

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1
Cameron, Louisiana

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 2018

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CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Management's Discussion and Analysis

The Management's Discussion and Analysis of the Cameron Parish Water and Wastewater District No. 1 presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2018. 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 additional information contained in the financial statements.

FINANCIAL HIGHLIGHTS

- * The District's assets exceeded its liabilities by \$4,895,472 (net position).
- * Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$1,743,031 includes property and equipment, net of accumulated depreciation.
 - (2) Net position - unrestricted of \$3,152,441 represents the portion available to maintain the District's continuing obligations to customers and creditors.
- * Total revenues of \$438,175 were less than total expenditures of \$576,972, which resulted in a current year deficit of \$138,797, compared to the prior year deficit of \$302,151.
- * Charges for services decreased by \$4,393 or 1.7% after decreasing by \$7,732 or 2.9% last year.
- * The District continues to operate without the need for debt borrowings.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments.

Management's Discussion and Analysis

Basic Financial Statements

These financial statements consist of two sections – Management's Discussion and Analysis (this section) and the basic financial statements, including the notes to the financial statements.

Continued

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Management's Discussion and Analysis – Continued

The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

The Statement of Net Position presents all of the District's assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, with the difference reported as net position. Net position may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the District's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position is reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how the District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash from operating activities (indirect method) as required by GASB 34.

The notes provided additional information that is essential to a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District as a whole. The District's net position at fiscal year-end is \$4,895,472. The following table provides a summary of the District's net position:

	<u>2018</u>	<u>2017</u>
Current assets	\$ 3,497,153	\$ 3,640,421
Capital assets	1,743,031	1,835,491
Other assets	<u>11,662</u>	<u>-</u>
Total assets	5,251,846	5,475,912
Deferred outflows of resources	<u>30,139</u>	<u>47,976</u>
Total liabilities	<u>332,959</u>	<u>256,769</u>
Deferred outflows of resources	<u>53,554</u>	<u>6,004</u>
Net position:		
Net investment in capital assets	1,743,031	1,835,491
Net position - unrestricted	<u>3,152,441</u>	<u>3,425,624</u>
Total net position	<u>\$ 4,895,472</u>	<u>\$ 5,261,115</u>

Continued

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Management's Discussion and Analysis - Continued

Net position from revenues and expenses of the District decreased by \$138,797 for the year ended December 31, 2018.

	<u>2018</u>	<u>2017</u>
Operating revenues	\$ 256,873	\$ 261,266
Operating expenses	<u>576,972</u>	<u>636,210</u>
Operating income (loss)	(320,099)	(374,944)
Non-operating revenues (expenses)	<u>181,302</u>	<u>72,793</u>
Net increase (decrease) in net assets	<u>\$ (138,797)</u>	<u>\$ (302,151)</u>

The District's operating revenues are derived primarily from fees for water and sewer services. The District's operating revenues are insufficient to cover operating expenses and must rely on ad valorem taxes to supplement income.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's net investment in capital assets as of December 31, 2018, was \$1,835,491. See Note C for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	<u>2018</u>	<u>2017</u>
Nondepreciable assets – land	\$ 77,750	\$ 77,750
Depreciable assets:		
Buildings	92,829	92,829
Distribution System	5,201,182	5,201,182
Equipment	<u>257,308</u>	<u>249,998</u>
Total depreciable assets	5,551,319	5,544,009
Less accumulated depreciation	<u>3,886,038</u>	<u>3,786,268</u>
Book value-depreciable assets	<u>1,665,281</u>	<u>1,757,741</u>
Percentage depreciated	<u>70%</u>	<u>68%</u>
Book value-all assets	<u>\$ 1,743,031</u>	<u>\$ 1,835,491</u>

Continued

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Management's Discussion and Analysis - Continued

