

CAMERON PARISH WATERWORKS DISTRICT NO. 11  
Grand Lake, Louisiana

ANNUAL FINANCIAL REPORT  
AND INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 2019

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## CAMERON PARISH WATERWORKS DISTRICT NO. 11

### Management's Discussion and Analysis

The Management's Discussion and Analysis of the Cameron Parish Waterworks District No. 11 (the District) presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2019. 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**

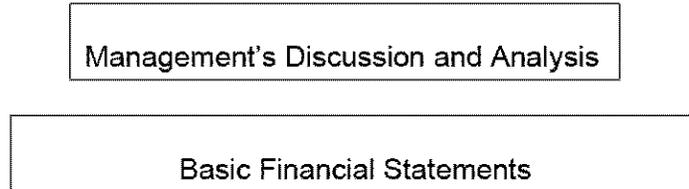
- \* The District's assets exceeded its liabilities by \$2,586,031 (net position).
- \* Total net position is comprised of the following:
  - (1) Net investment in capital assets, of \$1,978,487 include property and equipment, net of accumulated depreciation, and reduced for any outstanding debt related to the purchase or construction of capital assets.
  - (2) Net position of \$33,846 is restricted by constraints imposed from outside the District such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net position of \$573,698 represents the portion available to maintain the District's continuing obligations to citizens and creditors.
- \* Total revenues of \$1,015,795 were less than total expenditures of \$924,502, which resulted in a current year surplus of \$91,293 compared to the prior year's surplus of \$94,671.
- \* Total operating revenues increased by \$18,610 from the prior year, mainly due to an increase in billable water usage. Operating expenses increased by \$36,679 from the prior year, mainly from depreciation and maintenance.

## CAMERON PARISH WATERWORKS DISTRICT NO. 11

### Management's Discussion and Analysis

#### 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.



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.

#### BASIC FINANCIAL STATEMENTS

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.

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District's budget to actual comparison.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Management's Discussion and Analysis

**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 \$2,586,031. The following table provides a summary of the District's net position:

	<u>2019</u>	<u>2018</u>
Current assets	\$ 776,438	\$ 634,483
Capital assets	2,863,487	2,935,266
Other assets	<u>-</u>	<u>20,164</u>
Total assets	3,639,925	3,589,913
Deferred outflows of resources	<u>134,572</u>	<u>53,480</u>
Total liabilities	<u>1,169,913</u>	<u>1,076,848</u>
Deferred inflows of resources	<u>18,553</u>	<u>71,807</u>
Net position:		
Net investment in capital assets	1,978,487	1,980,266
Net position - restricted	33,846	32,162
Net position - unrestricted	<u>573,698</u>	<u>482,310</u>
Total net position	<u>\$ 2,586,031</u>	<u>\$ 2,494,738</u>

Net position from revenues and expenses of the District increased by \$91,293 for the year ended December 31, 2019.

	<u>2019</u>	<u>2018</u>
Operating revenues	\$ 816,169	\$ 797,559
Operating expenses	<u>924,502</u>	<u>887,823</u>
Operating income (loss)	(108,333)	(90,264)
Non-operating revenues (expenses)	<u>199,626</u>	<u>184,935</u>
Net increase (decrease) in net position	<u>\$ 91,293</u>	<u>\$ 94,671</u>

The District's operating revenues are derived primarily from fees for water 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 investment in capital assets, net of accumulated depreciation as of December 31, 2019, was \$2,863,487. 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.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Management's Discussion and Analysis

	<u>2019</u>	<u>2018</u>
Non-depreciable asset:		
Land	\$ 10,000	\$ 10,000
Depreciable assets:		
Buildings	187,282	187,282
Distribution system	5,313,766	5,216,424
Furniture, Fixtures and equipment	<u>314,726</u>	<u>314,236</u>
Total depreciable assets	5,815,774	5,717,942
Less accumulated depreciation	<u>2,962,287</u>	<u>2,792,676</u>
Book value-depreciable assets	<u>2,853,487</u>	<u>2,925,266</u>
Percentage depreciated	<u>51%</u>	<u>47%</u>
Book value-all assets	<u>\$ 2,863,487</u>	<u>\$ 2,935,266</u>

At December 31, 2019, the depreciable capital assets were 51% depreciated. This is similar to the December 31, 2018 percentage. This comparison indicates that the District replaced its assets at a lessor rate than they are depreciating.

