

SOUTHWEST AVOYELLES WATERWORKS DISTRICT

Bunkie, Louisiana

Financial Statements

For the Year Ended December 31, 2019

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Independent Accountant's Report

To the Board of Commissioners
Southwest Avoyelles Waterworks District
of Avoyelles Parish

I have reviewed the accompanying basic financial statements of the business-type activities of S.W. Avoyelles Waterworks District, a component unit of the Avoyelles Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements do not purport to present fairly the financial position of the Police Jury as of December 31, 2019, and changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of District's management. A review is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express an opinion.

Management's Responsibility For The Financial Statements

The management of the S.W. Avoyelles Waterworks District of Avoyelles Parish is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in conformity with generally accepted accounting principles generally accepted in the United States of America.

Required Supplementary Information

Management has omitted the management's discussion and analysis information that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management.

The accompanying 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 basic financial statements. Such information is the responsibility of management and was derived from, and relates to, the underlying accounting and other records used to prepare the financial statements. The other information has been subject to review procedures applied in my review of the basic financial statements. I am not aware of any material modifications that should be made to the other information. I have not audited the other information and do not express an opinion on such information.

Other Reporting

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated January 10, 2023 on the results of my agreed-upon procedures.

A handwritten signature in black ink, appearing to read "Paul Dauzat". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul Dauzat, CPA
Alexandria, Louisiana
January 10, 2023

SOUTHWEST AVOYELLES WATERWORKS DISTRICT
Bunkie, Louisiana

Proprietary Fund-Enterprise Fund
STATEMENT OF NET POSITION
December 31, 2019

ASSETS

| | |
|-------------------------------------------------|------------------|
| Current Assets | |
| Cash and Cash Equivalents | \$ 37,690 |
| Investments | 27,568 |
| Property Tax Receivable | 42,937 |
| Accounts Receivable, Water Sales | 22,156 |
| Total Current Assets | <u>130,351</u> |
| Restricted Assets | |
| Cash and Cash Equivalents | 197,329 |
| Capital Assets | |
| Capital Assets, Net of Accumulated Depreciation | 717,799 |
| Total Capital Assets | <u>717,799</u> |
| TOTAL ASSETS | <u>1,045,479</u> |

LIABILITIES

| | |
|------------------------------------------------------------|----------------|
| Current Liabilities | |
| Accounts Payable | <u>56,082</u> |
| Current Liabilities (Payable from Restricted Assets) | |
| Revenue Bonds | 14,000 |
| Customer Deposits | 17,300 |
| Accrued Interest Payable | 2,566 |
| Total Current Liabilities (Payable from Restricted Assets) | <u>33,866</u> |
| Long-Term Liabilities | |
| Revenue Bonds Payable | <u>179,000</u> |
| TOTAL LIABILITIES | <u>268,948</u> |

NET POSITION

| | |
|----------------------------------------------------|----------------|
| Invested in Property and Equipment (net of debt) | 522,919 |
| Restricted for Debt Service | 96,759 |
| Unreserved | 156,853 |
| TOTAL NET POSITION | <u>776,531</u> |

The accompanying notes are an integral part of this statement

SOUTHWEST AVOYELLES WATERWORKS DISTRICT
Bunkie, Louisiana

Proprietary Fund-Enterprise Func
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2019

OPERATING REVENUES

Charges for Services - Water Sales and Fees \$ 153,064

OPERATING EXPENSES

| | |
|--------------------------|----------------|
| Cost of Water Sold | 41 |
| Rent | 3,575 |
| Office | 2,663 |
| Telephone and Utilities | 16,901 |
| Bad Debts | 1,530 |
| Repairs and Maintenance | 56,980 |
| Professional Services | 4,100 |
| Contract Services | 43,400 |
| Director Per Diem | 6,625 |
| Insurance | 1,996 |
| Depreciation | 91,054 |
| Other Operating Costs | <u>11,117</u> |
| Total Operating Expenses | <u>239,982</u> |
| Operating Loss | (86,918) |