Debt

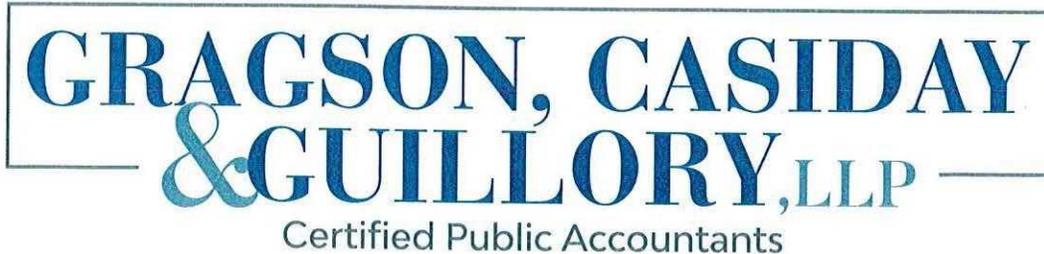
The District has no debt.

ECONOMIC CONDITIONS AFFECTING THE DISTRICT

Since the primary revenue stream for the District is charges for revenue, the District's revenues are subject to changes in the economy.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the District's Office Manager, P.O. Box 960, Cameron, LA 70631.



RAYMOND GUILLORY, JR., C.P.A.
COY T. VINCENT, C.P.A.
MICHELLE LEE, C.P.A.
BRADLEY J. CASIDAY, C.P.A., C.V.A.
GRAHAM A. PORTUS, E.A.
KATHRYN BLESSINGTON, C.P.A.
JACKLYN BARLOW, C.P.A.
BRIAN MCCAIN, C.P.A.
BLAKE MANUEL, C.P.A.

INDEPENDENT AUDITORS' REPORT

May 31, 2019

Board of Commissioners
Cameron Parish Water and Wastewater District No. 1
Cameron, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Cameron Parish Water and Wastewater District No. 1, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Cameron Parish Water and Wastewater District No. 1's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 from 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 auditors' 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.

145 East Street • Lake Charles, LA 70601

Mailing Address: P.O. Drawer 1847 • Lake Charles, LA 70602-1847

phone: 337.439.1986 • fax: 337.439.1366 • www.gcgcpa.com

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 of Cameron Parish Water and Wastewater District No. 1 as of December 31, 2018, and the respective changes in financial position and the cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress, schedule of employer's proportionate share of net pension liability and schedule of employer contributions on pages 3 through 6 and 33 through 35, respectively 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 the 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted principally 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 of the financial statements that collectively comprise the Cameron Parish Water and Wastewater District No. 1's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is the responsibility of management and was derived from and relate 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 accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional

Cameron Parish Water and Wastewater District No. 1
May 31, 2019
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procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2019, on our consideration of Cameron Parish Water and Wastewater District No. 1's internal control over financial reporting and 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 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 Cameron Parish Water and Wastewater District No. 1's internal control over financial reporting and compliance.

Dragsen, Casiday & Guillory

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Statement of Net Position

December 31, 2018

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets		
Cash	\$ 71,660	\$ 3,476,061
Investments	3,239,562	-
Receivables		
Ad valorem taxes, net	170,524	146,728
Accounts, net	15,407	17,632
Total Current Assets	<u>3,497,153</u>	<u>3,640,421</u>
Property, plant and equipment		
Buildings	92,829	92,829
Distribution system	5,201,182	5,201,182
Furnitures, fixtures and equipment	257,308	249,998
	<u>5,551,319</u>	<u>5,544,009</u>
Less accumulated depreciation	<u>3,886,038</u>	<u>3,786,268</u>
	1,665,281	1,757,741
Land	77,750	77,750
	<u>1,743,031</u>	<u>1,835,491</u>
Other assets		
Net pension asset	<u>11,662</u>	<u>-</u>
TOTAL ASSETS	5,251,846	5,475,912
DEFERRED OUTFLOWS OF RESOURCES	<u>30,139</u>	<u>47,976</u>
LIABILITIES		
Current Liabilities		
Accounts payable	58,606	136,946
Accrued liabilities	4,707	4,426
Total Current Liabilities	<u>63,313</u>	<u>141,372</u>
Long-term Liability		
Net pension liability	-	33,941
Net OPEB Obligation	269,646	81,456
TOTAL LIABILITIES	<u>332,959</u>	<u>256,769</u>
DEFERRED INFLOWS OF RESOURCES	<u>53,554</u>	<u>6,004</u>
NET POSITION		
Net investment in capital assets	1,743,031	1,835,491
Net position - unrestricted	3,152,441	3,425,624
TOTAL NET POSITION	<u>\$ 4,895,472</u>	<u>\$ 5,261,115</u>

See accompanying notes.

