

EISNERAMPER

**CONSOLIDATED WATERWORKS
DISTRICT NO. 13
OF WEST FELICIANA PARISH**

FINANCIAL STATEMENTS

JUNE 30, 2024



CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

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INDEPENDENT AUDITORS' REPORT

To the Members of the Consolidated Waterworks District No. 13 of West Feliciana Parish Council
St. Francisville, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Consolidated Waterworks District No. 13 of West Feliciana Parish (the District), a component unit of the West Feliciana Parish Government, as of and for the year ended June 30, 2024, and the related notes to financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2024, 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.

Basis for Opinion

We conducted our 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Total OPEB Liability and Related Ratios, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions to the Retirement System and the related notes be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of West Feliciana Parish Government Council Members and the Schedule of Compensation, Benefits, and Other Payments to the Parish President 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 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 our opinion, The Schedule of West Feliciana Parish Government Council Members and the Schedule of Compensation, Benefits, and Other Payments to the Parish President are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Insurance in Force and the Schedule of Information Required by Rural Development but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.



EISNERAMPER LLP
Baton Rouge, Louisiana
January 2, 2025



MANAGEMENT'S DISCUSSION AND ANALYSIS

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Management's Discussion and Analysis
June 30, 2024

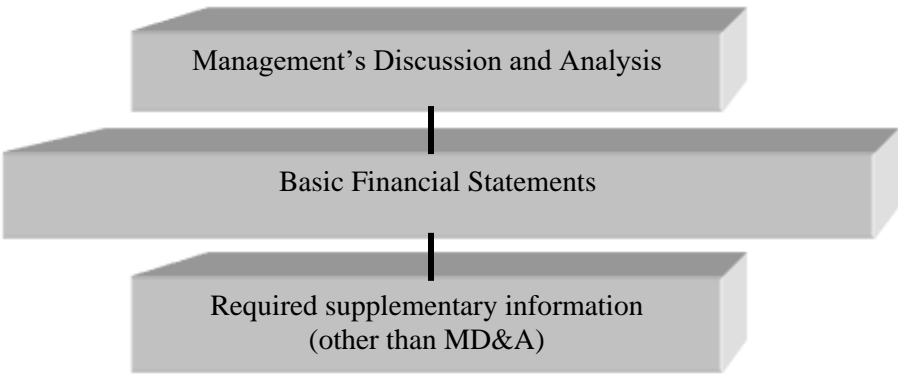
The Management's Discussion and Analysis of the District's financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2024. This document focuses on the current activities of each period, resulting changes, and known facts. Please read this document in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the year by \$8,885,607 (net position). Of this amount, \$3,160,495 (unrestricted net position) may be used without restrictions to meet the District's ongoing obligations.
- The District's net position had an increase of \$3,697,752 during the year ended June 30, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Consolidated Waterworks District No. 13 of West Feliciana Parish as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This report consists of the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position which provides information about the activities of the District as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current period's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report the District's net position and changes in them. You can think of the District's net position, the difference between assets and liabilities of resources, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Management's Discussion and Analysis **June 30, 2024**

FINANCIAL ANALYSIS OF THE ENTITY

Condensed Statements of Net Position As of June 30, 2024 and June 30, 2023

	2024	2023
Current and other assets	\$ 3,988,428	\$ 3,507,647
Capital assets, net	7,838,566	3,591,193
Total assets	11,826,994	7,098,840
Deferred outflows of resources -		
Post-employment related	7,862	7,777
Pension related	81,282	148,415
Total deferred outflows of resources	89,144	156,192
Current and other liabilities	570,436	377,250
Long-term liabilities	2,430,474	2,021,593
Total liabilities	3,000,910	2,398,843
Deferred inflows of resources -		
Post-employment related	14,313	15,126
Pension related	15,308	30,458
Total deferred inflows of resources	29,621	45,584
Net position		
Net investment in capital assets	5,363,891	1,992,759
Restricted for debt service	361,221	443,322
Unrestricted	3,160,495	2,751,774
Total net position	\$ 8,885,607	\$ 5,187,855

Condensed Statements of Revenues, Expenses, and Changes in Net Position For the Years Ended June 30, 2024 and June 30, 2023

	2024	2023
Operating Revenue	\$ 2,352,962	\$ 2,106,604
Operating Expenses	2,195,768	2,477,725
Operating income (loss)	157,194	(371,121)
Non-Operating Revenues (Expenses)	3,540,558	713,019
Change in Net Position	\$ 3,697,752	\$ 341,898

The District's operating revenues increased approximately \$246,000 or 11.7% due to a meter change out program that resulted in a more accurate calculation of water usage. The District's total operating expenses decreased approximately \$282,000 or 11.4% between 2023 and 2024. Expenses have decreased as a result of additional costs in supplies and repairs & maintenance costs in 2023. The increase in non-operating revenues (expenses) of approximately \$2,800,000 or 396.5% is predominantly due to increased federal grant funding for the Water Sector Program and the Drinking Water State Revolving Fund Program.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Management's Discussion and Analysis
June 30, 2024

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

At the end of year 2024, the District had \$7,838,566, net of depreciation, invested in a broad range of capital assets (see table below). This amount represents a significant increase of approximately \$4,247,000 or 118.2% from the previous period. This increase is predominantly a result of utility system improvements and building purchases from the receipt of grant proceeds and non-cash acquisitions of \$1,259,211.

Capital Assets at Period End (Net of Depreciation)		
	<u>2024</u>	<u>2023</u>
Utility systems	\$ 6,280,854	\$ 3,449,748
Buildings	373,879	-
Equipment	100,911	121,674
Vehicles	6,769	19,771
Construction-in-progress (not depreciated)	<u>1,076,153</u>	<u>-</u>
Total	<u>\$ 7,838,566</u>	<u>\$ 3,591,193</u>

Long-term Debt

At the end of 2024, the District had \$2,505,117 in long-term debt compared to \$1,642,638 at the previous period end, see table below. This amount represents an increase of approximately \$862,479 or 52.5% from the previous year end. The increase is primarily a result of the District drawing on debt in the form of a water revenue bond received on a revolving basis.