The major additions are:

- SCADA Upgrades
- ARM Meter Reading System Phase 2

### Debt

At the end of the fiscal year, the District had total bonded debt outstanding of \$885,000. This entire amount is backed by the full faith and credit of the District (general obligation bonds) with debt service funded by operations.

During the year, the District retired \$70,000 of debt. See Note D for additional information regarding 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 MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Helen Williams, 111 Dennis Lane, Bell City, LA 70630.

## INDEPENDENT AUDITORS' REPORT

May 5, 2020

Board of Commissioners  
Cameron Parish Waterworks District No. 11  
Grand Lake, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Cameron Parish Waterworks District No. 11, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Cameron Parish Waterworks District No. 11'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.

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 the Cameron Parish Waterworks District No. 11 as of December 31, 2019, and the respective changes in financial position and the cash flows thereof for the year then ended in accordance with accounting standards generally accepted in the United States of America.

***Other Matters***

***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and supplemental information, the budgetary comparison information, the schedule of changes in net OPEB liability and related ratios, the schedules of employer's proportionate share of net pension liability and the schedules of employer contributions on pages 3 through 6 and 35 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the Cameron Parish Waterworks District No. 11'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

Board of Commissioners  
Cameron Parish Waterworks District No. 11  
May 5, 2020  
Page Three

financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule 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 5, 2020, on our consideration of the Cameron Parish Waterworks District No. 11'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 the Cameron Parish Waterworks District No. 11's internal control over financial reporting and compliance.

*Haggen, Casiday, Skellory*

## CAMERON PARISH WATERWORKS DISTRICT NO. 11

## Statement of Net Position

December 31, 2019

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 464,682	\$ 337,049
Receivables		
Ad valorem taxes, net	177,455	162,443
Accounts, net	61,375	56,666
Prepaid expenses	8,849	9,038
Restricted assets		
Bond sinking fund		
Cash	44,939	44,132
Inventory, at cost	19,109	25,126
Due from other governments	29	29
Total Current Assets	<u>776,438</u>	<u>634,483</u>
Property, plant and equipment		
Buildings	187,282	187,282
Distribution system	5,313,766	5,216,424
Furnitures, fixtures and equipment	314,726	314,236
	<u>5,815,774</u>	<u>5,717,942</u>
Less accumulated depreciation	<u>2,962,287</u>	<u>2,792,676</u>
	2,853,487	2,925,266
Land	10,000	10,000
	<u>2,863,487</u>	<u>2,935,266</u>
Other assets		
Net pension asset	-	20,164
TOTAL ASSETS	<u>3,639,925</u>	<u>3,589,913</u>
DEFERRED OUTFLOWS OF RESOURCES		
	<u>134,572</u>	<u>53,480</u>

Continued

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

## CAMERON PARISH WATERWORKS DISTRICT NO. 11

## Statement of Net Position - Continued

December 31, 2019

	<u>2019</u>	<u>2018</u>
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 45,845	\$ 22,690
Accrued liabilities	6,313	12,390
Customer deposits	10,065	9,965
Accrued interest	11,093	11,970
Current portion of long-term debt	<u>75,000</u>	<u>70,000</u>
Total Current Liabilities	148,316	127,015
Long term debt, net of current maturities	810,000	885,000
Net pension liability	114,712	-
Net OPEB obligation	<u>96,885</u>	<u>64,833</u>
Total Liabilities	1,169,913	1,076,848
DEFERRED INFLOWS OF RESOURCES	<u>18,553</u>	<u>71,807</u>
NET POSITION		
Net investment in capital assets	1,978,487	1,980,266
Net position - restricted	33,846	32,162
Net position - unrestricted	<u>573,698</u>	<u>482,310</u>
Total Net Position	<u>\$ 2,586,031</u>	<u>\$ 2,494,738</u>

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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Revenues, Expenses  
and Changes in Net Position

Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 762,045	\$ 749,029
Fees and installation charges	52,394	45,895
Miscellaneous revenue	1,730	2,635
<b>TOTAL OPERATING REVENUES</b>	<u>816,169</u>	<u>797,559</u>
<b>OPERATING EXPENSES</b>		
Auto	9,902	11,624
Bank charges	1,701	2,028
Contract labor	-	9,650
Depreciation	169,611	171,789
Dues	400	400
Employee benefits - OPEB	8,122	901
Insurance - general	12,636	9,908
Insurance - health	81,338	77,378
Interest	34,935	37,560
Maintenance	81,119	63,072
Miscellaneous	1,608	205
Per diem	2,700	2,640
Postage	14,470	14,453
Printing and publishing	237	274
Professional fees	10,085	9,570
Rent - airport well	196	140
Retirement - employees	25,944	25,712
Retirement - net pension liability	24,460	9,147
Salaries	238,644	241,906
Supplies	149,925	140,507
Taxes and licenses	4,031	4,133
Telephone	7,025	6,566
Training	944	1,033
Travel	-	243
Utilities	44,469	46,984
<b>TOTAL OPERATING EXPENSES</b>	<u>924,502</u>	<u>887,823</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(108,333)</u>	<u>(90,264)</u>

Continued

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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

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

Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
NON-OPERATING REVENUES (EXPENSES)		
Ad valorem taxes, net	\$ 183,111	\$ 174,920
Interest income	15	15
Rent income	16,500	10,000
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>199,626</u>	<u>184,935</u>
CHANGE IN NET POSITION	91,293	94,671
NET POSITION - BEGINNING	2,494,738	2,422,275
Prior period adjustment	-	(22,208)
NET POSITION - BEGINNING - RESTATED	<u>2,494,738</u>	<u>2,400,067</u>
NET POSITION - ENDING	<u>\$ 2,586,031</u>	<u>\$ 2,494,738</u>

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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Cash Flows

Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers and others	\$ 811,460	\$ 794,772
Payments for supplies and expenses	(493,740)	(470,099)
Payments to employees for services	<u>(206,062)</u>	<u>(233,723)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	111,658	90,950
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	168,099	170,679
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Rental income	16,500	10,000
Purchase of fixed assets	(97,832)	(27,647)
Payments on debt borrowings	<u>(70,000)</u>	<u>(70,000)</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(151,332)	(87,647)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>15</u>	<u>15</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	128,440	173,997
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>381,181</u>	<u>207,184</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 509,621</u></u>	<u><u>\$ 381,181</u></u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	<u><u>\$ 35,812</u></u>	<u><u>\$ 38,438</u></u>

Continued

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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Cash Flows - Continued

Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (108,333)	\$ (90,264)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	169,611	171,789
Net change in deferred outflows/inflows	(134,346)	94,128
(Increase) decrease in:		
Accounts receivable	(4,709)	(2,787)
Prepaid expenses	189	(2,806)
Inventory	6,017	(9,915)
Increase (decrease) in:		
Accounts payable	23,155	11,402
Accrued liabilities	(6,854)	5,348
Net Pension Liability	134,876	(79,680)
OPEB obligation	32,052	(6,265)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 111,658</u>	<u>\$ 90,950</u>

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

# CAMERON PARISH WATERWORKS DISTRICT NO. 11

## Notes to Financial Statements

December 31, 2019

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cameron Parish Waterworks District No. 11 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 Big Lake/Grand Lake/Sweetlake 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 Waterworks District No. 11. 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.

# CAMERON PARISH WATERWORKS DISTRICT NO. 11

## Notes to Financial Statements

December 31, 2019

### 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 from 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

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, 2019, the District has \$510,377 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$260,377 of pledged securities held by the custodial bank in the name of the fiscal agency bank.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Accounts Receivable

Aging of Accounts Receivable, net, as of December 31, 2019 are as follows:

<u>0-30</u> <u>Days</u>	<u>31-60</u> <u>Days</u>	<u>61-90</u> <u>Days</u>	<u>over 90</u> <u>Days</u>	<u>Total</u>
\$ 61,375	\$ -	\$ -	\$ -	\$ 61,375

The District utilizes the allowance method to recognize doubtful accounts. The allowance for doubtful accounts at December 31, 2019 was \$31,086.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for water user fees. The District's ability to collect the amounts due from the users of the District water 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. Inventory

Inventory is valued at cost using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

6. 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 follows:

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.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

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, 2019, the District had an accrual for compensated absences of \$14,795.