GRAGSON, CASIDAY & GULLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Statement of Revenues, Expenses
and Changes in Net Position

Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES		
Charges for services-water	\$ 144,238	\$ 161,010
Charges for services-sewer	79,183	80,996
Fees and installation charges	9,262	9,694
Miscellaneous revenue	24,190	9,566
TOTAL OPERATING REVENUES	<u>256,873</u>	<u>261,266</u>
OPERATING EXPENSES		
Advertising	919	872
Auto	13,717	12,281
Bank charges	1,889	674
Dues	504	700
Depreciation	99,770	99,888
Equipment rental	4,271	2,490
Employee benefits - OPEB	8,752	19,830
Insurance - general	9,115	10,001
Insurance - health	34,678	36,732
Licenses and permits	2,665	2,715
Maintenance	101,482	80,424
Miscellaneous	12,774	9,867
Office supplies	15,817	15,445
Per diem	2,700	3,000
Professional fees	9,097	7,000
Rent	11,524	11,298
Retirement	17,927	27,495
Salaries	140,843	142,665
Supplies	20,188	85,822
Taxes	3,139	3,224
Telephone	7,781	7,930
Travel	557	1,400
Utilities	56,863	54,457
TOTAL OPERATING EXPENSES	<u>576,972</u>	<u>636,210</u>
OPERATING INCOME (LOSS)	(320,099)	(374,944)

Continued

See accompanying notes.

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Statement of Revenues, Expenses
and Changes in Net Position- Continued

Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
NON-OPERATING REVENUES (EXPENSES)		
Ad valorem taxes, net	\$ 131,560	\$ 147,982
Interest income	49,742	2,940
Gain on sale of fixed assets	-	7,335
FEMA reimbursements	-	(85,464)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>181,302</u>	<u>72,793</u>
CHANGE IN NET POSITION	(138,797)	(302,151)
NET POSITION - BEGINNING	5,261,115	5,563,266
Prior period adjustment	(226,846)	-
NET POSITION - BEGINNING - RESTATED	<u>5,034,269</u>	<u>5,563,266</u>
NET POSITION - ENDING	<u>\$ 4,895,472</u>	<u>\$ 5,261,115</u>

See accompanying notes.

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Statement of Cash Flows

Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers and others	\$ 259,098	\$ 262,498
Payments for supplies and services	(464,396)	(285,168)
Payments to employees	(140,843)	(130,154)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(346,141)</u>	<u>(152,824)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	131,560	147,982
FEMA reimbursements	-	(85,464)
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>131,560</u>	<u>62,518</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of fixed assets	-	7,335
Purchase of fixed assets	-	(12,955)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-	(5,620)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(3,239,562)	-
Interest on investments	49,742	2,940
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(3,189,820)</u>	<u>2,940</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,404,401)	(92,986)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,476,061</u>	<u>3,569,047</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 71,660</u>	<u>\$ 3,476,061</u>

See accompanying notes.

Continued

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Statement of Cash Flows - Continued

Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (320,099)	\$ (374,944)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation	99,770	99,888
(Increase) decrease in		
Accounts receivable	2,225	(1,022)
Ad valorem taxes receivable	(23,796)	26,752
Deferred outflows	17,837	(47,323)
Increase (decrease) in		
Accounts payable	(85,650)	12,468
Accrued liabilities	281	(9,655)
Net pension liability	(45,603)	49,153
Net OPEB obligation	(38,656)	11,307
Deferred inflows	47,550	6,246
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (346,141)</u>	<u>\$ (227,130)</u>

See accompanying notes.

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cameron Parish Water and Wastewater District No. 1 was created by the Cameron Parish Police Jury under the provisions of Louisiana Revised Statutes 33:3811 for the purpose of providing water to the Cameron areas of the Parish. The District is governed by a board of commissioners composed of five members.

1. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity for Cameron Parish Water and Wastewater District No. 1. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Cameron Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints a voting majority to the board and has the ability to impose its will, the District was determined to be a component unit of the Cameron Parish Police Jury, the financial reporting entity. 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 the governmental unit, or the other governmental units that comprise the financial reporting entity.

Continued

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation

The accompanying financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments", issued in June 1999.

The financial statements of the District are prepared on the accrual basis of accounting. Whereby revenues are recognized when earned and expenses are recognized when incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The operating revenues of the District come from metered sales to residential and commercial customers as well as service connection charges and penalties from late payment of bills. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. Cash and investments

Cash

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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, 2018, the District has \$84,368 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance.

Continued

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments

State statutes authorize the District to invest in Louisiana Asset Management Pool (LAMP), U.S. Treasury notes and bonds, U.S. agency securities, and other governmental debt obligations with limited exceptions as noted in LA-R.S. 33.2955. Investments in time certificates of deposits can be placed with state banks, national banks or federal credit unions as permitted in state statute. Corporate bonds can purchased with from companies incorporated in the United States, with a Standards and Poor's credit rating of AA- and have a maturity date of 5 years or less.

As of December 31, 2018, the District had its assets in money market instruments, certificates of deposits, U.S. Treasury notes, U.S. agency securities and municipal bonds held in custody by financial institutions. The below schedule identifies the investments by type:

Type of Debt Investment	Fair Value	Maturity			Credit Rating (Standards and Poor's)
		Less than 1 Year	1 to 5 Years	6 to 10 Years	
Investments at fair value					
U.S. Treasury Bills	\$ 1,523,028	\$ 1,523,028	\$ -	\$ -	AA+
Subtotal	\$ 1,523,028	\$ 1,523,028	\$ -	\$ -	
Investments measured at the net asset value (NAV)					
External Investment Pool	\$ 1,716,534	\$ 1,716,534	\$ -	\$ -	AAAm
Subtotal	\$ 1,716,534	\$ 1,716,534	\$ -	\$ -	
Total Investments	\$ 3,239,562	\$ 3,239,562	\$ -	\$ -	

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of December 31, 2018:

Level 1 inputs – U.S. Treasury Bills totaling \$1,523,028.

Interest Rate Risk: The District's policy on investments states that safety of principal is the foremost objective, followed by liquidity and yield. Each investment transaction shall seek to first insure that capital losses are avoided no matter the sources.

Continued

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Credit Rate Risk: The District's has investments in an external investment pool \$1,716,534 that is rated AAAM by Standard & Poor's. Its policy states that investment decisions should not incur unreasonable risks in order to obtain current investment income and requires the overall quality rating to be no lower than AA- as measured by Standard & Poor's or the equivalent rating (Aa3) by Moody's Investor Service.

Concentration of Credit Risk: The District's investment portfolio had concentration of credit risk on December 31, 2018 due to the holdings of securities issued by the following U.S. Treasury Bills that are both permitted by Statute and by the District's Investment Policy. The District's investment portfolio consisted of 47% in U.S. Treasury Bills and 53% in money market investments in LAMP.

Custodial Credit Risk-Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's policy addresses custodial credit risk for investments by requiring that they must be held by national banks, state-chartered banks or a national or state trust company in the name of the Town.

The \$1,716,534 in money market 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. LAMP is a governmental investment pool that reports at fair value. The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAAM by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Continued

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.

4. Accounts Receivable

The District utilizes the allowance method to recognize doubtful accounts. The allowance for doubtful accounts at December 31, 2018 was \$14,937.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for water and sewer user fees. The District's ability to collect the amounts due from the users of the District system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disasters or other calamity in this one concentrated geographic location.

5. Compensated Absences

The District has the following policy relating to vacation and sick leave:

Vacation – 5-25 days per year depending on length of service

Sick Leave – 12-18 days per year, depending on length of service

The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Continued

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

GASB Statement No. 16 also provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

At December 31, 2018, the District had an accrual for compensated absences of \$4,518.

6. Statement of Cash Flow

For purpose of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less when purchased to be cash equivalents.