Long-term Debt at Period End		
	<u>2024</u>	<u>2023</u>
Bonds payable	\$ 2,474,675	\$ 1,598,434
Compensated absences	30,442	44,204
Total	<u>\$ 2,505,117</u>	<u>\$ 1,642,638</u>

ECONOMIC FACTORS AND NEXT YEAR'S RATES AND FEES

The Consolidated Waterworks District No. 13 of West Feliciana Parish considered the following factors and indicators when setting next year's rates, and fees. These factors and indicators include:

- 1) Long-term debt requirements
- 2) Cost of operations
- 3) Number of customers
- 4) Intergovernmental revenues (state and local grants)

The District does not expect any significant changes in next year's budget results as compared to the current year.

CONTACTING THE CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Consolidated Waterworks District No. 13 of West Feliciana Parish's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Danyell Vice, Finance Director, P.O. Box 1921, St. Francisville, Louisiana 70775 or 225-635-3864.

FINANCIAL STATEMENTS

CONSOLIDATED WATERWORKS DISTRICT NO.13 OF WEST FELICIANA PARISH

Statement of Net Position
June 30, 2024

ASSETS

Current Assets:

Cash and cash equivalents	\$ 9,542
Investments	2,078,205
Due from other governments	1,249,296
Receivables, net	109,738
Total current assets	<u>3,446,781</u>

Restricted assets

Investments	<u>541,647</u>
Total restricted assets	<u>541,647</u>

Noncurrent Assets:

Construction in progress	1,076,153
Capital assets, net of depreciation	<u>6,762,413</u>
Total noncurrent assets	<u>7,838,566</u>

Total assets	<u>11,826,994</u>
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DEFERRED OUTFLOWS OF RESOURCES

Net pension liability	81,282
Total other post-employment benefit liability	<u>7,862</u>
Total deferred outflow of resources	<u>89,144</u>

LIABILITIES

Current liabilities:

Accounts payable	75,732
Accrued expenses and other liabilities	16,452
Compensated absences	5,000
Customer deposits	180,426
Bonds payable	82,826
Due to other governments	<u>210,000</u>
Total current liabilities	<u>570,436</u>

Long-term liabilities:

Compensated absences, net of current portion	25,442
Bonds payable, net of current portion	2,391,849
Net pension liability	2,987
Total other post-employment benefit liability	<u>10,196</u>
Total long-term liabilities	<u>2,430,474</u>

Total liabilities	<u>3,000,910</u>
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DEFERRED INFLOWS OF RESOURCES

Net pension liability	15,308
Total other post-employment benefit liability	<u>14,313</u>
Total deferred inflows of resources	<u>29,621</u>

NET POSITION

Net investment in capital assets	5,363,891
Restricted for debt service	361,221
Unrestricted	<u>3,160,495</u>
Total net position	<u>\$ 8,885,607</u>

CONSOLIDATED WATERWORKS DISTRICT NO.13 OF WEST FELICIANA PARISH

**Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2024**

Operating Revenue

Charges for services	\$ 2,226,129
Connection and other fees	126,833
Total operating revenues	<u>2,352,962</u>

Operating Expenses

Salaries and employee benefits	468,437
Depreciation	310,703
Bad debt	9,411
Repairs and maintenance	424,363
Professional services	150,812
Insurance expense	70,765
Utilities	185,272
Supplies	376,320
Office rent	8,400
Office supplies	39,512
Fuel	52,728
Regulatory fees	45,990
Other operating expenses	53,055
Total operating expenses	<u>2,195,768</u>

Income from operations	<u>157,194</u>
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Non-operating revenues (expenses)

Other revenues	173,905
Grants and contributions	2,149,756
Contribution from other government	1,297,460
Interest expense	(80,563)
Total non-operating revenues	<u>3,540,558</u>

Change in Net Position	3,697,752
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Net Position:

Net position, beginning of year	<u>5,187,855</u>
Net position, end of year	<u><u>\$ 8,885,607</u></u>

CONSOLIDATED WATERWORKS DISTRICT NO.13 OF WEST FELICIANA PARISH

Statement of Cash Flows
Year Ended June 30, 2024

Cash flow from operating activities:	
Receipts from customers and others	\$ 1,110,654
Payments to suppliers for goods and services	(1,369,983)
Payments to employees for services and benefits	(503,500)
Net cash used in operating activities	<u>(762,829)</u>
Cash flow from noncapital financing activities:	
Grants and other contributions	1,351,002
Contribution from other government	1,297,460
Change in due to other governments	(210,000)
Net cash provided by noncapital financing activities	<u>2,438,462</u>
Cash flows from capital and related financing activities:	
Acquisition/construction of capital assets	(3,298,865)
Proceeds from debt issuance	1,871,832
Principal payments on debt	(78,393)
Interest paid on debt	(80,563)
Net cash used in capital and related financing activities	<u>(1,585,989)</u>
Cash flows from investing activities:	
Sales (purchases) of investments	<u>(391,840)</u>
Net cash used in investing activities	<u>(391,840)</u>
Net decrease in cash and cash equivalents	(302,196)
Cash and cash equivalents, beginning of period	<u>311,738</u>
Cash and cash equivalents, end of period	<u><u>\$ 9,542</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ 157,194
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	310,703
Bad debt	9,411
(Increase) decrease in accounts receivable	(57,519)
(Increase) decrease in due from other governments	(1,185,639)
(Increase) decrease in prepaid items	58,930
(Increase) decrease in deferred outflows related to net pension liability	67,133
(Increase) decrease in deferred outflows related to post employment benefits	(85)
Increase (decrease) in accounts payable	(27,718)
Increase (decrease) in accrued expenses and other liabilities	5,953
Increase (decrease) in customer deposits	850
Increase (decrease) in compensated absences	(13,762)
Increase (decrease) in total post employment benefit liability	(1,137)
(Increase) decrease in deferred inflows related to post employment benefits	(813)
(Increase) decrease related to net pension liability	(71,180)
Increase (decrease) in deferred inflows related to net pension liability	(15,150)
Net cash used in operating activities	<u><u>\$ (762,829)</u></u>
Non-cash investing, capital, and financing activities:	
Forgiveness of debt	\$ 917,198
Acquisition of capital assets	1,259,211