7. 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. The statement reflects ending cash and cash equivalents of \$509,621 which represents unrestricted amounts of \$464,682 and restricted amounts of \$44,939.

8. Budgets

An enterprise fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget.

Expenditures may not legally exceed budgeted appropriations at the activity level.

The budget was amended twice during the year.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. 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 improvements 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”.

When an expenditure is incurred for 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.

10. 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.

11. Subsequent Events

Management has evaluated subsequent events through May 5, 2020 the date the financial statements were available to be issued.

12. 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.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

NOTE B – AD VALOREM TAXES

For the year ended December 31, 2019, taxes of 5.27 mills were levied on property with taxable assessed valuations totaling \$35,824,992.

Total taxes levied were \$ 188,798

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 15<sup>th</sup> of the current year, and become delinquent after December 31<sup>st</sup>. Property taxes not paid by the end of February are subject to lien.

The millage will expire in 2020.

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 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	40 years
Distribution system	7-40 years
Equipment, Furniture and Fixtures	5-10 years

A summary of changes in property, plant and equipment for the year ended December 31, 2019 are as follows:

	Beginning of Year	Net Additions	End of Year
Buildings	\$ 187,282	\$ -	\$ 187,282
Distribution system	5,216,424	97,342	5,313,766
Equipment, furniture and fixtures	314,236	490	314,726
Land	10,000	-	10,000
	<u>5,727,942</u>	<u>\$ 97,832</u>	5,825,774
Less accumulated depreciation	<u>2,792,676</u>		<u>2,962,287</u>
TOTALS	<u>\$ 2,935,266</u>		<u>\$ 2,863,487</u>

Depreciation expense was \$169,611 for the year ended December 31, 2019.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

NOTE D – LONG-TERM DEBT

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

Bonds payable, beginning	\$ 955,000
Bonds issued	-
Bonds retired	<u>(70,000)</u>
Bonds payable, ending	<u>\$ 885,000</u>

Bonds payable at December 31, 2019 is comprised of the following individual issue:

Revenue Bonds:	
\$1,215,000 Water Revenue Refunding Bonds Series 2014 with Red River Bank dated March 20, 2014 due in annual installments of \$75,000 to \$105,000 through September 1, 2029; interest at 3.75%	\$ 885,000
Less currently payable	<u>(75,000)</u>
Total long-term debt	<u>\$ 810,000</u>

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

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 75,000	\$ 33,188
2021	75,000	30,375
2022	80,000	27,563
2023	85,000	24,563
2024	85,000	21,375
Thereafter	485,000	48,094

The revenue bonds are to be retired from revenues derived from the operations of the District.

The District has outstanding water revenue refunding bonds totaling \$885,000 and notes from direct borrowings and direct placements totaling \$0. As of year end the District has no unused lines of credit nor any assets pledged as collateral. The remedies for significant events of default is all installments to be immediately due and payable. In addition, the District will pay reasonable attorney fees and other such expenses.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

NOTE E – COMPONENTS OF RESTRICTED NET POSITION

	Revenue Bond Sinking	<u>Total</u>
Cash	<u>\$ 44,939</u>	<u>\$ 44,939</u>

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The “bond sinking” account is used to segregate resources accumulated for debt service payments over the next twelve months.

The amount of net position reserved for debt service is detailed as follows:

Restricted assets:		
Revenue bond sinking		\$ 44,939
Less:		
Accrued interest, payable from restricted assets		<u>11,093</u>
Net position reserved for debt service		<u>\$ 33,846</u>

NOTE F - 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.

Parochial Employees’ Retirement System

The System is composed of two distinct 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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

NOTE F - RETIREMENT COMMITMENTS - CONTINUED

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 12.25% 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, 2019 totaled \$25,944.

At December 31, 2019, the District reported a liability of \$114,712 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, 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, 2018, the District's proportion was .02585%.