NONOPERATING REVENUES (EXPENSES)

| | |
|----------------------------------------|----------------|
| Interest Income | 158 |
| Property Tax Revenue | 42,745 |
| Other Income | 9,900 |
| Interest Expense | <u>(8,068)</u> |
| Total Nonoperating Revenues (Expenses) | <u>44,735</u> |

CHANGE IN NET POSITION

(42,183)

Net Position, Beginning

818,714

Net Position, Ending

\$ 776,531

The accompanying notes are an integral part of this statement

SOUTHWEST AVOYELLES WATERWORKS DISTRICT
Bunkie, Louisiana

Proprietary Fund-Enterprise Fund

Statement of Cash Flows

Year Ended December 31, 2019

| | |
|----------------------------------------------------------------------------------------|--------------------------|
| Cash Flows from Operating Activities | |
| Cash Received from Customers | \$ 156,646 |
| Cash Payments to Suppliers for Goods and Services | <u>(97,910)</u> |
| Net Cash Provided by Operating Activities | <u>58,736</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Principal Paid on Notes and Bonds Payable | (13,000) |
| Interest Paid on Notes and Bonds Payable | (8,225) |
| Payment of Contracts and Retainage Payable | - |
| Proceeds of Grant-Avoyelles Parish Police Jury | 9,900 |
| Purchases of Property and Equipment | (92,934) |
| Tax Revenue Collected, Net of Fees | 41,868 |
| Net Cash Provided (Used) for Capital and Related Financing Activities | <u>(62,391)</u> |
| Cash Flows from Investing Activities | |
| Decrease in Investments | (14) |
| Interest Received on Investments | 158 |
| Net Cash Provided by Investing Activities | <u>144</u> |
| Net Increase in Cash and Cash Equivalents | (3,511) |
| Cash and Cash Equivalents, Beginning of Year | <u>238,530</u> |
| Cash and Cash Equivalents, End of Year | <u><u>\$ 235,019</u></u> |
| Reconciliation of Net Income to Net Cash Provided by Operating Activities | |
| Operating Revenue (Loss) | \$ (86,918) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | |
| Depreciation | 91,054 |
| Changes in Assets and Liabilities: | |
| Decrease (Increase) in Accrued Receivable, Water Sales | 222 |
| Increase (Decrease) in Accounts Payable | 51,018 |
| Increase (Decrease) in Customer Deposits | 3,360 |
| Total adjustments | <u>145,654</u> |
| Net Cash Provided by Operating Activities | <u><u>\$ 58,736</u></u> |

The accompanying notes are an integral part of this statement

SOUTHWEST AVOYELLES WATERWORKS DISTRICT
Bunkie, Louisiana

Notes to the Financial Statements

NOTE 1. Summary of Significant Accounting Policies

The Southwest Avoyelles Waterworks District (the "District") was created on March 23, 1973 as a nonprofit corporation as defined in Louisiana Revised Statutes Title 12, Chapter 2. The Corporation operates under a Board of Directors consisting of five (5) members. The following is a summary of certain accounting policies.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments units. Such accounting and reporting procedures also conform to the requirements set forth in the Louisiana Governmental Audit Guide.

A. Basis of Presentation

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

B. Reporting Entity

For financial reporting purposes, these component unit financial statements include all funds and activities that are controlled by the District as an independent political subdivision of the State of Louisiana. Although legally separate from the Avoyelles Parish Policy Jury, the Avoyelles Parish Police Jury appoints the Board of Directors and has the ability to impose its will on the District, and therefore, is considered to be a component unit of the Avoyelles Parish Police Jury (primary government), the financial reporting entity.

C. Fund Accounting

The District uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The District uses an enterprise fund to account for its proprietary fund operations. An enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the "general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

D. Basis of Accounting

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

The District utilizes the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month are recorded in accounts receivable.

E. Fixed Assets and Liabilities

Fixed assets are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

| | |
|---------------------|-----------|
| Equipment | 5-8 Years |
| Buildings | 40 Years |
| Storage Tanks | 50 Years |
| Distribution System | 50 Years |

The District follows the policy of capitalizing interest as a component of the cost of property, plant and equipment for its own use. For the year ended December 31, 2019 there were no interest charges capitalized on fixed assets acquired or constructed.

