

**LAKE ST. JOHN WATERWORKS DISTRICT**

**(A COMPONENT UNIT OF THE  
CONCORDIA PARISH POLICE JURY)**

**FERRIDAY, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEARS ENDED  
DECEMBER 31, 2017 AND 2016**

**WITH  
INDEPENDENT AUDITOR'S REPORT**



**SILAS SIMMONS** LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS



LAKE ST. JOHN WATERWORKS DISTRICT

(A COMPONENT UNIT OF THE  
CONCORDIA PARISH POLICE JURY)  
FERRIDAY, LOUISIANA

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Lake St. John Waterworks District  
Concordia Parish Police Jury  
Ferriday, Louisiana

We have audited the accompanying financial statements of the business activities and the aggregate remaining fund information of the Lake St. John Waterworks District, a component unit of the Concordia Parish Police Jury, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the foregoing table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the aggregate remaining fund information of the Lake St. John Waterworks District as of December 31, 2017 and 2016, and the respective changes in net position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 4 through 6, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lake St. John Waterworks District's basic financial statements. The Schedule of Compensation Paid to the Board Members and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer described in the accompanying table of contents, are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation Paid to the Board Members and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are 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. Such 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 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 Compensation Paid to the Board Members and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Compensation Paid to the Board Members and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2018, 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 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.

This report is intended for the information of the Members of the District, the Concordia Parish Police Jury, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Silas Simmons, LP*

Natchez, Mississippi  
March 16, 2018

**SECTION I**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**LAKE ST. JOHN WATERWORKS DISTRICT  
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)  
FERRIDAY, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEARS ENDED DECEMBER 31, 2017 AND 2016**

## **INTRODUCTION**

The Management's Discussion and Analysis of the Lake St. John Waterworks District's financial performance presents a narrative overview and analysis of the District's financial activities for the years ended December 31, 2017 and 2016. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the Lake St. John Waterworks District's financial statements.

The Lake St. John Waterworks District is located on Highway 569 near Ferriday, Louisiana in Concordia Parish. The District provides water to approximately 637 customers and is a component of the Concordia Parish Police Jury.

## **FINANCIAL HIGHLIGHTS**

Assets exceeded liabilities by \$650,059 and \$579,843 in 2017 and 2016, respectively.  
Revenues exceeded expenditures by \$70,216 in 2017, and expenditures exceeded revenues by \$178,163 in 2016.  
The District had total plant and equipment of \$295,635 and \$231,669 in 2017 and 2016, respectively.  
The District had payroll of \$99,030 and \$93,360 in 2017 and 2016, respectively.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The Lake St. John Waterworks District's financial statements are comprised of two components. These components are 1) fund financial statements, and 2) notes to the financial statements.

### **Fund Financial Statements**

The basic financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The Statements of Net Position present the information on all of the District's assets and liabilities with the difference between the two reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position present information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal years.

### **Notes to the Financial Statements**

The notes provide additional information to aid in a full understanding of the data provided in the financial statements. The notes are a required part of the financial statements.

### **Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the customers' statistics and compensation of the board members. This information is included for additional information and analysis and does not constitute a part of the audited financial statements.

**LAKE ST. JOHN WATERWORKS DISTRICT**  
**(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)**  
**FERRIDAY, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEARS ENDED DECEMBER 31, 2017 AND 2016**