For the year ended December 31, 2019, the District recognized pension expense of \$24,460 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$1,180. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

NOTE F - RETIREMENT COMMITMENTS – CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 7,018
Difference between expected and actual assumption	28,681	
Difference between expected and actual Investment	54,913	-
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	8	5,138
Contributions subsequent to the measurement date	25,944	-
Total	<u>\$ 109,546</u>	<u>\$ 12,156</u>

\$25,944 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, 2020. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2020	\$ 24,974
2021	12,972
2022	10,451
2023	23,078
2024	-
Thereafter	-

*Actuarial methods and assumption.* The total pension liability in the December 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

NOTE F - RETIREMENT COMMITMENTS – CONTINUED

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.50% (Net of investment expense)
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A – 4.75% (2.35% Merit/2.40% 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	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP 2018 scale for disabled annuitants.

The discount rate used to measure the total pension liability was 6.50% 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

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

NOTE F - RETIREMENT COMMITMENTS – CONTINUED

correlations and projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

Best estimates of arithmetic real rates of return for major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real assets	2%	0.11%
Total	100%	5.43%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.43%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. 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 to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback 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 6.50%, 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 5.50% or one percentage point higher 7.50% than the current rate.

	Changes in Discount Rate		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
	Net Pension Liability (Asset)	\$ 243,617	\$ 114,712

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

NOTE G - 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, 2019 were as follows:

<u>Board Member</u>	<u>Address</u>	<u>Phone Number</u>	<u>Term Expires</u>	<u>Per Diem</u>
Bryan Granger	757 Grangerville Rd Bell City, LA 70630	337-802-2465	May 2020	\$ 480
Carl Granger	120 Klumpp Lane Lake Charles, LA 70607	337-263-3466	May 2020	600
Wayne Hebert	166 Lucy Lane Lake Charles, LA 70607	337-540-1176	February 2020	480
Gerald Richard	122 Smith Lane Lake Charles, LA 70607	337-598-4207	March 2021	540
Grace Robideaux	1315 Hwy 384 Lake Charles, LA 70607	337-496-1611	October 2022	600
				<u>\$ 2,700</u>

NOTE H - 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 three fiscal years.

NOTE I – JOINT SERVICE AGREEMENT

The District has entered into a joint service agreement with the Lake Charles Regional Airport for a term of twenty-five years to lease the land and water tower as part of the "Airport Well and Line Project". The agreement became effective May 2006. At June 2011, the District will pay to the airport a fee of \$1 per month for five years for each Calcasieu Parish customer, not to exceed \$500 per month. For the year ended December 31, 2019 a total of \$196 was paid by the District.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

NOTE J – SCHEDULE OF INSURANCE COVERAGE

The schedule of insurance coverage as of December 31, 2019 is as follows:

	<u>Limits</u>	<u>Expiration Date</u>
Automobile liability	\$1,000,000 bodily injury and physical damage	September 15, 2020
Commercial general liability	\$1,000,000 per occurrence-bodily injury and physical damage	September 15, 2020
Commercial property	\$130,000 building & contents	March 1, 2020
Equipment	\$90,000, as listed	March 1, 2020
Surety bond	\$100,000	July 31, 2020
Errors & Omissions	\$100,000	July 31, 2020
Workers compensation	\$1,000,000	September 15, 2020

NOTE K – SCHEDULE OF RATES AND NUMBER OF CUSTOMERS

At December 31, 2019, the number of customers were as follows:

Residential - 1,770  
Commercial - 76

The schedule of rates is as follows:

Standard rate	\$18.00, first 2,000 gallons \$3.00 per 1,000 gallons thereafter \$2.70 debt service fee
Senior rate	\$11.00, first 2,000 gallons \$3.00 per 1,000 gallons thereafter \$2.70 debt service fee
Calcasieu Parish	\$26.00, first 2,000 gallons \$3.00 per 1,000 gallons thereafter \$2.70 debt service fee

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

NOTE L – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

**General Information about the OPEB Plan**

*Plan description* – The District provides certain continuing health care and life insurance benefits for its retired employees. The District’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the District. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the District. 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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>5</u>
	<u>5</u>

**Total OPEB Liability**

The District’s total OPEB liability of \$96,885 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

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

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2019 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	4.10% annually (Beginning of Year to Determine ADC) 2.75%, 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, 2019, 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, 2019 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2019.