F. Investments

Investments, which consist of insured money market accounts and interest-bearing demand deposit accounts, are stated at cost, which approximates market.

G. Restricted Assets

Certain proceeds of the Revenue Bonds and Public Improvement Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Also, security deposits paid by customers are classified as restricted assets since they are refundable to the customer.

H. Bad Debts

The allowance method is used to recognize bad debts of accounts receivable. The allowance is determined based upon past history and the aging of accounts receivable as of year-end. The allowance for bad debts at December 31, 2019 was \$12,861.

I. Compensated Absences

The District has no set policy for accumulated vacation, sick pay or other employee benefits. Therefore, no accruals for compensated absences have been made in these financial statements.

J. Statement of Cash Flows

For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments, with maturity of three months or less when purchased to be cash equivalents.

k. Basis of Presentation

Proprietary funds are used to account for ongoing operations and activities that are similar to those often found in the private sector where the intent is that costs of providing goods and services be recovered through user charges. The proprietary fund maintained by the District is the enterprise fund. The enterprise fund is used to report activities for which a fee is charged to external users. This fund accounts for operations that are financed and operated in manner similar to private enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

NOTE 2. Cash and Investments

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the law of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of the state organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2019, the District had cash and interest-bearing deposits (book balances) totaling \$235,019.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. 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 of funds on deposit with the fiscal agent bank. 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. The following is a summary of deposit balances (bank balances) at December 31, 2019, and the related federal insurance:

| | |
|---------------------------------------------------|-------------------|
| Bank Balances | \$ 236,618 |
| Insured by Federal Deposit Insurance Corporation. | <u>\$ 236,618</u> |

NOTE 3. Investments

The investments held by the District are comprised of time deposits with a maturity of six months and one year. The carrying amount approximates market. The following is a summary of investment balances at December 31, 2019 and the related federal insurance:

| | |
|---------------------------------------------------|------------------|
| Bank Balances | \$ 27,568 |
| Insured by Federal Deposit Insurance Corporation. | <u>\$ 27,568</u> |

NOTE 4. Accounts Receivable

The accounts receivable balance at December 31, 2019 consisted of the following:

| | | |
|--------------------------------------|------------------|-------------|
| Billed | | |
| Current | \$ 12,552 | 44% |
| Arrears | 16,189 | 56% |
| Total Billed | <u>28,741</u> | <u>100%</u> |
| Unbilled | 6,276 | |
| Less Allowance for Doubtful Accounts | (12,861) | |
| | <u>\$ 22,156</u> | |

Unbilled receivables represent the estimated billings for water sales from the last date the meters were read in the year of 2018 (approximately the 15th of December) to the end of the year.

NOTE 5. Property Tax Receivable

The property tax revenue for 2019 and the receivable balance at December 31, 2019 consisted of the following:

| | |
|---------------------------------------|------------------|
| Taxable Assessments | \$ 6,379,850 |
| Millage Rate | 0.00670 |
| Property Tax | <u>42,745</u> |
| Collections of Interest and Late Fees | |
| Total Tax Revenue | <u>\$ 42,745</u> |
| Property Tax Receivable | <u>\$ 42,745</u> |

The taxes are levied in October of each year and are payable by January 1 of the following year. The Avoyelles Parish Sheriff bills and collects the taxes. The tax rolls are prepared and certified by the Avoyelles Parish Assessor. These revenues are securing the Public Improvement Bonds payable at FHA. The 6.7 tax millage expires in the year 2019.