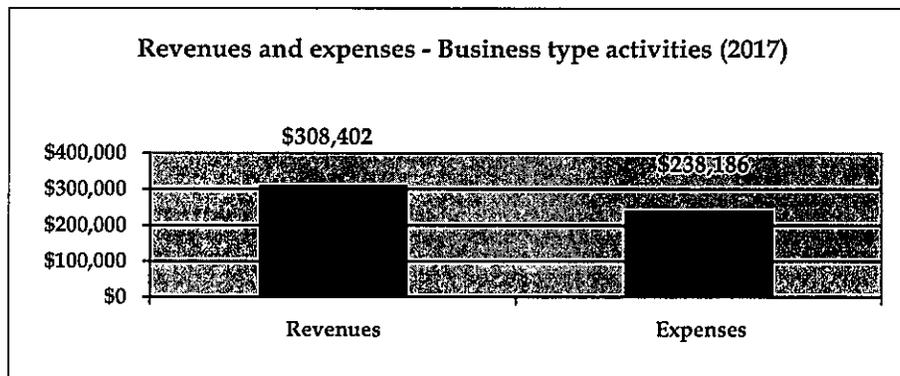
**FUND FINANCIAL ANALYSIS**

**Net Position for the periods ending December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Current assets	\$ 358,682	\$ 351,504
Restricted assets	33,235	32,335
Capital assets	<u>295,635</u>	<u>231,669</u>
<b>Total assets</b>	<b><u>\$ 687,552</u></b>	<b><u>\$ 615,508</u></b>
<b>Liabilities</b>		
Current liabilities	\$ 4,258	\$ 3,330
Customer deposits	<u>33,235</u>	<u>32,335</u>
<b>Total liabilities</b>	<b><u>\$ 37,493</u></b>	<b><u>\$ 35,665</u></b>
<b>Net position</b>		
Invested in capital assets	\$ 295,635	\$ 231,669
Unrestricted	<u>354,424</u>	<u>348,174</u>
<b>Total net position</b>	<b><u>\$ 650,059</u></b>	<b><u>\$ 579,843</u></b>

The following is a summary of the statement of activities:

	<u>2017</u>	<u>2016</u>
<b>Revenues</b>		
Program revenues	\$ 244,406	\$ 241,447
Interest income	905	1,576
Other revenues	<u>63,091</u>	<u>173,857</u>
<b>Total revenues</b>	<b><u>\$ 308,402</u></b>	<b><u>\$ 416,880</u></b>
<b>Operating expenses</b>	<b><u>\$ 238,186</u></b>	<b><u>\$ 238,717</u></b>
<b>Increase in net position</b>	<b>\$ 70,216</b>	<b>\$ 178,163</b>
Net position at beginning of year	<u>579,843</u>	<u>401,680</u>
Net position at end of year	<b><u>\$ 650,059</u></b>	<b><u>\$ 579,843</u></b>



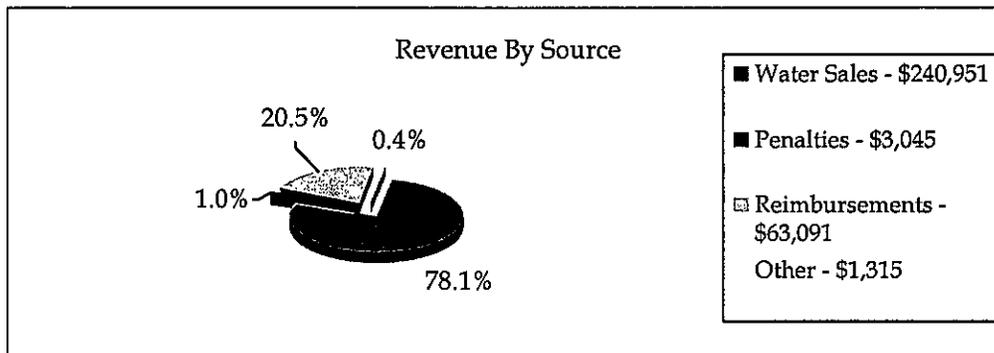
**LAKE ST. JOHN WATERWORKS DISTRICT  
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)  
FERRIDAY, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**FUND FINANCIAL ANALYSIS (continued)**

The following chart reflects the revenues by source for Lake St. John Waterworks District. The major sources of revenues are water sales, penalties, reimbursements, and other income.



**CAPITAL ASSETS**

Lake St. John Waterworks District's investment in capital assets as of December 31, 2017, was \$295,635 (net of accumulated depreciation). This investment in capital assets includes land; distribution system, wells and storage tanks; water meters; and furniture, fixtures, and equipment.

The additions in 2017 included the following:

Plant improvements	\$	11,000
Booster pump		18,400
Water tank improvement		<u>64,000</u>
Total additions	\$	<u>93,400</u>

**ECONOMIC FACTORS AND NEXT YEAR'S RATES**

The District had 637 active customers at December 31, 2017. Rates are expected to remain at current levels next year.

The District prepares and submits a budget to the Board of Commissioners.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Sylvia Bunch at Lake St. John Waterworks District, 1185 Highway 569, Ferriday, Louisiana 71334.

**SECTION II**  
**BASIC FINANCIAL STATEMENTS**

**LAKE ST. JOHN WATERWORKS DISTRICT**  
**(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)**  
**STATEMENTS OF NET POSITION**  
**DECEMBER 31, 2017 AND 2016**