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements June 30, 2024

Introduction

The Consolidated Waterworks District No. 13 of West Feliciana Parish (hereinafter referred to as the District), located in St. Francisville, Louisiana, was created by the West Feliciana Parish Government as allowed under Louisiana Revised Statute Section 33:7702. The West Feliciana Parish Government's Council acts as the board of governance for the District. There are currently five council members serving four year terms and they are not compensated for their services to the District.

The District accounts for the operations and provisions of water services to the residents and businesses within the boundaries of the District as described in Louisiana Revised Statute Section 33:3381 et seq. The number of customers at June 30, 2024 totaled approximately 3,900.

1. Summary of Significant Accounting Policies

Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles. The District is considered a component unit of West Feliciana Parish Government. The accompanying financial statements of the District present information only as to the transactions of the programs of the District as authorized by Louisiana statutes and administrative regulations. These financial statements do not include the transactions or activities of the West Feliciana Parish Government. The District's financial statements follow the guidance mentioned in GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA Pronouncements*.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District accounts for its activities in an enterprise fund. An enterprise fund is accounted for on an economic resources measurement focus. The fund is maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the accounting period incurred, if measurable. Revenue resulting from exchange transactions in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from services provided in connection with the District's principal operations. Operating expenses include the cost of services, administrative expenses and depreciation of capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the statement of net position.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements June 30, 2024

1. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Receivables are recognized based on the monthly amounts billed for water consumption of District customers. The allowance for uncollectible accounts is based on management's estimate of the collectability of the receivables based on current economic conditions, experience, and other relevant factors. Accounts receivable are recorded net of an allowance of uncollectable accounts of \$84,601 at June 30, 2024.

The District had \$9,411 recorded for bad debts for the year ended June 30, 2024.

The District requires a customer deposit upon initial account opening for use of the District-owned water meter at each residence or business. The District must hold the deposit until the customer's account is closed and at that time the deposit is returned to the customer.

Due From Other Governments

The District becomes eligible for revenue from other local governments or agencies through grant programs or by providing services. Thus, when the revenue has been earned under the grant program or the services have been provided, the District recognizes the revenues and receivables for the amount earned. In addition, the District considers the amounts of these outstanding receivables fully collectable at the end of the fiscal period.

Due To Other Governments

These activities between governments are representative of borrowing arrangements that are outstanding at the end of the period.

Restricted Assets

Based upon certain bond covenants, the District is required to establish and maintain prescribed amounts of resources (consisting of investments) in special funds that can be used only to service outstanding debt. These assets are classified as restricted assets on the statement of net position because their use is limited. Also included in restricted assets are customer deposits that were paid during the initial account opening.

Capital Assets

Capital assets are carried at historical costs. Depreciation of exhaustible capital assets used by the District is charged as an expense against operations in the Statement of Revenues, Expenses, and Changes in Net Position. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Compensated Absences

The District allows annual leave to regular full-time employees based on length of service. No leave is earned, however, while on suspension or leave without pay status. Annual leave may be carried over to the next calendar year. There is no limit on the amount of annual leave an employee may accumulate during the term of his/her employment, but it is with an understanding that only a maximum of 240 hours will be paid to the employees upon retirement or separation. Employees are not paid for their unused annual leave at year-end, but are paid for accumulated, unused leave upon termination.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements June 30, 2024

1. Summary of Significant Accounting Policies (continued)

Compensated Absences (continued)

The District's regular full-time employees earn a certain amount of sick leave each year, depending upon the length and their employment status. Sick leave can be accumulated without limitation. Upon separation of employment, excluding retirement, no sick leave shall be paid to employees. The balance of the sick leave shall be kept on the schedule for a period of five years and reinstated if the employee is rehired.

The District's regular full-time employees may accrue compensatory time in lieu of overtime payment. Compensatory time may be carried over to the next calendar year. There is no limit on the amount of compensatory time an employee may accumulate during the term of his/her employment, but it is the District's practice that only a maximum of 40 hours will be paid to employees upon retirement or separation.

Pension Plans

The Consolidated Waterworks District No. 13 of West Feliciana Parish (the District) is a participating employer in a defined benefit pension plan as described in Note 8. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

Net Position

Net position represents the difference between assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets.

The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those restricted assets. The restricted component of net position is used when there are limitations imposed on their use of an asset by external parties such as creditors, grantors, laws or regulations of other governments.

The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use for a particular project or purpose, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Deferred Outflows/Inflows of Resources

The statement of financial position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. *Deferred outflows* of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. *Deferred inflows* of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements June 30, 2024

1. Summary of Significant Accounting Policies (continued)

Long-Term Debt

Long-term debt and other long-term obligations are reported as liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as expense in the year of debt issuance. Bond debt premiums, discounts, and gains (losses) on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium discount. Gains (losses) on refunding are reported as deferred outflows/inflows of resources.

Investments

The District maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the District may invest in obligations of the U.S. Treasury and U.S. Agencies, or certificates of deposit. Investments are carried at fair market value as of the balance sheet date.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Current Year Adoption of New Accounting Standard

The District implemented GASB Statement 99, *Omnibus 2022*. The statement establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, public-public and public-private partnerships (PPPs), subscription-based information technology arrangements (SBITAs), the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program (SNAP) (formerly, food stamps), nonmonetary transactions, pledges of future revenues, the focus of government-wide financial statements, and terminology. The adoption of this statement did not significantly impact these financial statements.