NOTE 6. Property and Equipment

A summary of changes in capital assets is as follows:

| | Beginning Balances | Additions | Disposals | Ending Balances |
|-------------------------------|-----------------------|-----------------|-------------|--------------------|
| Land | \$ 1,200 | \$ - | \$ - | \$ 1,200 |
| Equipment | 271,782 | - | - | 271,782 |
| Distribution System | 1,403,434 | 14,827 | - | 1,418,261 |
| Construction in Progress | - | 78,107 | - | 78,107 |
| Less Accumulated Depreciation | (960,497) | (91,054) | - | (1,051,551) |
| Net Depreciable Assets | <u>\$ 715,919</u> | <u>\$ 1,880</u> | <u>\$ -</u> | <u>\$ 717,799</u> |

Depreciation expense for 2019 was \$91,054.

NOTE 7. Changes in Long-Term Debt

The following is a summary of debt transactions of the District for the year ended December 31, 2019:

| | |
|------------------------------------------------------|-------------------|
| Long-Term Obligations Payable, Beginning of the Year | \$ 206,000 |
| Additions | - |
| Reductions | (13,000) |
| Long-Term Obligations Payable, End of the Year | <u>\$ 193,000</u> |

Notes and bonds payable (current and long-term portions) are financed with the Farmers Home Administration (FHA).

Notes and bonds payable at December 31, 2018 consist of the following individual liability:

Revenue Bonds:

| | |
|------------------------------------------------------------------------------------------------|-------------------|
| \$173,000 2016 bonds, bearing interest at 4.5% per annum, final maturity on December 31, 2031 | \$ 151,000 |
| \$57,000 2016 bonds, bearing interest at 2.25% per annum, final maturity on September 1, 2026. | <u>42,000</u> |
| Total Bonds Outstanding at December 31, 2019 | 193,000 |
| Less Amount Due in the Next Year | (14,000) |
| Long-Term Portion of Bonds Payable at December 31, 2019 | <u>\$ 179,000</u> |

Principal and interest payments on the Revenue Bonds, Public Improvement Bonds are due on January 6th of each year.

The Revenue Bonds and the installment note are secured by the revenue derived from operation of the system. The Public Improvement Bonds are secured by the annual levy of ad valorem taxes on all taxable property within the corporate limits of the Waterworks District.

The annual requirements to amortize all notes and bonds outstanding as of December 31, 2019 are as follows:

| <u>Period Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------------|-------------------|------------------|-------------------|
| 2020 | \$ 14,000 | \$ 7,740 | \$ 21,213 |
| 2021 | 14,000 | 7,245 | 21,740 |
| 2022 | 14,000 | 6,750 | 21,245 |
| 2023 | 14,000 | 6,255 | 20,750 |
| 2024 | 15,000 | 5,760 | 20,255 |
| 2025-2029 | 83,000 | 19,890 | 103,085 |
| 2030-2031 | 39,000 | 2,655 | 41,655 |
| Total | <u>\$ 193,000</u> | <u>\$ 56,295</u> | <u>\$ 249,943</u> |

The ordinance authorizing issuance of the revenue bonds created the Water Revenue and Interest Fund and a Water Depreciation and Contingency Fund. The gross revenues of the Waterworks System, after deduction of reasonable expenses of operations and maintenance are pledged to these funds as follows:

Water Revenue and Interest Fund

A transfer from the Water Revenue Fund on or before the 20th day of each month of each year is a sum equal to one-twelfth (1/12) of the total amount of principal and interest falling due in the ensuing year. The transfers shall continue until the fund has 110% of the largest amount of principal and interest maturing in any future fiscal year. At December 31, 2019 the Water Revenue and Interest Sinking Fund had a balance of \$22,014 which meets the 110% requirement.

Water Depreciation and Contingency Fund

A transfer from the Water Revenue Fund on or before the 20th day of each month a sum equal to 5% of the net revenues of the System until a balance of \$25,000 is accumulated in the fund. This fund is to care for extensions, additions, improvements, renewals and replacements necessary to operate the System properly.

All deposits were made to these funds. Activity in these funds for 2019 follows:

| | Reserve Fund | Revenue and Interest Fund | Depreciation Fund |
|------------------------------------|------------------|------------------------------|----------------------|
| Balances at December 31, 2017 | \$ 38,025 | \$ 22,003 | \$ 23,270 |
| Transfers In | - | - | - |
| Interest Earned | 21 | 11 | 12 |
| Amounts Due To/From Other Accounts | - | - | - |
| Payments on Bonds and Notes | - | - | - |
| Balances at December 31, 2018 | <u>\$ 38,063</u> | <u>\$ 22,014</u> | <u>\$ 23,282</u> |

NOTE 8. Retirement Commitments

All work is done by subcontractors, therefore, the District has no responsibility to provide retirement benefits.

