$3,129,000 in loan proceeds described in Note 5, the District anticipates receiving \$501,000 in grant funds from the United States Department of Agriculture (USDA), Rural Development during 2021. In October 2019, the District entered into two separate construction contracts totaling \$3,075,875 in connection with the project. In addition, the District also has a \$417,000 contract with the engineer for the project. As of December 31, 2020, the District has incurred a total of \$3,172,860 in costs associated with the project that are reported as construction in progress in the accompanying financial statements.

EAST COLUMBIA WATERWORKS DISTRICT  
Notes to the Financial Statements

**9. CONTINGENCIES**

During the year ended December 31, 2020, the District expended \$2,870,762 in federal loan funds from the United States Department of Agriculture (USDA), Rural Development. These expenses are subject to audit and adjustment by USDA; therefore, to the extent that the District has not complied with the rules and regulations governing the loan funds, refunds of any money received may be required. In the opinion of the District's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the loan funds; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**10. RISK MANAGEMENT**

The District purchased commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

**11. SUBSEQUENT EVENTS**

As discussed in Note 5 above, Water Revenue Bonds, Series 2021 in the amount of \$3,129,000 were sold to the United States Department of Agriculture (USDA), Rural Development on February 2, 2021, and the proceeds were used to pay the principal and accrued interest on the 2019 Bond Anticipation Notes on that date. The principal and interest on the Water Revenue Bonds, Series 2021 will be repaid over a 40 year period in monthly amortized payments of \$9,075 commencing March 2, 2021, and continuing monthly thereafter for a total of 480 monthly payments.

Since March 2020, the spread of COVID-19 has severely impacted many local economies. Measures taken to contain the spread of the virus have triggered significant disruptions to businesses. There were no significant adverse effects from COVID-19 on the District's financial position during 2020. Although not expected, the District's future cash flows could be affected by an economic slowdown that results from measures taken to contain the spread of the virus. The District has determined that the potential impact of COVID-19 is a non-adjusting subsequent event. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2020, have not been adjusted to reflect this potential impact. The duration and impact of the COVID-19 pandemic remains unclear at this time.

Management of the District has evaluated subsequent events through April 9, 2021, the date which the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION SCHEDULES**

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES  
As of and For the Year Ended December 31, 2020

**SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD  
AND BOARD OF COMMISSIONERS**

The schedule of compensation, benefits, and other payments to agency head and board of commissioners is presented in compliance with Louisiana Revised Statute 24:513 A (3) and House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As provided by Louisiana Revised Statute 33:3819, East Columbia Waterworks District commissioners receive \$50 per regular and special meeting attended.

**SCHEDULE OF PRIOR YEAR FINDINGS**

The follow-up and corrective action taken on all prior year findings is presented in Schedule 2.

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**

The Schedule of Expenditure of Federal Awards is presented as required by Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, LouisianaSCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD AND BOARD OF COMMISSIONERS  
For the Year Ended December 31, 2020**BOARD COMPENSATION**

Agency Head - Dale Powell - President	\$450
Shelby Cruse	650
Jerry Duff	150
Jeffrey Masters	350
Judith McKee	550
Terry McClanahan	<u>550</u>
Total	<u>\$2,700</u>

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, LouisianaSCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended December 31, 2020

<u>Finding Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Status of Finding</u>
2019-001	2004	Inadequate Segregation of Accounting Duties	Unresolved - see 2020-001 in current year findings.
2019-002	2019	Prohibited Transaction	Resolved.
2019-003	2019	Noncompliance with Employee Pay/Benefit Policy	Resolved.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2020

Federal Agency Name	Pass Through Agency	Federal Program Title	Federal CFDA Number	Federal Expenditures - Direct Awards
Department of Agriculture	N/A	Water and Waste Disposal Systems for Rural Communities	10.760	<u>\$2,870,762</u>

**Note to the Schedule of Expenditures of Federal Awards**

Note 1 - Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal funds activity of East Columbia Waterworks District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the *Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations*. Expenditures in this schedule represent only the federally funded portions of the program. The District's records should be consulted to determine the amounts expended from non-federal sources.

Note 2 - Loan Programs

In accordance with the United States Department of Agriculture's letter of conditions dated September 25, 2018, project costs financed with interim financing are considered federal expenditures. The amount reported as federal expenditures is the amount of interim financing loan proceeds expended during the year ended December 31, 2020. The District did not have any outstanding federal loan balances at the beginning of the year with continuing compliance requirements.

Note 3 - Indirect Cost Rate

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Independent Auditor's Report**  
**Required by *Government Auditing Standards* and the Uniform Guidance**

The following independent auditor's report on internal control over financial reporting and on compliance and other matters is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

The following independent auditor's report on compliance for each major federal program and report on internal control over compliance is presented in compliance with the requirements of Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, referred to as the Uniform Guidance.

*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Auditor's Report on  
Internal Control Over Financial Reporting and on  
Compliance and Other Matters  
Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

I have audited in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor, the financial statements of East Columbia Waterworks District (the "District"), a component unit of Caldwell Parish, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise East Columbia Waterworks District's basic financial statements and have issued my report thereon dated April 9, 2021.

**Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
Independent Auditor's Report  
on Compliance and on  
Internal Control, etc.,  
December 31, 2020

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. I did identify a deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001 that I consider to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether East Columbia Waterworks District's financial statements are free from material misstatement, I performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2020-003.