7. Net Position

In the financial statements, equity is classified as net assets and displayed in three components:

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

Continued

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

When an expenditure is incurred for the purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the District to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the District the committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

8. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

9. Subsequent Events

Management has evaluated subsequent events through May 31, 2019 the date the financial statements were available to be issued.

10. Comparative Data

Comparative totals for the prior have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

NOTE B – AD VALOREM TAXES

For the year ended December 31, 2018, taxes of 6.5 mills were levied on property with taxable assessed valuations totaling \$21,261,438.

Total taxes levied were	<u>\$ 157,335</u>
-------------------------	-------------------

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE C – PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are valued at historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Buildings	9-40 years
Distribution system	40-50 years
Furniture, fixtures and equipment	5-10 years

A summary of changes in fixed assets for the year ended December 31, 2018 are as follows:

	Fixed Assets			End of Year
	Beginning of Year	Additions	Deletions	
Buildings	\$ 92,829	\$ -	\$ -	\$ 92,829
Distribution system	5,201,182	-	-	5,201,182
Equipment and furniture	249,998	7,310	-	257,308
Land	77,750	-	-	77,750
	5,621,759	\$ 7,310	\$ -	5,629,069
Less accumulated depreciation	<u>3,786,268</u>			<u>3,886,038</u>
TOTALS	<u>\$ 1,835,491</u>			<u>\$ 1,743,031</u>

Depreciation expense was \$99,770 for the year ended December 31, 2018.

NOTE D - RETIREMENT COMMITMENTS

The District participates in a state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the District's full-time employees. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. Additional disclosures with respect to the District's participation in these systems are provided below.

Continued

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

Parochial Employees' Retirement System

The System is composed of two district plans, Plan A and Plan B with separate assets and benefit provisions. Employees of the District are members of Plan A. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least twenty-eight hours per week and not participating in another public funded retirement system. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the system. Under Plan A, employees hired prior to January 1, 2007 can retire at any age with 30 or more years of creditable service, age 55 with 25 years of creditable service, age 60 with 10 years of creditable service, or age 65 with 7 years of creditable service. Employees hired after January 1, 2007 can retire at age 55 with 30 or more years of creditable service, age 62 with 10 years of creditable service, or age 67 with 7 years of creditable service. Retirees are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final average compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or jointed months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Parochial Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, LA 70898.

Plan members are required to contribute 9.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 11.5% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the System's Board of Trustees. The District's contributions to the System for the year ended December 31, 2018 totaled \$13,319.

At December 31, 2018, the District reported an asset of \$11,662 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2017, the District's proportion was .0157121%.

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

For the year ended December 31, 2018, the District recognized pension expense of \$17,927 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$384. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 7,549
Difference between expected and actual assumption	14,719	-
Difference between expected and actual investment	-	26,943
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	9	1,795
Contributions subsequent to the measurement date	<u>13,319</u>	<u>-</u>
Total	<u>\$ 28,047</u>	<u>\$ 36,287</u>

\$13,319 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Amount</u>
2019	\$ 1,267
2020	(2,233)
2021	(9,529)
2022	(11,063)
2023	-
Thereafter	-

Actuarial methods and assumption. The total pension liability in the December 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75% (Net of investment expense)
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A – 5.25% (2.75% Merit/2.50% Inflation)
Cost of Living Adjustments	The present values of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet amortized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Health Annuitant Sex Distinct Table was selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

The discount rate used to measure the total pension liability was 6.75% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System'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.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations and projected on a forward looking basis in equilibrium,

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

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 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017.

Best estimates of arithmetic real rates of return for major asset class included in the System's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real assets	2%	0.12%
Total	100%	5.62%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.62%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent of the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Sensitivity to changes in discount rate. The following presents the net pension liability of the District calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate.

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

	Changes in Discount Rate		
	Plan A		
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 57,499	\$ (11,662)	\$ (23,209)

NOTE E - PER DIEM

In accordance with Louisiana Revised Statute 33:3819, per diem is allowed not to exceed \$60 per meeting attended, up to twenty-four regular meetings and twelve special meetings. The Board has approved per diem at \$60.