The District implemented GASB Statement 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement 62*. This Statement aims to enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The adoption of this statement did not significantly impact these financial statements.

2. Deposits with Financial Institutions and Investments

Deposits with Financial Institutions

Cash and cash equivalents include demand deposits at local financial institutions with a carrying value of \$9,542 at June 30, 2024. Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2024 the District's bank balances of these deposits totaled \$575,909 which was covered partially by federal depository insurance of \$250,000. Any remaining balances the District may have during the year are required to be protected against custodial credit risk by collateral held by the pledging banks' trust department or agent in the District's name. The District does not maintain a separate custodial credit risk policy. The District was not exposed to custodial risk at June 30, 2024.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements
June 30, 2024

2. Deposits with Financial Institutions and Investments (continued)

Investments

As of June 30, 2024, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Investments measured at the net asset value (NAV)	
External investment pool	\$ <u>2,619,852</u>

The \$2,619,852 in investments is invested in LAMP. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

- *Credit risk:* LAMP is rated AAAM by Standard & Poor's.
- *Interest rate risk:* LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days.
- *Concentration of credit risk:* The District does not have a limit on the amount the District may invest in one issuer. One hundred percent of the District's investments are in LAMP funds.
- *Foreign currency risk:* Not applicable. LAMP complies with the provisions of Louisiana Law concerning permissible investments for municipalities, parishes and other political subdivisions set for in La R.S. 33:2955 and the investment policy does not provide for investment in foreign obligations.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and board of directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP. LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 650 Poydras Street, Suite 2220, New Orleans, LA 70130.

3. Restricted Assets

At June 30, 2024, the District had restricted investments for debt service of \$541,647.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements **June 30, 2024**

4. Accounts Receivable

The following is a summary of accounts receivable at June 30, 2024:

Charges for services	\$ 194,339
Allowance for uncollectable accounts	(84,601)
Total	<u>\$ 109,738</u>

5. Capital Assets

The following is a summary of the changes in capital assets for the District for the year ended June 30, 2024:

	Beginning Balance	Increases	Decreases	Adjustments/ Transfers	Ending Balance
<u>Capital assets not depreciated:</u>					
Construction in Progress	\$ -	\$ 1,076,153	\$ -	\$ -	\$ 1,076,153
	-	1,076,153	-	-	1,076,153
<u>Capital assets being depreciated:</u>					
Utility Systems	10,808,679	3,106,794	-	-	13,915,473
Buildings	-	375,129	-	-	375,129
Equipment	532,835	-	-	-	532,835
Vehicles	207,523	-	-	-	207,523
	<u>11,549,037</u>	<u>3,481,923</u>	<u>-</u>	<u>-</u>	<u>15,030,960</u>
<u>Less: accumulated depreciation</u>					
Utility Systems	(7,358,931)	(275,688)	-	-	(7,634,619)
Buildings	-	(1,250)	-	-	(1,250)
Equipment	(411,161)	(20,763)	-	-	(431,924)
Vehicles	<u>(187,752)</u>	<u>(13,002)</u>	<u>-</u>	<u>-</u>	<u>(200,754)</u>
	<u>(7,957,844)</u>	<u>(310,703)</u>	<u>-</u>	<u>-</u>	<u>(8,268,547)</u>
Total capital assets being depreciated (net)	3,591,193	3,171,220	-	-	6,762,413
Total capital assets (net)	<u>\$ 3,591,193</u>	<u>\$ 4,247,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,838,566</u>

6. Disaggregation of Accounts Payable and Accrued Liabilities

Accounts, salaries and benefits, and other payables as of June 30, 2024, were as follows:

Vendors	\$ 75,732
Salaries and benefits payable	6,963
Interest payable	<u>9,489</u>
Total governmental fund encumbrances	<u>\$ 92,184</u>

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements June 30, 2024

7. Long-Term Debt

Activities

Long-term debt activity of the District for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Reductions	Ending Balance	Amounts Due within One Year
Bonds Payable	\$ 1,598,434	\$ 1,871,832	\$ (995,591)	\$ 2,474,675	\$ 82,826
Compensated Absences	44,204	2,000	(15,762)	30,442	5,000
	<u>\$ 1,642,638</u>	<u>\$ 1,873,832</u>	<u>\$ (1,011,353)</u>	<u>\$ 2,505,117</u>	<u>\$ 87,826</u>

Bonds Payable

Water Revenue Bonds, Series 1997

For the purpose of improving and extending the waterworks system, the District issued \$2,600,000 in water revenue bonds during the year ended December 31, 1997.

These bonds were offered for public sale that are subject to the following:

- *Events of default with finance-related consequences* – These bonds would be in default for failure of payment of principal and interest when due, failure to comply with the provisions of the resolution, or shall default in any covenant for a period of 30 days after written notice thereof.
- *Subjective acceleration clauses* – The District may prepay the whole or any part of the principal amount of any installment on any Bond at any time.

Water Revenue Bonds, Series 2023

In February 2023 the District entered into an agreement with the Louisiana Department of Health (the Department) as part of the State of Louisiana Drinking Water Revolving Loan Fund whereby the Department has committed to loan the District up to \$4,240,000 to fund a portion of the costs of acquiring and constructing additions, extensions, and improvements to its waterworks system. The loan is to be advanced in incremental amounts as project costs are incurred. The indebtedness to the District will be evidenced through the Taxable Water Revenue Bond, Series 2023 in the amount of \$4,240,000.

The bond will mature in 20 principal installments, payable annually on July 20 beginning no later than one year after the completion date. Each annual installment due is based upon a pre-determined percentage of the ultimate amount of the borrowing that is not forgivable (see forgiveness provisions in the following paragraph). Interest on the bonds is incurred at the rate of 1.95% and payment thereof began August 1, 2023 and continues to occur semi-annually thereafter.

