

**ROCKY BRANCH WATERWORKS DISTRICT**  
**FARMERVILLE, LOUISIANA**

*Component Unit Financial Statements*  
*For the Year Ended December 31, 2018*



**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF THE UNION PARISH POLICY JURY**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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To the Board of Directors  
Rocky Branch Waterworks District  
Farmerville, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities of Rocky Branch Waterworks District, a component unit of the Union Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 4 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in appropriated operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to my compilation engagement. I have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

***Supplementary Information***

The accompanying Schedule of Compensation Paid to Board Members and Schedule of Compensation, Benefits, and Other Payments to the Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. The information was subject to my compilation engagement, but I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

*Maxwell CPA, LLC*

Monroe, Louisiana  
May 1, 2019



**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF THE UNION PARISH POLICE JURY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Our discussion and analysis of Rocky Branch Waterworks District (the District), provides an overview of the District activities for the year ended December 31, 2018. Please read it in conjunction with the basic financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position provide information about the activities of the District as a whole.

**Reporting the District as a Whole**

**The Statement of Net Position and the Statement of Activities**

The District operates as an enterprise fund, presenting its financial statements using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) measure the District's financial position. Increases or decreases in the District's net position are an indicator of whether its financial position is improving or not.

The *Statement of Net Position* includes all of the District's assets and liabilities, with the difference between them reported as net assets. Net assets are reported in three categories: Invested in Capital Assets, Restricted for Debt Service, and Unrestricted. The increases and decreases in net assets are an indicator or whether the District's financial position is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the year, as well as whether it recovered its cost through fees and other revenues. All of the current year revenues and expenses are recorded when the underlying economic transaction has taken place.

The *Notes to the Financial Statements* provide a description of the accounting policies used to prepare the financial statements and presents material disclosures as required by generally accepted accounting principles.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The District's net position increased by \$20,412 and increased by \$40,358 the years ended December 31, 2018 and 2017, respectively.

**Statement of Net Position**

The following table reflects the condensed net assets:

**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF THE UNION PARISH POLICE JURY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Current and Restricted Assets	\$ 746,645	\$ 701,647
Capital Assets	219,794	159,399
Total Assets	<u>966,439</u>	<u>861,046</u>
<u>Liabilities</u>		
Current Liabilities	29,221	38,863
Long-Term Liabilities	94,623	-
Total Liabilities	<u>123,844</u>	<u>38,863</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Debt	125,171	159,399
Unrestricted	569,414	625,687
Restricted	148,010	37,097
Total Net Position	<u>842,595</u>	<u>822,183</u>
<u>Total Liabilities and Net Position</u>	<u>\$ 966,439</u>	<u>\$ 861,046</u>

Net position (assets less liabilities) may serve over time as a useful indicator of financial position. The District's assets exceeded liabilities by \$842,595 and \$822,183 at December 31, 2018 and 2017, respectively.

Statement of Activities

The following table shows the revenues and expenses for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Charges for Service and Water Revenues	\$ 179,901	\$ 167,950
Operating Expenses	161,196	136,338
Operating Income (Loss)	18,705	31,612
Other Income (Expense)	1,707	8,746
Net Income (Loss)	20,412	40,358
<u>Net Position at Beginning of Year (Restated)</u>	<u>822,183</u>	<u>781,825</u>
<u>Net Position at End of Year</u>	<u>\$ 842,595</u>	<u>\$ 822,183</u>

**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF THE UNION PARISH POLICE JURY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Capital Assets and Debt Administration**

The District's investment in Capital assets amounted to \$125,171 and \$159,399 (net of depreciation) as of December 31, 2018 and 2017. This investment includes land, buildings and improvements, equipment, water distribution system and construction in progress.

The District recognized \$34,228 and \$32,254 in depreciation expense for the years ended December 31, 2018 and 2017. The District invested \$94,623 and \$39,187 in its water distribution system for the years ended December 31, 2018 and 2017, respectively.

**Debt**

At year end, the District had outstanding debt of \$94,623.

**Economic Factors and Future Rates**

The District's revenues are derived mainly from water and connection fees. The District is not aware of any significant increases or decreases in those revenue sources or associated expenditures but in light of the current economic volatility, the District must continue to monitor its limited resources to fit the needs of the citizens of Union Parish and be aware of other funding opportunities that may present themselves.