Per diem paid commissioners for the year ended December 31, 2018 were as follows:

James Boudreaux	\$ 240
Hans Petersen	660
Christine Mooney	420
Crystal Alexander	300
Darlene Higgins	420
Fred Sanders	660
	<u>\$ 2,700</u>

NOTE F - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past four fiscal years.

NOTE G - LAND LEASE

On January 1, 1982, the District leased 7 acres for sewer pond use for a period of 40 years. The District agreed to care for and maintain the grounds and improvements of the leased premises and to use the leased premises specifically for such activities as related to matters of the District in the area served by the lease. The initial lease was for \$3,555 per year, to increase each year by the CPI. For the year ended December 31, 2018, lease expense was \$11,524.

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE H – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – Cameron Water provides certain continuing health care and life insurance benefits for its retired employees. Cameron Water's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by Cameron Water. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with Cameron Water. 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 and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: 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, 2007 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.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. A level \$20,000 amount of insurance coverage while active is continued after retirement.

Employees covered by benefit terms – At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	3
	<hr/>
	7
	<hr/>

Total OPEB Liability

Cameron Water's total OPEB liability of \$269,646 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE H – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS -
CONTINUED

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	3.44% annually (Beginning of Year to Determine ADC)
	4.10%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2018.

Changes in the Total OPEB Liability

Balance at December 31, 2017	\$ 293,126
Changes for the year:	
Service cost	4,406
Interest	10,159
Differences between expected and actual experience	2,266
Changes in assumptions	(18,706)
Benefit payments and net transfers	(21,605)
Net changes	(23,480)
Balance at December 31, 2018	\$ 269,646

Continued

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE H – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS -
CONTINUED

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of Cameron Water, as well as what Cameron Water's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current discount rate:

	1.0% Decrease (3.10%)	Current Discount Rate (4.10%)	1.0% Increase (5.10%)
Total OPEB liability	\$ 298,346	\$ 269,646	\$ 245,090

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of Cameron Water, as well as what Cameron Water's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 250,595	\$ 269,646	\$ 291,498

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

For the year ended December 31, 2018, Cameron Water recognized OPEB expense of \$13,301. At December 31, 2018, Cameron Water 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	\$ 2,091	\$ -
Changes in assumptions		(17,267)
Total	\$ 2,091	\$ (17,267)

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Notes to Financial Statements

December 31, 2018

NOTE H – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS -
CONTINUED

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 December 31:	Amount
2019	(1,265)
2020	(1,265)
2021	(1,265)
2022	(1,265)
2023	(1,265)
Thereafter	(8,852)

NOTE I – TAX ABATEMENTS

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millages in force at the time. The future value of this exempt property could be subject to significant fluctuation from today's value; however, the District could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. All applicable agreements have been entered into by the Cameron Parish Police Jury and directly affect the Districts' ad valorem assessments. Because these taxes are not assessed or due, no adjustments have been made to the District's financial statements to record a receivable. As of December 31, 2018 \$612,000,000 of assessed property in the District's taxing jurisdiction is receiving this exemption, which amounts to \$4,528,800 in ad valorem taxes.

NOTE J – PRIOR PERIOD ADJUSTMENT

The beginning net position has been restated to reflect the following adjustments for the implementation of GASB 75:

	Amount
Net position at December 31, 2017	\$ 5,261,115
Other Post-Employment Benefits Payable	(226,846)
Net position at December 31, 2017, restated	\$ 5,034,269

REQUIRED SUPPLEMENTAL INFORMATION

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Schedule of Changes in Net OPEB Liability and Related Ratios

Year Ended December 31, 2018

Total OPEB Liability	
Service cost	\$ 4,406
Interest	10,159
Changes of benefit terms	-
Differences between expected and actual experience	2,266
Changes of assumptions	(18,706)
Benefit payments	(21,605)
Net change in total OPEB Liability	<u>(23,480)</u>
Total OPEB liability - beginning	<u>293,126</u>
Total OPEB liability - ending (a)	<u><u>\$ 269,646</u></u>
Covered-employee payroll	\$ 123,760
Net OPEB liability as a percentage of covered-employee payroll	217.88%

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended December 31, 2018.