NOTE 9. Contributed Capital

Amounts contributed to the enterprise fund for acquisition or construction of fixed assets are recognized as Contributed Capital. Contributed Capital generated through grants externally restricted for capital acquisitions is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. This depreciation is closed to the appropriate contributed capital account and is reflected as an adjustment to net income on the Statement of Revenues, Expenses, and Changes in Net Position.

Contributed Capital for the Water District consist of the following:

| | |
|----------------|-------------------|
| Federal Grants | <u>\$ 639,515</u> |
|----------------|-------------------|

The Contributed Capital is externally restricted for capital acquisitions or construction. Depreciation on the fixed assets acquired by Contributed Capital is treated as a reduction of Contributed Capital and a corresponding increase in net position. In the current year, \$22,967 of Contributed Capital was amortized.

NOTE 10. Board Member's Compensation

The Board of Directors compensation for the year ending December 31, 2019 is as follows:

| Board Members and Compensation | | Per Diem |
|--------------------------------|--------------|----------|
| Byrns Eves | President | \$ 1,375 |
| Fletcher Bubenezer | Board Member | 500 |
| Phyllis Tubre | Board Member | 1,375 |
| Mark Mixon | Board Member | 500 |
| Donnie Newton | Board Member | 1,375 |
| Theresa Edison | Board Member | 1,500 |
| Total Compensation | | \$ 6,625 |

NOTE 11. Customers and Rates

The District's residential rates are as follows:

Minimum charge of \$20.75 for the first 2,000 gallons of water used, with an additional charge of \$4.55 per each additional 1,000 gallons used.

The District's commercial rates are as follows:

Minimum charge of \$28.75 for the first 2,000 gallons of water used, with an additional charge of \$4.55 per each additional 1,000 gallons used.

NOTE 12. Operating Lease

The District is leasing office space on a month-to-month basis for \$325 per month. Lease expense during the year ended December 31, 2019 was \$3,900.

NOTE 13. Subsequent Events

Management has evaluated subsequent events through January 10, 2023 which is the date the financial statements were available to be issued. There were no events that required disclosure.

NOTE 14. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenditures during the period. These estimates include assessing the collectability of accounts receivable and the useful lives of tangible assets.

NOTE 15 Risk Management

The District is exposed to risks of loss in the areas of damage to and destruction of assets, and natural disasters. These risks of loss are managed by purchasing commercial insurance coverages. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTHWEST AVOYELLES WATERWORKS DISTRICT
Bunkie, Louisiana

**Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer**
For the Year Ended December 31, 2019

Name of Agency Head: Byrnes Eves, President

| Purpose | | |
|----------------------------------------------------|----|--------------|
| Salary | \$ | 1,500 |
| Benefits - Insurance | | - |
| Benefits - Retirement | | - |
| Car Allowance | | - |
| Vehicle Provided by Agency | | - |
| Reimbursements | | - |
| Travel | | - |
| Registration Fees | | - |
| Conference Travel | | - |
| Unvouchered Expenses | | - |
| Special Meals | | - |
| Total of Compensation, Benefits and Other Payments | \$ | <u>1,500</u> |

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners
Southwest Avoyelles Waterworks District
of Avoyelles Parish

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of S.W. Avoyelles Waterworks District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Fire District's compliance with certain laws and regulations during the year ended December 31, 2019, included in the *Louisiana Attestation Questionnaire*. Management S.W. Avoyelles Waterworks District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW:

1. Select all expenditures made during the year for material and supplies exceeding \$ 30,000, or public works exceeding \$ 150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law).

There were no expenditures applicable to the public bid law.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of the Board Members as defined by LSA-RS 42:1101-1124 (code of ethics), and a list of outside business interests of the Board Members and employees, as well as their immediate families.