**Request for Information**

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the District's office, 705 Hodge Road, Farmerville, LA 71241.

**COMPONENT UNIT FINANCIAL STATEMENTS**

**FUND FINANCIAL STATEMENTS**

**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF THE UNION PARISH POLICE JURY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

ASSETS

<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 374,748
Investments	221,629
Restricted Assets:	
Cash & Cash Equivalents	148,010
Receivable, Net	2,258
Total Current Assets	<u>746,645</u>
<u>Noncurrent Assets</u>	
Capital Assets, Net of Accumulated Depreciation	215,294
Land	4,500
Total Capital Assets, Net of Accumulated Depreciation	<u>219,794</u>
<u>TOTAL ASSETS</u>	<u>\$ 966,439</u>

LIABILITIES AND NET POSITION

<u>Current Liabilities</u>	
Accounts Payable	\$ 3,363
Customer Meter Deposits Payable	25,858
Notes Payable - Current	-
Total Current Liabilities	<u>29,221</u>
<u>Long-Term Liabilities</u>	
Notes Payable	<u>94,623</u>
<u>Total Liabilities</u>	123,844
<u>Net Position</u>	
Net Investment in Capital Assets	125,171
Restricted for Construction, Deposits, Depreciation and Contingencies	148,010
Unrestricted	569,414
Total Net Position	<u>842,595</u>
<u>TOTAL LIABILITIES AND NET POSITION</u>	<u>\$ 966,439</u>

See accompanying notes and independent accountant's report.

**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF THE UNION PARISH POLICE JURY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Operating Revenues</u>	
Charges for Services	\$ 179,901
 <u>Operating Expenses</u>	
Advertising	1,756
Bank Charges	778
Contract Labor	29,762
Depreciation	34,228
Dues	360
Education	160
Fees	4,920
Insurance	5,973
Miscellaneous	218
Office	1,072
Payroll Tax Expenses	3,239
Per Diem	1,080
Postage	1,938
Professional Fees	1,500
Repairs and Maintenance	18,559
Salaries and Wages	31,800
Supplies	13,113
Utilities	10,740
Total Operating Expenses	<u>161,196</u>
 <u>Operating Income</u>	 18,705
 <u>Non-Operating Revenues (Expenses)</u>	
Interest Income	<u>1,707</u>
 <u>Change in Net Position</u>	 20,412
 <u>Net Position at Beginning of Year (Restated)</u>	 <u>822,183</u>
 <u>NET POSITION AT END OF YEAR</u>	 <u>\$ 842,595</u>

See accompanying notes and independent accountant's report.

**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF THE UNION PARISH POLICE JURY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Cash Flows From Operating Activities

Cash Received from Customers	\$ 177,643
Cash Payments to Employees for Services	(31,800)
Cash Payments to Suppliers for Goods and Services	(79,592)
Cash Payments to Others for Services, Taxes, etc.	(13,979)
Net Cash Provided (Used) by Operating Activities	<u>52,272</u>

Cash Flows from Capital and Related Financial Activities

Acquisition and Construction to Water System	(94,623)
Increase (Decrease) in Refundable Deposits	900
Loan Proceeds	94,623
Net cash Provided (Used) by Capital and Related Financing Activities	<u>900</u>

Cash Flows from Investing Activities

Interest Earned on Investments	<u>1,280</u>
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<u>Net Increase in Cash and Cash Equivalents</u>	<u>54,452</u>
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<u>Cash and Cash Equivalents at Beginning of Year</u>	<u>468,306</u>
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<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 522,758</u>
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Reconciliation of Net Operating Income (Loss) to Net Cash Provided by Operating Activities

Operating Income (Loss)	\$ 18,705
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	34,228
Net Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(2,258)
Increase (Decrease) in Payables	1,597
Net Cash Provided (Used) by Operating Activities	<u>\$ 52,272</u>

Note:

Cash and Cash Equivalents	\$ 374,748
Restricted Cash:	
Customer Deposit Fund	19,822
Reserve Fund	30,600
Depreciation and Contingency Fund	75,033
Bond Sinking Fund	22,555
Total Cash and Cash Equivalents	<u>\$ 522,758</u>

See accompanying notes and independent accountant's report.