Changes of Assumption. The discount rate as of 12/31/2017 was 3.44% and it changed to 4.10% as of 12/31/2018.

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

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Schedule of Employer's Proportionate Share of Net Pension Liability

Year Ended December 31, 2018

Parochial Employees' Retirement System of Louisiana

	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Employer's portion of the net pension liability (asset)	0.01571%	0.01648%	0.02087%	0.21197%
Employer's proportionate share of the net pension liability (asset)	\$ (11,662)	\$ 33,941	\$ 54,948	\$ 5,795
Employer's covered payroll	\$ 140,563	\$ 141,256	\$ 183,458	\$ 181,156
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-8.30%	24.03%	29.95%	3.20%
Plan fiduciary net position as a percentage of the total pension liability	101.98%	94.15%	92.23%	99.14%

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

*The amounts presented have a measurement date of December 31, 2017.

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Schedule of Employer Contributions

Year Ended December 31, 2018

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Parochical Employees' Retirement System of Louisiana					
2015	\$ 23,697	\$ 23,697	\$ -	\$ 181,156	13.1%
2016	\$ 21,650	\$ 21,650	\$ -	\$ 183,458	11.8%
2017	\$ 15,192	\$ 15,192	\$ -	\$ 141,256	10.8%
2018	\$ 13,319	\$ 13,319	\$ -	\$ 140,563	9.5%

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

OTHER INFORMATION

CAMERON PARISH WATER AND WASTEWATER DISTRICT NO. 1

Schedule of Compensation, Benefits and Other Payments
To Chief Executive Officer

Year Ended December 31, 2018

Chief Executive Officer: Hans Petersen, Board President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	660
Reimbursements	-
Travel	-
Registration fees	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing Unvouchered expenses	-
Special meals	-

GRAGSON, CASIDAY & GUILLORY, LLP

Certified Public Accountants

RAYMOND GUILLORY, JR., C.P.A.
COY T. VINCENT, C.P.A.
MICHELLE LEE, C.P.A.
BRADLEY J. CASIDAY, C.P.A., C.V.A.
GRAHAM A. PORTUS, E.A.
KATHRYN BLESSINGTON, C.P.A.
JACKLYN BARLOW, C.P.A.
BRIAN MCCAIN, C.P.A.
BLAKE MANUEL, C.P.A.

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

May 31, 2019

Board of Commissioners
Cameron Water and Wastewater District No. 1
Cameron, Louisiana

We have audited, 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, the financial statements of the business-type activities of the Cameron Water and Wastewater District No. 1, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Cameron Water and Wastewater District No. 1's basic financial statements, and have issued our report thereon dated May 31, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cameron Water and Wastewater District No. 1'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 Cameron Water and Wastewater District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of Cameron Water and Wastewater District No. 1'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cameron Water and Wastewater District No. 1's financial statements are free of 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*.

Cameron Water and Wastewater District No. 1's Response to Findings

Cameron Water and Wastewater District No. 1's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



CAMERON WATER AND WASTEWATER DISTRICT NO. 1

Schedule of Findings and Responses

Year Ended December 31, 2018

I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial
statements noted? yes no

II – Financial Statement Findings

Finding #2018-001:

Inadequate Segregation of Duties

Condition: Because of the small size of the District's office staff, the opportunity for segregation of duties is limited. Effective internal control requires adequate segregation of duties among entity personnel.

Effect: Without proper segregation of duties, misstatements in amounts may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

Management Response/Corrective Action Planned: Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve appropriate segregation of duties. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, review listings of revenue received and review bank reconciliations on a monthly basis.

III – Federal Award Findings and Questioned Costs

- N/A

Continued

CAMERON WATER AND WASTEWATER DISTRICT NO. 1

Schedule of Findings and Responses - Continued

Year Ended December 31, 2018

IV – Prior Year Audit Findings

- Finding #2017-001:

Proper segregation of duties for effective internal controls is not in place.

Corrective Actions Taken: None, a repeat finding in 2018.