Management provided me with the required list including the information noted.

3. Obtain from management a listing of all employees paid during the period under examination.

There were no employees during the period.

4. Determine whether any of those employees included in the records obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Not Applicable

5. Obtain a list of all disbursements made during the year; and a list of outside business interest of board members' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. There were no instances to report.

BUDGETING

6. Obtain a copy of the legally adopted budget and all amendments.

The District is a proprietary fund therefore, it has no budgetary requirements.

7. Trace the budget adoption and amendments to the minute book.

Not Applicable

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceeded budgeted amounts by more than 5%.

Not Applicable

ACCOUNTING AND REPORTING

9. Randomly select six disbursements made during the period under examination and:

- (a)** Trace payments to supporting documentation as to proper amount and payee.

I examined supporting documentation and found that payment was for the proper amount and made to the correct payee.

- (b)** Determine if payments were properly recorded to the correct fund and general ledger account.

All payments selected were properly recorded to the correct fund and general ledger account.

- (c)** Determine whether payments received approval from proper authorities.

Inspection of the documentation for items selected indicated that the checks were signed by the proper official. No further approval was required.

- (d)** Determine that the schedule of compensation, benefits, and other payments to the agency head or chief executive officer is reported accurately.

Inspection of the records indicated that the schedule of compensation, benefits and other payments to the agency head is accurately presented.

MEETINGS

10. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (open meetings law).

The District complied with this requirement to post meeting notices of each meeting on the District's office building.

DEBT

11. Examine bank deposits for the period under examination and determine whether any such

deposits appear to be proceeds of bank loans, bonds or like indebtedness.

I inspected deposits for the period and noted no deposits that appeared to be such proceeds.

ADVANCES AND BONUSES

12. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

I inspected the records for the year and noted no instances that indicated payments to any District personnel which would constitute bonuses, advances, or gifts.

STATE AUDIT LAW

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513

The District's report was due June 30, 2020. The report is being filed late and not in accordance with R.S. 24:513. (See schedule of current year finds)

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1A. that were subject to the public bid law while the agency was not in compliance with R.S. 24:513 (the audit law).

The District was on the noncompliance list however, management represented it did not enter into any contracts that utilized state funds subject to the bid law.

PRIOR YEAR COMMENTS

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

Prior-year finding of late filing of the report which was not in compliance with RS 24:513 was reported in the year ended June 30, 2018 report. The District has not resolved this matter and a repeat finding is included in this report.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Has I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on internal control or compliance. Accordingly, this report is not suitable for any other purpose. This report is distributed by the Louisiana Legislative Auditor as a public document.



Paul Dauzat
Certified Public Accountant
January 10, 2023

SOUTHWEST AVOYELLES WATERWORKS DISTRICT
Bunkie, Louisiana

Schedule of Current Year Findings for Year Ended December 31, 2019

Finding 2019 -1 Failure to Complete Financial Report within six months after close of the year.

Criteria: Louisiana RS 24:513 requires the financial report be completed and filed with the Legislative Auditor's office within six months after the close of the District's year end.

Condition: Not in compliance with La. RS 24:513.

Cause: Accounting records were not available within six months of District's year end.

Effect: The District was placed in non-compliance status.

Recommendation: The District should ensure that they comply with La. RS 24:513 in a timely manner.

Management's

Response: We are in the process of completing our non-compliant years and will ensure to comply in the future with La. RS 24:513.

REPEAT FINDING

This is a repeat finding from year ended December 31, 2018.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

12-15-22 (Date Transmitted)

PAUL DAUZAT CPA, LLC (CPA Firm Name)

P.O. Box 12359 (CPA Firm Address)

ALEXANDRIA LOUISIANA 71315 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2019 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No [] *N/A*

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No []

The previous responses have been made to the best of our belief and knowledge.

Handwritten signatures and names:
Charles
Mary
Hym

Secretary 12/17/22 Date
Treasurer 12/17/22 Date
President 12/17/22 Date