**Changes in the Total OPEB Liability**

Balance at December 31, 2018	\$ 64,833
Changes for the year:	
Service cost	3,694
Interest	2,734
Differences between expected and actual experience	6,856
Changes in assumptions	18,768
Benefit payments and net transfers	-
Net changes	<u>32,052</u>
Balance at December 31, 2019	<u>\$ 96,885</u>

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

NOTE L – 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 the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.74%) or 1-percentage-point higher (3.74%) than the current discount rate:

	<b>1.0% Decrease (1.75%)</b>	<b>Current Discount Rate (2.74%)</b>	<b>1.0% Increase (3.74%)</b>
Total OPEB liability	\$ 116,607	\$ 96,885	\$ 80,747

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

	<b>1.0% Decrease (4.5%)</b>	<b>Current Trend (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
Total OPEB liability	\$ 80,355	\$ 96,885	\$ 117,820

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

For the year ended December 31, 2019, the District recognized OPEB expense of \$8,122. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,822	\$ -
Changes in assumptions	17,204	(6,397)
<b>Total</b>	<b>\$ 25,026</b>	<b>\$ (6,397)</b>

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to Financial Statements

December 31, 2019

NOTE L – 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:

<u>Years ending December 31:</u>	<u>Amount</u>
2020	1,694
2021	1,694
2022	1,694
2023	1,694
2024	1,694
Thereafter	10,161

REQUIRED SUPPLEMENTAL INFORMATION

## CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Revenues, Expenses and Changes in  
Net Position - Budget and Actual

Year Ended December 31, 2019

	Budget		Actual	Variance
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 765,000	\$ 765,000	\$ 762,045	\$ (2,955)
Fees and installation charges	47,450	47,450	52,394	4,944
Miscellaneous revenue	1,001	1,001	1,730	729
<b>TOTAL OPERATING REVENUES</b>	<b>813,451</b>	<b>813,451</b>	<b>816,169</b>	<b>2,718</b>
<b>OPERATING EXPENSES</b>				
Auto	12,000	12,000	9,902	2,098
Bank charges	2,000	2,000	1,701	299
Contract labor	7,500	35,200	-	35,200
Depreciation	160,000	160,000	169,611	(9,611)
Dues	400	400	400	-
Employee benefits - OPEB	-	-	8,122	(8,122)
Insurance - general	12,980	12,980	12,636	344
Insurance - health	77,100	77,100	81,338	(4,238)
Interest	35,813	35,813	34,935	878
Maintenance	60,000	80,000	81,119	(1,119)
Miscellaneous	400	400	1,608	(1,208)
Per diem	3,600	3,600	2,700	900
Postage	15,000	15,000	14,470	530
Printing and publishing	500	500	237	263
Professional fees	9,500	9,500	10,085	(585)
Rent - airport well	250	250	196	54
Rent - equipment	500	500	-	500
Retirement	35,200	35,200	50,404	(15,204)
Salaries	270,000	270,000	238,644	31,356
Supplies	149,050	208,550	149,925	58,625
Taxes and licenses	5,300	5,300	4,031	1,269
Telephone	6,900	6,900	7,025	(125)
Training	975	975	944	31
Travel	600	600	-	600
Utilities	45,000	45,000	44,469	531
<b>TOTAL OPERATING EXPENSES</b>	<b>910,568</b>	<b>1,017,768</b>	<b>924,502</b>	<b>93,266</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(97,117)</b>	<b>(204,317)</b>	<b>(108,333)</b>	<b>95,984</b>

Continued

CAMERON PARISH WATERWORKS DISTRICT NO. 11

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

Year Ended December 31, 2019

	Budget		Actual	Variance
	Original	Final		
NON-OPERATING REVENUES (EXPENSES)				
Ad valorem taxes, net	\$ 180,911	\$ 180,911	\$ 183,111	\$ 2,200
Interest income	170	170	15	(155)
Rent income	10,000	10,000	16,500	6,500
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>191,081</u>	<u>191,081</u>	<u>199,626</u>	<u>8,545</u>
CHANGE IN NET POSITION	93,964	(13,236)	91,293	104,529
NET POSITION - BEGINNING	<u>2,494,738</u>	<u>2,494,738</u>	<u>2,494,738</u>	<u>-</u>
NET POSITION - ENDING	<u>\$ 2,588,702</u>	<u>\$ 2,481,502</u>	<u>\$ 2,586,031</u>	<u>\$ 104,529</u>