ASSETS	2017	2016
	2017	2016
Current assets		
Cash and cash equivalents	\$ 320,708	\$ 314,298
Accounts receivable, net of allowance	20,772	20,963
Accrued interest receivable	-	293
Inventory, at cost	11,455	10,203
Prepaid expenses	5,747	5,747
Total current assets	\$ 358,682	\$ 351,504
Restricted assets		
Meter deposits	\$ 33,235	\$ 32,335
Total restricted assets	\$ 33,235	\$ 32,335
Property, plant, and equipment		
Plant and equipment, at cost, net of allowance of accumulated depreciation	\$ 295,635	\$ 231,669
Total plant and equipment	\$ 295,635	\$ 231,669
Total assets	\$ 687,552	\$ 615,508
<b>LIABILITIES AND NET POSITION</b>		
Current liabilities		
Accounts payable (payable from current assets)	\$ 4,258	\$ 3,330
Customer deposits (payable from restricted assets)	33,235	32,335
Total current liabilities	\$ 37,493	\$ 35,665
Net position		
Investment in capital assets	\$ 295,635	\$ 231,669
Unrestricted net position	354,424	348,174
Total net position	\$ 650,059	\$ 579,843

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

LAKE ST. JOHN WATERWORKS DISTRICT  
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
OPERATING REVENUES:		
Water sales:		
Water sales	\$ 240,951	\$ 236,360
Installation and service charges	370	1,612
Penalties	3,045	3,475
Other income	40	-
Total operating revenues	\$ 244,406	\$ 241,447
OPERATING EXPENSES:		
Water operations:		
Salaries	\$ 99,030	\$ 93,360
Depreciation	29,434	24,540
Accounting	8,388	9,000
Auto expense	15,107	15,806
Chemicals	4,504	4,267
Computer	2,183	3,827
Cost of services	880	3,890
Insurance	27,815	29,124
Miscellaneous	10,719	10,936
Office supplies	4,795	4,717
Per diem	760	640
Postage and supplies	2,921	3,834
Repairs and maintenance	11,309	16,045
Taxes	7,659	7,533
Utilities	12,682	11,198
Total operating expenses	\$ 238,186	\$ 238,717
OPERATING INCOME	\$ 6,220	\$ 2,730
OTHER REVENUE		
Interest income	\$ 905	\$ 1,576
Total nonoperating revenues	\$ 905	\$ 1,576
OTHER FINANCING SOURCE		
Reimbursements from Fifth Louisiana Levee District	\$ 63,091	\$ 173,857
Total other financing sources	\$ 63,091	\$ 173,857
CHANGE IN NET POSITION	\$ 70,216	\$ 178,163
NET POSITION, BEGINNING OF YEAR	579,843	401,680
NET POSITION, END OF YEAR	\$ 650,059	\$ 579,843

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

**LAKE ST. JOHN WATERWORKS DISTRICT**  
**(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
Cash flows from operating activities		
Cash flows from customers	\$ 244,597	\$ 238,127
Cash payments to suppliers for goods and services	(110,046)	(120,317)
Cash payments for services	(99,030)	(93,360)
Net cash provided by operating activities	\$ 35,521	\$ 24,450
Cash flows from investing activities		
Interest received	\$ 1,198	\$ 1,661
Net cash provided by investing activities	\$ 1,198	\$ 1,661
Cash flows from capital and related financing activities		
Increase in customer deposits	\$ 900	\$ 1,645
Fixed assets acquired	(93,400)	(199,427)
Reimbursements from Fifth Louisiana Levee District	63,091	173,857
Net cash used for capital and related financing activities	\$ (29,409)	\$ (23,925)
Net increase in cash and cash equivalents	\$ 7,310	\$ 2,186
Cash and cash equivalents at beginning of year	346,633	344,447
Cash and cash equivalents at end of year	\$ 353,943	\$ 346,633
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 6,220	\$ 2,730
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	29,434	24,540
(Increase) in accounts receivable, net	191	(3,320)
(Increase) decrease in prepaid expenses	-	(337)
(Increase) in inventory	(1,252)	(788)
Increase (decrease) in accounts payable	928	1,625
Net cash provided by operating activities	\$ 35,521	\$ 24,450

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

**NOTES TO THE FINANCIAL STATEMENTS**

**LAKE ST. JOHN WATERWORKS DISTRICT  
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)  
FERRIDAY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

**INTRODUCTION**

The Lake St. John Waterworks District (the District) was created by ordinance of the Concordia Parish Police Jury in 1967. The purpose of the District is to process and distribute water in the Lake St. John area. The District is governed by five commissioners appointed by the Concordia Parish Police Jury. The commissioners serve five-year terms which expire on a rotating basis. The District is located in an area including Lake St. John and Lake Concordia in East Central Louisiana. The District has approximately 637 customers. The District has one full-time and three part-time employees.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Lake St. John Waterworks District, a component unit of the Concordia Parish Police Jury, is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the management who is responsible for their integrity and objectivity.