**District's Response to Findings**

East Columbia Waterworks District's response to the findings identified in my audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

/s Carleen Dumas  
Calhoun, Louisiana  
April 9, 2021

*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Auditor's Report on Compliance for  
Each Major Federal Program and on Internal Control over Compliance  
Required by the Uniform Guidance**

BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

**Report on Compliance for Each Major Federal Program**

I have audited East Columbia Waterworks District's ("the District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on District's major federal program for the year ended December 31, 2020. East Columbia Waterworks District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

My responsibility is to express an opinion on compliance for East Columbia Waterworks District's major federal program based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U. S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about East Columbia Waterworks District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for the District's major federal program. However, my audit does not provide a legal determination of East Columbia Waterworks District's compliance.

BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
Independent Auditor's Report  
on Compliance for Each Major  
Federal Program and Report on  
Internal Control Over Compliance, etc.,  
December 31, 2020

**Opinion on Major Federal Program**

In my opinion, East Columbia Waterworks District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

**Other Matters**

The results of my auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2020-003. My opinion on the major federal program is not modified with respect to this matter.

East Columbia Waterworks District's response to the noncompliance finding identified in my audit is described in the accompanying Schedule of Findings and Questioned Costs. East Columbia Waterworks District's response was not subjected to the auditing procedures applied in the audit of compliance and accordingly, I express no opinion on the response.

**Report on Internal Control Over Compliance**

Management of East Columbia Waterworks District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered East Columbia Waterworks District's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Accordingly, I do not express an opinion on the effectiveness of East Columbia Waterworks District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a

BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
Independent Auditor's Report  
on Compliance for Each Major  
Federal Program and Report on  
Internal Control Over Compliance, etc.,  
December 31, 2020

reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

**Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

/s Carleen Dumas  
Calhoun, Louisiana  
April 9, 2021



## Section II - Financial Statement Findings

### 2020-001. Inadequate Segregation of Accounting Duties

**Criteria:** Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

**Condition:** The accounting duties of collecting, depositing, and posting customer payments to customers accounts may be performed by either of the office employees.

**Cause:** Limited number of employees due to the small size of the District.

**Effect:** Errors or irregularities may not be detected within a timely period.

**Recommendation:** None

#### Management's Planned

**Corrective Action:** It is not economically feasible to correct this deficiency based on the size of the District and its limited revenues.

### 2020-002. Violation of Article VII, Section 14 of the Louisiana Constitution

**Criteria:** Article VII, Section 14 of the Louisiana Constitution provides in part that the funds of any political subdivision shall not be donated to any person. Louisiana Attorney General Opinion 04-0045 provides the payment of funds, as wages, to employees for a forty hour work period when the employees have not worked forty hours is in violation of Article VII, Section 14 of the Louisiana Constitution.

**Condition:** In performing my test of payroll, I noted that an employee was routinely paid for the hour his timesheet reported him being on lunch break; therefore, the employee was routinely paid for an 8 hour day when he only worked 7 hours. Management of the District informed me that the conditions noted in my testing of payroll was not isolated instances but that this is a common practice.

BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
Schedule of Current Year Findings and  
Management's Planned Corrective Action

**Cause:** Management of the District was unaware that paying employees on their lunch break is considered a donation of public funds under Article VII, Section 14 of the Louisiana Constitution.

**Effect:** Violation of Article VII, Section 14 of the Louisiana Constitution.

**Recommendation:** Employees should only be paid for the hours that they actually work during a workday.

**Management's Response:** Employees will begin extending their hours to cover their lunch breaks.

### Section III - Federal Award Findings

**2020-003. CFDA Number: 10.760 - Water and Waste Disposal Systems for Rural Communities - Noncompliance with Federal Procurement Standards**

**Criteria:** Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires that non-federal entities that expend federal funds to meet the general procurement standards in 2 CFR section 200.318. These standards include having written procurement procedures which reflect applicable state and local laws and regulations and that conform to applicable federal law and the standards identified in 2 CFR section 200.318.

**Condition:** The Board of Commissioners of the District did not adopt written procurement procedures as required by the Uniform Guidance.

**Cause:** Oversight.

**Effect:** Without written documentation as guidance, the District could make procurements under federal awards that were not in compliance with applicable state, local, or federal regulations.

BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
Schedule of Current Year Findings and  
Management's Planned Corrective Action

**Recommendation:** The Board of Commissioners of the District should adopt a written procurement policy that meets the requirements of 2 CFR section 200.318.

**Management's Response:** The Board of Commissioners adopted a written procurement plan that meets the requirements of 2 CFR section 200.318 on April 19, 2021.

**EAST COLUMBIA WATERWORKS DISTRICT**

Columbia, Louisiana

Corrective Action Plan

For the Year Ended December 31, 2020

**Finding No. 2020-001      Inadequate Segregation of Accounting Duties**

Corrective Action Planned: None. It is not economically feasible to correct this deficiency based on the size of District.

Person Responsible for Corrective Action: N/A

Anticipated Completion Date: N/A

**Finding No. 2020-002      Violation of Article VII, Section 14 of the Louisiana Constitution**

Corrective Action Planned: Employees will begin extending their hours to cover their lunch breaks.

Person Responsible for Corrective Action: General Manager

Anticipated Completion Date: April 20, 2021

**Finding No. 2020-003      2020-003.      CFDA Number: 10.760 - Water and Waste Disposal Systems for Rural Communities - Noncompliance with Federal Procurement Standards**

Corrective Action Planned: The Board of Commissioners of the District will adopt a written procurement policy that meets the requirements of 2 CFR section 200.318.

Person Responsible for Corrective Action: Jeff Masters, President

Anticipated Completion Date: April 19, 2021