The bonds are to be funded with amounts provided under the Safe Water Drinking Act. A portion of the bond funds advanced is forgivable as a debt upon advancement. The District received advances of bond funds of \$1,871,832 during fiscal year 2024 and \$917,198 has been forgiven.

The District is required to create reserve accounts and maintain minimum balances. As of June 30, 2024, the District has created such accounts with the appropriate minimum balances.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements June 30, 2024

7. Long-Term Debt (continued)

Bonds Payable (continued)

These bonds were offered for direct placement and are subject to the following:

- *Events of default with finance-related consequences* – This bond would be in default for failure of payment of principal and interest when due, failure to comply with the provisions of the resolution, or shall default in any covenant for a period of 30 days after written notice thereof.
- *Subjective acceleration clauses* – The District may prepay the whole or any part of the principal amount of any installment on the bond at any time.

Bonds outstanding were as follows at June 30, 2024:

	Date of Issue	Original/ Notional Balance	Ending Balance
Water Revenue Bonds Series 1997, 5.00%	3/20/1997	\$ 2,600,000	\$ 1,403,151
Water Revenue Bonds Series 2023, 1.95%	2/1/2023	\$ 4,240,000	\$ 1,071,524

A schedule of annual debt service requirements for the Series 2023 Bonds has not been established since advances on the bonds are still occurring and therefore the total debt to be repaid has not been determined. A schedule of debt service requirements for the Series 1997 Bonds is as follows:

Year Ending June 30,	Principal	Interest	Total
2025	82,826	67,870	150,696
2026	87,063	63,633	150,696
2027	91,518	59,178	150,696
2028	96,200	54,496	150,696
2029	101,122	49,574	150,696
2030 - 2034	588,713	164,767	753,480
2035 - 2037	355,709	23,658	379,367
	<u>\$ 1,403,151</u>	<u>\$ 483,176</u>	<u>\$ 1,886,327</u>

8. Pension Plan

The Consolidated Waterworks District No. 13 of West Feliciana Parish (the District) is a participating employer in one cost-sharing defined benefit pension plan. This plan is administered by a public employee retirement system, the Parochial Employees' Retirement System of Louisiana- Plan B (PERS or System). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of this plan to the State Legislature. The system is administered by a separate board of trustees and is a component unit of the State of Louisiana.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements June 30, 2024

8. Pension Plan (continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. This report may be obtained by writing, calling or downloading the report as follows:

Parochial Employees' Retirement System of Louisiana
7905 Wrenwood Blvd.
Baton Rouge, Louisiana 70809
(225) 928-1361
www.persla.org

The District implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the District to record its proportional share of the pension plan Net Pension Liability (Asset) and report the following disclosures:

Plan Descriptions:

Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employers defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the system. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits:

Any member of Plan B can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Age 55 with 30 years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements June 30, 2024

8. Pension Plan (continued)

Plan Descriptions (continued):

Retirement Benefits (continued):

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the members' final average compensation multiplied by his years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements
June 30, 2024

8. Pension Plan (continued)

Plan Descriptions (continued):

Disability Benefits:

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

Funding Policy

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

Contributions to the plan are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2024, for the District and covered employees were as follows:

	<u>District</u>	<u>Employees</u>
Parochial Employees' Retirement System of Louisiana:		
Plan B	7.50%	3.00%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Parochial Employees' Retirement System of Louisiana:			
Plan B	\$ 30,580	\$ 32,989	\$ 32,036

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The following schedule lists the District's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the December 31, 2023 measurement date. The District uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2024 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at December 31, 2023 along with the change compared to the December 31, 2022 rate. The District's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements June 30, 2024

8. Pension Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	Net Pension Liability at December 31, 2023	Rate at December 31, 2023	Increase (Decrease) to December 31, 2022 Rate
Parochial Employees' Retirement System of Louisiana (Plan B)	\$ 2,987	0.297813%	-0.137000%

The following schedule list the pension plan's recognized pension expense plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions by the District for the year ended June 30, 2024:

	Pension Expense
Parochial Employees' Retirement System of Louisiana (Plan B)	\$ 16,628

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,667	\$ (7,518)
Changes of assumptions	5,217	-
Difference in contributions	-	-
Net difference between projected and actual earnings on pension plan investments	40,523	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,865	(7,790)
Employer contributions subsequent to the measurement date	14,010	-
Total	<u>\$ 81,282</u>	<u>\$ (15,308)</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Parochial Employees' Retirement System of Louisiana (Plan B)	<u>\$ 81,282</u>	<u>\$ (15,308)</u>

The District reported a total of \$14,010 as deferred outflow of resources related to pension contributions made to the System subsequent to the measurement which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2024.

Notes to Financial Statements

June 30, 2024

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements
June 30, 2024

8. Pension Plan (continued)

Actuarial Assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.50% for the year ended December 31, 2023.

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in the Retirement System's target asset allocations as of December 31, 2023:

	Target Allocation	Long-Term Expected Real Rate of Return
Asset Class	PERS	PERS
Fixed Income	33%	1.12%
Equity	51%	3.20%
Alternatives	14%	0.67%
Real Estate	2%	0.11%
Total	100%	5.10%
Inflation		2.40%
Expected Arithmetic Nominal Return		7.50%

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset). The discount rate used to measure the total pension liability for PERS was 6.40% for the year ended June 30, 2024.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following table presents the District's proportionate share of the Net Pension Liability (Asset) using the discount rate of the Retirement System as well as what the District's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by the Retirement System:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Rates	5.40%	6.40%	7.40%
District's Share of Net Pension Liability (Asset)	\$ 170,949	\$ 2,987	\$ (137,585)

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements
June 30, 2024

8. Pension Plan (continued)

Payables to the Pension Plan

There was \$8,794 in payables due the retirement system at June 30, 2024.

9. Risk Management

Litigation and General Liability

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased various insurance policies to cover such risks.