**A. Financial Statement Presentation**

The accompanying component unit financial statements of the District have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. Reporting Entity**

The District is a component unit of the Concordia Parish Police Jury, the financial reporting entity. The Police Jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**C. Fund Accounting**

The Lake St. John Waterworks District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

**LAKE ST. JOHN WATERWORKS DISTRICT  
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)  
FERRIDAY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

**E. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. For example, cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**F. Inventories**

Inventories consist of supplies and are recorded as an expense when consumed. Inventories are valued at the lower of cost (first-in, first-out; last-in, first-out; etc.) or market.

**G. Prepaid Expenses**

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

**H. Plant and Equipment**

Fixed assets of the District are included on the balance sheet of the fund. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Fixed assets reported on the balance sheet are net of accumulated depreciation. Depreciation is computed using the straight line method over the estimated useful lives of 5 to 50 years.

**I. Bad Debts**

Bad debts are collectible amounts of customer utility receivables.

**J. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the financial position of the District.

**K. Accumulated Unpaid Sick Pay and Unpaid Vacation**

The District has no policy concerning accumulated unpaid sick pay and vacation time. The sick pay policy allows for paid sick days for employees, but there is no accrual for sick time. The vacation policy allows for one week paid vacation after one year of service and two weeks paid vacation after ten years of service.

**LAKE ST. JOHN WATERWORKS DISTRICT  
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)  
FERRIDAY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. Uses of Estimates**

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

**NOTE 2 - CASH AND CASH EQUIVALENTS**

At December 31, 2017, the District had cash and cash equivalents (book balances) totaling \$ 353,943 as follows:

Demand deposits	\$	79,652
Time deposits		274,118
Cash on hand		<u>173</u>
Total	\$	<u>353,943</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 acceptable to both parties.

At December 31, 2017, the District's total deposits with financial institutions (collected bank balances) were \$356,335. These deposits are secured from risk by \$356,335 of federal deposit insurance and pledged securities.

**NOTE 3 - ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Customers' utilities	\$ 22,772	\$ 22,963
Allowance for bad debts	<u>(2,000)</u>	<u>(2,000)</u>
Total	<u>\$ 20,772</u>	<u>\$ 20,963</u>

**NOTE 4 - RESTRICTED ASSETS**

Certain cash accounts are restricted for customer deposits. The amount restricted was \$33,235 and \$32,335 at December 31, 2017 and 2016, respectively.

**LAKE ST. JOHN WATERWORKS DISTRICT  
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)  
FERRIDAY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

**NOTE 5 - PLANT AND EQUIPMENT**

A summary of plant and equipment at December 31, 2017, is as follows:

	Beginning Balance 1/1/2017	Increase	Decrease	Ending Balance 12/31/2017
Capital assets not being depreciated				
Land	\$ 2,820	\$ -	\$ -	\$ 2,820
Capital assets being depreciated				
Furniture and fixtures	\$ 13,365	\$ -	\$ -	\$ 13,365
Distribution system, tanks, and meters	739,575	93,400	-	832,975
Equipment	11,447	-	-	11,447
Water well	59,182	-	-	59,182
Total capital assets being depreciated	\$ 823,569	\$ 93,400	\$ -	\$ 916,969
Less accumulated depreciation	\$ (594,720)	\$ (29,434)	\$ -	\$ (624,154)
Total capital assets being depreciated, net	\$ 228,849	\$ 63,966	\$ -	\$ 292,815
Total capital assets, net	\$ 231,669	\$ 63,966	\$ -	\$ 295,635

A summary of plant and equipment at December 31, 2016, is as follows:

	Beginning Balance 1/1/2016	Increase	Decrease	Ending Balance 12/31/2016
Capital assets not being depreciated				
Land	\$ 2,820	\$ -	\$ -	\$ 2,820
Capital assets being depreciated				
Furniture and fixtures	\$ 11,467	\$ 1,898	\$ -	\$ 13,365
Distribution system, tanks, and meters	542,046	197,529	-	739,575
Equipment	11,447	-	-	11,447
Water well	59,182	-	-	59,182
Total capital assets being depreciated	\$ 624,142	\$ 199,427	\$ -	\$ 823,569
Less accumulated depreciation	\$ (570,180)	\$ (24,540)	\$ -	\$ (594,720)
Total capital assets being depreciated, net	\$ 53,962	\$ 174,887	\$ -	\$ 228,849
Total capital assets, net	\$ 56,782	\$ 174,887	\$ -	\$ 231,669

**LAKE ST. JOHN WATERWORKS DISTRICT  
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)  
FERRIDAY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

**NOTE 6 - RETIREMENT COMMITMENTS**

The District's employees are all members of the social security system and are members of no other retirement plan. The expense of the social security is reflected in the payroll taxes account in the statement of revenues and expenses.