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Schedule of Changes in Net OPEB Liability and Related Ratios

Year Ended December 31, 2019

	December 31, 2019	December 31, 2018
<b>Total OPEB Liability</b>		
Service cost	\$ 3,694	\$ 4,370
Interest	2,734	2,274
Differences between expected and actual experience	6,856	1,817
Changes of assumptions / Inputs	18,768	(7,560)
Benefit payments	-	-
<b>Net change in total OPEB Liability</b>	<u>32,052</u>	<u>901</u>
<b>Total OPEB liability - beginning</b>	<u>64,833</u>	<u>63,932</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 96,885</u></u>	<u><u>\$ 64,833</u></u>
Covered-employee payroll	\$ 222,231	\$ 215,758
Net OPEB liability as a percentage of covered-employee payroll	43.60%	30.05%
<b>Notes to Schedule:</b>		
<i>Benefit Changes</i>	None	None
<i>Changes of Assumption:</i>		
<i>Discount Rate</i>	2.74%	4.10%

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

## CAMERON PARISH WATERWORKS DISTRICT NO. 11

## Schedule of Employer's Proportionate Share of Net Pension Liability

Year Ended December 31, 2019

## Parochial Employees' Retirement System of Louisiana

	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Employer's portion of the net pension liability (asset)	0.02585%	0.02717%	0.02890%	0.02538%	0.02498%
Employer's proportionate share of the net pension liability (asset)	\$ 114,712	\$ (20,164)	\$ 59,516	\$ 66,808	\$ 6,830
Employer's covered payroll	\$ 239,957	\$ 229,017	\$ 232,296	\$ 223,024	\$ 213,734
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	47.81%	-8.80%	25.62%	29.96%	3.20%
Plan fiduciary net position as a percentage of the total pension liability	88.86%	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, 2018.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Schedule of Employer Contributions

Year Ended December 31, 2019

<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>
Municipal Employees Retirement System of Louisiana (System):					
2015	\$ 29,808	\$ 29,808	\$ -	\$ 213,734	13.9%
2016	\$ 27,520	\$ 27,520	\$ -	\$ 223,024	12.3%
2017	\$ 28,843	\$ 28,843	\$ -	\$ 232,296	12.4%
2018	\$ 26,337	\$ 26,337	\$ -	\$ 229,017	11.5%
2019	\$ 25,944	\$ 25,944	\$ -	\$ 239,957	10.8%

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

## OTHER INFORMATION

CAMERON PARISH WATERWORKS DISTRICT NO. 11

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

Year Ended December 31, 2019

Chief Executive Officer: Carl Granger, Board President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	600
Reimbursements	-
Travel	-
Registration fees	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing Unvouchered expenses	-
Special meals	-

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 5, 2020

Board of Commissioners  
Cameron Parish Waterworks District No. 11  
Grand Lake, 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 Parish Waterworks District No. 11, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Cameron Parish Waterworks District No. 11's basic financial statements, and have issued our report thereon dated May 5, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cameron Parish Waterworks District No. 11'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 Parish Waterworks District No. 11's internal control. Accordingly, we do not express an opinion on the effectiveness of Cameron Parish Waterworks District No. 11'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cameron Parish Waterworks District No. 11'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*.

### **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.

*Dragan, Cassidy: Skully*

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Schedule of Findings and Responses

Year Ended December 31, 2019

1. Summary of Auditors' Results:

Type of auditors' report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

2. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

None

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Findings

None

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

May 5, 2020

Board of Commissioners  
Cameron Parish Waterworks District No. 11  
Cameron, Louisiana

We have performed the procedures included enumerated below, which were agreed to by the Cameron Parish Waterworks District No. 11 and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2019 through December 31, 2019. The District's management is responsible for those C/C areas identified in the SAUPs.

This agreed upon procedures engagement was conducted 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 this report. Consequently, we 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.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations)
  - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

***The District does not have a written policies and procedures manual.***

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

***The District does not have a written policies and procedures manual.***

- c) *Disbursements*, including processing, reviewing, and approving.