The District is a defendant in various lawsuits. Management and legal counsel for the District believe that potential claims against the District not covered by insurance would not materially affect the District's financial position.

10. Other Post-Employment Benefits

General Information about the OPEB Plan

Plan description – The District provides certain continuing health care and life insurance benefits for its retired employees. The District's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the District. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the District as provided by Louisiana Revised Statute Title 17 Sections 1221 through 1224. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Most employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2008, retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Employees covered by benefit terms – At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	6
	<u>6</u>

The District's total OPEB liability of \$10,196 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements
June 30, 2024

10. Other Post-Employment Benefits (continued)

General Information about the OPEB Plan (continued)

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, including inflation
Prior discount rate	3.65% annually
Discount rate	3.93% annually
Healthcare cost trend rates	5.5% annually for 5 years, decreasing to 4.14% after 52 years
Mortality	120% of Pub-2010 for General Employees and Healthy Retires with MP-2021 scale.

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2024, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2024.

Changes in the Total OPEB Liability

Balance at June 30, 2023	\$ 11,333
Changes for the year:	
Service cost	212
Interest	418
Differences between expected and actual experience	877
Changes in assumptions	(2,644)
Benefit payments and net transfers	-
Net changes	(1,137)
Balance at June 30, 2024	\$ 10,196

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1.00% Decrease (2.93%)	Current Discount Rate (3.93%)	1.00% Increase (4.93%)
Total OPEB liability	\$ 11,031	\$ 10,196	\$ 9,469

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Financial Statements June 30, 2024

10. Other Post-Employment Benefits (continued)

Changes in the Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.50%) or 1-percentage-point higher (6.50%) than the current healthcare trend rates:

	1.00% Decrease (4.50%)	Health Cost Trend Rate (5.50%)	1.00% Increase (6.50%)
Total OPEB liability	\$ 9,491	\$ 10,196	\$ 10,997

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

For the year ended June 30, 2024, the District recognized OPEB expense (revenue) of (\$2,045). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,856	\$ (2,533)
Changes of assumptions	1,006	(11,780)
Total	\$ 7,862	\$ (14,313)

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

Years ending June 30:	
2025	(\$ 2,675)
2026	(2,675)
2027	(2,675)
2028	(2,672)
2029	439
Thereafter	3,807
	<u>(\$ 6,451)</u>

11. Occupancy

The District paid \$8,400 to West Feliciana Parish Government for office space during the fiscal period on a month-to-month basis at a rate of \$700 per month.

12. Commitments and Contingencies

The District participates in federal and state assisted grant programs. These programs are subject to state and federal monitoring examinations which could result in disallowed costs having to be returned to the granting agency. Management believes that further examinations would not result in material disallowed costs.

At June 30, 2024, the District had incurred construction contract commitments of approximately \$469,500.

REQUIRED SUPPLEMENTAL INFORMATION

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Schedule of Changes in Total OPEB Liability and Related Ratios
Year Ended June 30, 2024

Financial statement reporting date	Measurment date	Service cost	Interest	Difference between actual and expected experience	Changes of assumptions or other inputs	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered payroll	Total OPEB liability as a percentage of covered payroll
6/30/2024	6/30/2024	\$ 212	\$ 418	\$ 877	\$ (2,644)	\$ -	\$ (1,137)	\$ 11,333	\$ 10,196	\$ 313,747	3.25%
6/30/2023	6/30/2023	211	362	758	(112)	-	1,219	10,114	11,333	427,409	2.65%
6/30/2022	6/30/2022	258	283	(1,665)	(1,735)	-	(2,859)	12,973	10,114	414,960	2.44%
6/30/2021	6/30/2021	250	258	850	69	-	1,427	11,546	12,973	482,795	2.69%
6/30/2020	6/30/2020	1,193	1,097	(3,557)	(17,925)	-	(19,192)	30,738	11,546	468,733	2.46%
6/30/2019	6/30/2019	557	915	4,551	1,339	-	7,362	23,376	30,738	447,581	6.87%
6/30/2018	6/30/2018	554	804	2,696	(909)	-	3,145	20,231	23,376	42,917	54.47%

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

Benefit Changes.

There were no changes of benefit terms for the year ended June 30, 2024.

Changes of Assumptions.

The changes in assuptions balance was a result of changes in the discount rate. The following are the dicount rates used for in each measurement of total OPEB liability.

Measurement Date	Discount Rate
6/30/2017	3.58%
6/30/2018	3.87%
6/30/2019	3.50%
6/30/2020	2.21%
6/30/2021	2.16%
6/30/2022	3.54%
6/30/2023	3.65%
6/30/2024	3.93%

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

**Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2024 (*)**

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
Parochial Employees' Retirement System of Louisiana Plan B						
	2024	0.2978%	\$ 2,987	\$ 441,378	0.6767%	99.77%
	2023	0.3115%	74,167	424,665	17.4648%	94.26%
	2022	0.4540%	(253,691)	414,437	-61.2134%	114.20%
	2021	0.5356%	(137,504)	504,846	-27.2368%	106.76%
	2020	0.5844%	(42,279)	555,124	-7.6161%	102.05%
	2019	0.5711%	154,304	584,206	26.4126%	91.93%
	2018	0.5667%	(71,301)	577,641	-12.3435%	104.02%
	2017	0.5551%	75,117	544,260	13.8017%	95.50%
	2016	0.5587%	99,478	536,970	18.5258%	93.48%
	2015	0.5867%	1,627	525,397	0.3097%	99.89%

(*) The amounts presented have a measurement date of the previous calendar year as the measurement date.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Schedule of the District's Contributions to the Retirement System
Year Ended June 30, 2024