**NOTE 7 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

The District does not accrue unpaid vacation pay on its financial statements and does not allow the carryover of unused vacation pay from one year to the next. The District has no policy for accrued vacation pay for terminated employees.

**NOTE 8 - RISK MANAGEMENT**

The District is exposed to certain risks of losses such as property damage, liability issues, and other potential losses that may occur. The District minimizes its losses by purchase of commercial insurance. The District's exposure over the amount of insurance is considered to be immaterial.

**SECTION III**  
**OTHER SUPPLEMENTARY INFORMATION**

LAKE ST. JOHN WATERWORKS DISTRICT  
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)  
 FERRIDAY, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

DECEMBER 31, 2017

A schedule of compensation paid to Board Members is presented below, in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature:

William Coleman, President	\$	80
Paul Herring, Vice President		160
Micki Smith, Vice President		40
Jackie Hickman, Secretary		120
Tim Sessions, Director		160
Francis Freeman, Director		<u>200</u>
 Total	 \$	 <u><u>760</u></u>

See Independent Auditor's Report.

LAKE ST. JOHN WATERWORKS DISTRICT  
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)  
FERRIDAY, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

DECEMBER 31, 2017

Agency Head Name: William Coleman, President

Per diem \$ 80

See Independent Auditor's Report.

**SECTION IV**

**REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**



209 N. Commerce Street  
P.O. Box 1027  
Natchez, Mississippi 39121-1027  
Telephone: 601.442.7411  
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[www.silassimmons.com](http://www.silassimmons.com)

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

To the Board of Directors  
Lake St. John Waterworks District  
Ferriday, 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 business activities and the aggregate remaining fund information of the Lake St. John Waterworks District, a component unit of the Concordia Parish Police Jury, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Lake St. John Waterworks District's basic financial statements and have issued our report thereon dated March 16, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lake St. John Waterworks District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lake St. John Waterworks District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lake St. John Waterworks District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control that we consider to be a material weakness.

*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. We consider the deficiency described in the accompanying schedule of findings to be a material weakness: 2017-01.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake St. John Waterworks 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Lake St. John Waterworks District's Response to Findings

Lake St. John Waterworks District's response to the findings identified in our audit is described in the accompanying schedule of findings. Lake St. John Waterworks District's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

## 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.

This report is intended for the information and use of management of the Lake St. John Waterworks District, the Concordia Parish Police Jury, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Natchez, Mississippi  
March 16, 2018

**SECTION V**  
**SCHEDULE OF FINDINGS**

**LAKE ST. JOHN WATERWORKS DISTRICT  
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)  
FERRIDAY, LOUISIANA**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Section I: Summary of Auditor's Results**

1. Type of auditor's report issued on the government financial statements:

Business-type activities	Unmodified
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2. Internal control over financial reporting:

a. Material weakness(es) identified?	Yes
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b. Significant deficiency(s) identified that are not considered to be material weaknesses?	No
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3. Noncompliance material to the government financial statements?	No
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**LAKE ST. JOHN WATERWORKS DISTRICT  
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)  
FERRIDAY, LOUISIANA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Section II - Financial Statement Findings:**

2016-1      **Segregation of Duties (Internal Control Finding)**

Condition: Because of the small size of the District and the small number of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the District's assets.

Criteria: Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving, and check-writing.

Cause of Condition: Small entity with very few employees.

Effect of Condition: Material weakness in internal controls.

Recommendation: We recommend that the Board continue to provide the necessary oversight in its internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Contact Person: Sylvia Bunch

Anticipated Completion Date: N/A

**Section II - Internal Control and Compliance Material to Federal Awards:**

None

**Section III - Management Letter:**

None

LAKE ST. JOHN WATERWORKS DISTRICT  
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)  
 FERRIDAY, LOUISIANA

DECEMBER 31, 2017 AND 2016

SCHEDULE OF CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND  
 CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED DECEMBER 31, 2017

**Section II - Financial Statement Findings:**

2017-1      Segregation of Duties (Internal Control Finding)

Condition: Because of the small size of the District and the small number of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the District's assets.

Criteria: Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving, and check-writing.

Cause of Condition: Small entity with very few employees.

Effect of Condition: Material weakness in internal controls.

Recommendation: We recommend that the Board continue to provide the necessary oversight in its internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Contact Person: Sylvia Bunch

Anticipated Completion Date: N/A

**Section II - Internal Control and Compliance Material to Federal Awards:**

None

**Section III - Management Letter:**

None