**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF UNION PARISH POLICE JURY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Introduction

Rocky Branch Waterworks District (the District), was created by the Union Parish Policy Jury, as authorized by Louisiana Revised Statute 33:3811. The District is governed by a five-member board of commissioners who are residents of and own real estate in the District. The board is appointed by the police jury and is compensated for its responsibility of providing water service to users within the boundaries of the District. The District serves approximately 400 residential and 50 commercial customers. The District has two employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the District is considered a component unit of the Union Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

Note 1 - Summary of Significant Accounting Policies

A. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The District's financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The District applies all Governmental Accounting Standards Board (GASB) pronouncements as well as the Financial Accounting Standards Board (FASB) statements and interpretations.

The District is a special purpose government engaged only in business type activities. All activities of the District are accounted for in a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing authority is that the cost (expense, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

The term measurement focus denotes what is being measured and reported in the District's operating statement. Financial operations of the District are accounted for on the flow of economic resources measurement focus. With this measurement focus, all of the assets and liabilities available to the District for the purpose of providing services to the public, are measured on the balance sheet. The activity statement includes all costs of providing goods and services during the period.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses general result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations, primarily the provision of water to rural areas of Union Parish. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF UNION PARISH POLICE JURY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 1 - Summary of Significant Accounting Policies (continued)

B. Cash and Cash Equivalents

The District's 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. State law and the District's investment policy allow the District to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

C. Investments

Investments are limited by Louisiana R.S. 33:2955 and the District's investment policy. If the original maturities of investment exceed ninety days, they are classified as investments; however, if the original maturities are ninety days or less, they are classified as cash equivalents.

D. Accounts Receivable

Receivables for water sales are shown net of an allowance for uncollectible accounts. The allowance is an estimate based on the number of receivables that are past due and historical collection rates.

E. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current calendar year are recorded as prepaid items. Prepaid items consist primarily of prepaid insurance premiums.

F. Restricted Assets

Certain assets are restricted to set aside funds for customer deposit accounts, construction, depreciation, and contingencies.

G. Capital Assets

Capital Assets of the District are defined as assets with an initial cost of more than \$1,000, and an estimated useful life in excess of one year. Capital assets are recorded at either historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donations. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

<u>Description</u>	<u>Estimated Lives</u>
Equipment and Furniture	5-15 Years
Furniture and Fixtures	10-15 Years
Water System	20-40 Years

Expenditures for repairs and maintenance are expensed as incurred; significant betterments are capitalized.

**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF UNION PARISH POLICE JURY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 1 - Summary of Significant Accounting Policies (continued)

G. Capital Assets (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

H. Compensated Absences

The District does not have formal vacation, sick leave and retirement plan policies.

I. Long-Term Obligations

Long-term liabilities are recognized within the Enterprise Fund. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

J. Net Position

GASB Statement No. 34 required classification of net assets into three separate components. GASB Statement No. 63 revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure at net position, rather than net assets. GASB No. 63 requires the following components of net position:

*Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

*Restricted* – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the assets result from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

*Unrestricted* – This 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.

K. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, GASB required a government to delay the recognition of decreases in net position as expenditures or increases in net position as revenues until a further period. In these circumstances, deferred outflows of resources or deferred inflows of resources result from the

**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF UNION PARISH POLICE JURY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 1 - Summary of Significant Accounting Policies (continued)

K. Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

delayed recognition of expenditures or revenues, respectively. There are not deferred outflows or deferred inflows as of December 31, 2018.

L. Estimates

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

Note 2 - Cash and Cash Equivalents

*Custodial Credit Risk – deposits.* The custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District’s policy to ensure there is no exposure to this risk is to require the financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Accordingly, the District had no custodial credit risk related to its deposits at December 31, 2018.

The District has cash and cash equivalents (book balances), savings, and investments in certificates of deposit totaling \$744,387 at December 31, 2018 as follows:

Cash and Cash Equivalents	\$ 374,748
Cash and Cash Equivalents - Restricted	148,010
Investments – Certificates of Deposit	<u>221,629</u>
TOTAL	<u>\$ 744,387</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually accepted to both parties. Cash and cash equivalents (bank balances) at December 31, 2018, are secured as follows:

Bank Balances	\$ 789,086
FDIC Insurance	500,000
Pledged Collateral	<u>406,297</u>
Uninsured Amount	<u>\$ _____</u>

The accounts are managed by the District’s fiscal agent and consist of securities issued or guaranteed by the U.S. Government. Investments are in accordance with LRS 33:2955 (A)(1)(e) and are not required to be covered by the pledge of securities owned by the fiscal agent bank.