Pension Plan	Year	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Employer's Covered Payroll ³
Parochial Employees' Retirement System of Louisiana Plan B					
	2024	\$ 30,580	\$ 30,580	\$ -	\$ 407,737
	2023	32,989	32,989	-	439,850
	2022	32,036	32,036	-	427,149
	2021	31,070	31,070	-	414,437
	2020	37,864	37,684	-	504,846
	2019	41,577	41,577	-	555,124
	2018	45,290	45,290	-	584,206
	2017	46,211	46,211	-	577,641
	2016	46,282	46,282	-	544,260
	2015	47,928	47,928	-	536,970

For reference only:

¹ Employer contribution rate multiplied by employer's covered payroll

² Actual employer contributions remitted to Retirement Systems

³ Employer's covered payroll amount for each of the fiscal year ended June 30.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Notes to Required Supplementary Information For the Year Ended June 30, 2024

Changes of Benefit Terms include:

Parochial Employees' Retirement System of Louisiana Plan B

- No changes noted

Changes of Assumptions

Parochial Employees' Retirement System of Louisiana Plan B

There were changes of assumptions for the year ended June 30, 2018:

- The investment rate of return and discount rate changed from 7.00% to 6.75%.

There were changes of assumptions for the year ended June 30, 2019:

- The investment rate of return and discount rate changed from 6.75% to 6.50%.
- The inflation rate changed from 2.50% to 2.40%.

There were no changes of assumptions for the year ended June 30, 2020.

There were changes of assumptions for the year ended June 30, 2021:

- The investment rate of return and discount rate changed from 6.50% to 6.40%.
- The inflation rate changed from 2.40% to 2.30%.

There were no changes of assumptions for the year ended June 30, 2022.

There were changes of assumptions for the year ended June 30, 2023:

- The resulting expected long-term rate of return changed from 7.00% to 7.70%.

There were changes of assumptions for the year ended June 30, 2024:

- The resulting expected long-term rate of return changed from 7.70% to 7.50%.

OTHER SUPPLEMENTARY INFORMATION

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Schedule of West Feliciana Parish Government Council Members Year Ended June 30, 2024

The District is operated under the authority of the West Feliciana Parish Government. The council members are not compensated for their services to the District.

Below is a listing of the West Feliciana Parish Council Members.

Thomas Pate P.O. Box 43 St. Francisville, LA 70775	District A
--	------------

Troy "Tab" Ballard P.O. Box 277 St. Francisville, LA 70775	District B
--	------------

John M. Thompson 7589 LA Hwy 421 St. Francisville, LA 70775	District C
---	------------

Justin Metz 10459 Tunica Trace St. Francisville, LA 70775	District D
---	------------

Gerald "Gerry" Tanner P.O. Box 1202 St. Francisville, LA 70775	District E
--	------------

Kevin Dreher P.O. Box 1337 St. Francisville, LA 70775	District E
---	------------

Clay Pinson 13817 Oakley Lane St. Francisville, LA 70775	District C
--	------------

Melvin Young 6900 Greenwood Road St. Francisville, LA 70775	District A
---	------------

Reverend John Thompson 11126 WakeField Drive North St. Francisville, LA 70775	District B
---	------------

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

**Schedule of Compensation, Benefits, and Other Payments to the Parish President
Year Ended June 30, 2024**

The District is operated under the authority of the West Feliciana Parish Government. The parish president is not compensated for his services to the District.

Parish President's Name: Kenny Havard

Salary	\$	-
Benefits - insurance		-
	\$	-

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

**Schedule of Insurance In Force
June 30, 2024
(Unaudited)**

Coverage	Insurance Company	Policy Expiration Date	Liability Limits
General Liability	Travelers Casualty and Surety Co of America	6/30/2024	\$1,000,000 Each Occurance \$2,000,000 Aggregate Limit
Auto Liability	Travelers Casualty and Surety Co of America	6/30/2024	\$1,000,000 Each Accident
Professional Liability	Travelers Casualty and Surety Co of America	6/30/2024	\$1,000,000 Each Wrongful Act \$2,000,000 Aggregate Limit
Excess Liability	Travelers Casualty and Surety Co of America	6/30/2024	\$1,000,000 Each Claim \$2,000,000 Aggregate Limit
Crime	Travelers Casualty and Surety Co of America	6/30/2024	\$500,000 Employee Theft per Loss \$500,000 Funds Transfer Fraud
Property	EMC Insurance Companies	6/30/2024	\$40,483,104 Blanket Limit of Ins \$50,000 Utility Service
Inland Marine	EMC Insurance Companies	6/30/2024	\$2,725,171 Equipment \$210,392 Electronic Data \$400,000 Equipment Leased
Boiler and Machinery	Hartford Steam Boiler Inspection & Ins. Co.	6/30/2024	\$50,000,000 Equip Breakdown Limit
Workers Comp	LUBA Casualty Insurance	6/30/2024	\$1,000,000 Limit
Student Accident	Zurich American Insurance Co	6/30/2024	\$1,000,000 Each Incident
Cyber Liability	Underwriters at Lloyd's, London	6/30/2024	\$1,000,000 Each Incident \$1,000,000 Aggregate Limit

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Schedule of Information Required by Rural Development Year Ended June 30, 2024 (Unaudited)

Item No. 1

The District's customers' accounts receivable at June 30, 2024, is comprised of the following:

	<u>0-30 days</u>	<u>31+ days</u>	<u>Total</u>
No.	2,330	802	3,132
Amount	\$112,782	\$ 81,557	\$194,339

Item No. 2

The District's water rates at June 30, 2024, were as follows:

<u>Residential</u>	
≤ 2,000 gallons	\$22.00 minimum
> 2,000 gallons	\$4.50 per thousand gallons
<u>Commercial</u>	
≤ 10,000 gallons	\$60.00 minimum
> 10,000 gallons	\$4.50 per thousand gallons
<u>Governmental</u>	
≤ 10,000 gallons	\$56.25 minimum
> 10,000 gallons	\$4.50 per thousand gallons

Item No. 3

The number of active residential and non-residential users at June 30, 2024, is 3,962.

OTHER REPORTS

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

To the Members of the Consolidated Waterworks District No. 13 of West Feliciana Parish Council
St. Francisville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Consolidated Waterworks District No. 13 of West Feliciana Parish (the District), a component unit of West Feliciana Parish Government, as of June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated January 2, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, 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.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
January 2, 2025

EISNERAMPER
LLP



Schedule of Findings and Questioned Costs

Financial Statements

- Material weakness(es) identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted? yes x no

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Schedule of Findings and Questioned Costs

B. Findings – Financial Statement Audit

None.

CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF WEST FELICIANA PARISH

Summary Schedule of Prior Audit Findings

B. Findings – Financial Statement Audit

None.



**CONSOLIDATED WATERWORKS DISTRICT NO. 13 OF
WEST FELICIANA PARISH**

**REPORT ON STATEWIDE
AGREED-UPON PROCEDURES on COMPLIANCE and
CONTROL AREAS**

FOR THE YEAR ENDED JUNE 30, 2024



Contents

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Council of the Consolidated Waterworks District No. 13 of West Feliciana Parish and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of the Consolidated Waterworks District No. 13 for the fiscal period July 1, 2023 through June 30, 2024. The Consolidated Waterworks District No. 13's management is responsible for those C/C areas identified in the SAUPs.

The Consolidated Waterworks District No. 13 has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2023 through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the Consolidated Waterworks District No. 13 to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of the Consolidated Waterworks District No. 13 for the fiscal period July 1, 2023 through June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Consolidated Waterworks District No. 13 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



EISNERAMPER LLP
Baton Rouge, Louisiana
January 2, 2025

CONSOLIDATED WATERWORKS DISTRICT NO. 13
Agreed-Upon Procedures Performed and Associated Findings
June 30, 2024

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

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

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

The Entity’s written policies and procedures do not contain the above attributes. This is considered an exception.

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

The Entity’s written policies and procedures do not contain the above attributes. This is considered an exception.

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

The Entity’s written policies and procedures do not contain the above attributes. This is considered an exception.

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The Entity’s written policies and procedures do not contain the above attributes. This is considered an exception.

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

The Entity’s written policies and procedures contain attributes for (2) reviewing and approving time and attendance records, including leave and overtime worked, but do not contain attributes for (1) payroll processing or (3) approval process for employee(s) rate of pay or approval of maintenance of pay rate schedules. This is considered an exception.

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

The Entity’s written policies and procedures do not contain the above attributes. This is considered an exception.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
Agreed-Upon Procedures Performed and Associated Findings
June 30, 2024

Schedule A

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

The Entity has written policies for Travel and Expense Reimbursements; however, the policies do not contain attribute (2) dollar thresholds by category of expense. This is considered an exception. The policies do contain the remaining above attributes.

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

The Entity's written policies and procedures do not contain the above attributes. This is considered an exception.

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

No exception noted.

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

The Entity's written policies and procedures do not contain the above attributes. This is considered an exception.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Entity's written policies and procedures do not contain the above attributes. This is considered an exception.

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

No exception noted.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
Agreed-Upon Procedures Performed and Associated Findings
June 30, 2024

Schedule A

2) Board or Finance Committee

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

No exception noted.

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

No exception noted.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exception noted.

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

No exception noted.

3) Bank Reconciliations

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

A listing of bank accounts was provided and included a total of 2 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected both bank accounts and obtained the bank reconciliations for November 2023, resulting in both bank reconciliations being obtained and subjected to the below procedures.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
Agreed-Upon Procedures Performed and Associated Findings
June 30, 2024

Schedule A

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

No exception noted.

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

No exception noted.

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

No exception noted.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided and included 1 deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the only deposit site and performed the procedures below.

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

A listing of collection locations for the deposit site selected in procedure #4A was provided and included a total of 3 collection locations. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exception noted.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;

For the location selected, the employee responsible for collecting cash is also responsible for making deposits. This is considered an exception.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
Agreed-Upon Procedures Performed and Associated Findings
June 30, 2024

Schedule A

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

No exception noted.

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

No exception noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exception noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected 2 deposit dates for 1 of the bank accounts selected in procedure #3A. The remaining bank accounts in procedure #3A did not contain cash collections/deposits during the current fiscal year. We obtained supporting documentation for each of the 2 deposits and performed the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

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

The listing of locations that process payments for the fiscal period was provided. There is only 1 location that processes payments. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the only location and performed the procedures below.

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

The listing of employees involved with non-payroll purchasing and payment functions for the payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

A listing of non-payroll disbursements for the only payment processing location selected in procedures #5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exception noted.

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

No exception noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

For the month selected, there were 3 electronic deposits noted. No exception noted.

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

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

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

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

From the listing provided, we randomly selected 3 (all) credit cards used in the fiscal period. We randomly selected one monthly statement for each of the 3 cards selected and performed the procedures noted below.

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

For all 3 cards selected, there was written evidence that the monthly statement and supporting documentation was reviewed and approved in writing by someone other than the authorized card holder. No exception noted.

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

No exception noted.

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

We randomly selected 10 transactions, or all transactions if less than 10 transactions from each statement for a total of 5 transactions and obtained supporting documentation for the transactions.

No exception noted.

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

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

The Consolidated Waterworks District No. 13 management represented that there were no travel or expense reimbursements during the fiscal period. No exceptions were noted as a result of performing this procedure.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

8) Contracts

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

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 contracts and performed the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

9) Payroll and Personnel

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #9A.

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures.

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

No exception noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exception noted.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exception noted.

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

No exception noted.

11) Debt Service

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

No exception noted.

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

A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 bond/note and performed the specified procedures. No exceptions were noted.

12) Fraud Notice

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

No exception noted.

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
1. Hired before June 9, 2020 - completed the training; and
 2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exception noted.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exception noted.

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

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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Schedule B

Management has reviewed and will address the exceptions noted above.