**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF UNION PARISH POLICE JURY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 3 - Accounts Receivable

At December 31, 2018 the District's accounts receivable consisted of the following:

Water Sales	\$ 2,258
Less: Allowance for uncollectible accounts	_____ -
Net Receivables	<u>\$ 2,258</u>

Note 4 - Capital Assets

Capital asset activity for the year ended December 31, 2018 is as follows:

	<u>2017 Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>2018 Balance</u>
Non-Depreciable Assets:				
Land	\$4,500	-	-	\$4,500
Construction in Progress	-	94,623	-	94,623
Depreciable Assets:				
Software	1,562	-	-	1,562
Water System	827,025	-	-	827,025
Building Improvements	<u>59,983</u>	<u>-</u>	<u>-</u>	<u>59,983</u>
Totals at Historical Cost	<u>893,070</u>	<u>94,623</u>	<u>-</u>	<u>987,693</u>
Less Accumulated Depreciation:	<u>(733,671)</u>	<u>(34,228)</u>	<u>-</u>	<u>(767,899)</u>
Capital Assets, Net	<u>\$159,399</u>	<u>\$60,395</u>	<u>-</u>	<u>\$219,794</u>

Depreciation expense was \$34,228 in 2018.

Note 5 - Notes Payable

At December 31, 2018, the system had a principal balance of \$94,623 on a loan obtained from the Louisiana Department of Health and Hospitals Drinking Water Revolving Loan Fund to make improvements and to construct and acquire additions to the system. The system has been approved to spend up to \$963,000 for these improvements. Principal due on the loan is not payable until the construction is complete.

Note 6 - Litigation and Claims

The District was not involved in any litigation at December 31, 2018, nor is it aware of any unasserted claims.

Note 7 - Subsequent Events

Subsequent events have been evaluated through May 1, 2019, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

Note 8 - Prior Period Adjustment

It was noted that meter deposits liability of \$24,958 had not been recorded from prior years to tie to the meter deposits listing. The net effect on beginning net position was a decrease of \$24,958.

**SUPPLEMENTAL INFORMATION**

**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF UNION PARISH POLICE JURY**  
**SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Schedule 1**

The following schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

J.C. Ainsworth, President	\$ 240
Jill A. Hodge, Vice President	200
Jerry Farrar	200
Phillip Smith	200
Allen D Pace	240
TOTAL PER DIEM	<u>\$ 1,080</u>

**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF THE UNION PARISH POLICE JURY**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER**  
**PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Schedule 2**

**Agency Head Name:** J. C. Ainsworth, President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - Insurance	-
Benefits - Retirement	-
Benefits - Other	-
Car Allowance	-
Vehicle Provided by Government	-
Per Diem	240
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Continuing Professional Education Fees	-
Housing	-
Unvouchered Expenses	-
Special Meals	-

The President, J. C. Ainsworth receives \$240 per diem annually, and no other benefits for the year ended December 31, 2018.

**OTHER INFORMATION**

**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF UNION PARISH POLICE JURY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Schedule 3**

**2018-01     Inadequate Segregation of Accounting Duties**

Criteria:

Duties should be distributed among employees.

Condition:

Inadequate segregation of duties.

Cause:

The district has only one person for handling the duties of the office personnel. Office duties are a part-time job.

Potential Effect:

Internal control is weakened by the limited staff.

Recommendation:

Establish guidelines for the Board of Directors on a rotating basis to closely monitor reports for billings, payments, and credits issued by the water system. Furthermore, bank statements and bank reconciliations should be reviewed by the board each month.

Management's Response and Corrective Action Plan:

The water system has an accounting workload that can be easily managed by one person. It is not economically feasible to correct this deficiency based on the size of the water system. However, the board will begin reviewing and monitoring reports, bank statements and bank reconciliations as suggested.

**ROCKY BRANCH WATERWORKS DISTRICT**  
**A COMPONENT UNIT OF UNION PARISH POLICE JURY**  
**SUMMARY STATUS OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Schedule 4**

**2017-1      Inadequate Segregation of Accounting Duties**

Condition Found:

Inadequate segregation of duties.

Effect:

Internal control is weakened by the limited staff.

Recommendation to Prevent Future Occurrences:

Hire more employees and redistribute duties.

Current Status:

The Finding was repeated as finding 2018-01.