***The District does not have a written policies and procedures manual.***

- d) *Receipt/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmations with outside parties,

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequence, agency fund forfeiture monies confirmation).

*The District does not have a written policies and procedures manual.*

- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*The District does not have a written policies and procedures manual.*

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

*The District does not have a written policies and procedures manual.*

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

*The District does not have a written policies and procedures manual.*

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

*The District does not have a written policies and procedures manual.*

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*The District does not have a written policies and procedures manual.*

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

*The District does not have a written policies and procedures manual.*

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

*The District does not have a written policies and procedures manual.*

***Management response: Management will implement a policies and procedures manual in the future.***

### ***Board or Finance Committee***

---

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

***The Board met at least monthly in accordance with the District's policy.***

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

***The minutes reference or include monthly financial reports which include budget-to-actual comparisons.***

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

***Unrestricted fund balance was positive, and the District maintains a surplus year to year.***

### ***Bank Reconciliations***

---

3. Obtain a listing of the entity's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically longed);

***Bank reconciliations were prepared within 2 months of the statement closing date.***

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

***Bank reconciliations included evidence that a member of management/council member reviewed each reconciliation.***

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

***As of December 31, 2019, there were outstanding items greater than 12 months old with no documentation reflecting research.***

***Management response: Management will implement a policy to review the old outstanding items on the bank reconciliation and document research.***

#### ***Collections***

---

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

***The listing was provided by management.***

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

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

***Employees that are responsible for cash share a cash drawer.***

***Management response: The District will implement procedures to segregate duties over cash collections as much as possible.***

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

***Employees responsible for collecting cash is responsible for preparing/making bank deposits.***

*Management response: The District will implement procedures to segregate duties over cash collections as much as possible.*

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

*Employees responsible for collecting cash are responsible for posting collection entries to the general ledger.*

*Management response: The District will implement procedures to segregate duties over cash collections as much as possible.*

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

*Employees responsible for reconciling cash collections to the general ledger by revenue source are responsible for collecting cash.*

*Management response: The District will implement procedures to segregate duties over cash collections as much as possible.*

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*All employees are covered by an insurance policy for theft.*

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supported documentation for each of the deposits and:

- a) Observe that receipts are sequentially pre-numbered.

*No exceptions where noted.*

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

*No exceptions where noted.*

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

*All selected deposits cleared the bank account timely and intact.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

*All selected deposits were made within one business day of receipt.*

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

*All selected deposits were traced to the general ledger. No exceptions.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements and petty cash purchases)***

---

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

*The listing was provided by management.*

- 9. For each location selected under #8 above, obtain a list of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

*At least two employees were involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.*

- b) At least two employees are involved in processing and approving payments to vendors.

*No exceptions noted.*

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

*The employee responsible for processing payments is not prohibited from adding/modifying vendor files. No other employee reviews changes to vendor files.*

*Management Response: The District will initiate a policy to have an employee, who does not process payments to periodically review changes to vendor files.*

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

*The employee who processes the checks also mails the checks.*

*Management Response: The District will initiate a policy to have an employee who does not process payments to start mailing checks.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

*All transactions tested were paid by and matched the original invoice.*

- b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #9 as applicable.

*All transactions tested were authorized, approved and processed by different employees.*

#### Credit Cards/Debit Cards/Fuel Cards/P-Cards

---

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

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excess fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

- b) Observe that finance charges and/or late fees were assessed on the selected statements.

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain

supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

#### ***Travel and Travel-Related Expense Reimbursements (Excluding card transactions)***

---

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

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

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

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

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

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

#### ***Contracts***

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the list is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

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

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

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

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

### ***Payroll and Personnel***

---

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

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

17. Randomly select on pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

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

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

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

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

### Ethics

---

- 20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management and:
  - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*All employees tested had documentation of one hour of ethics training during the fiscal period.*

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*The District did not obtain such documentation.*

*Management response: The District will have all employees sign the ethics policy.*

### Debt Service

---

- 21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the list is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each bond/note issued.

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*There were no exceptions in the prior year. This section was not required to be tested in 2019.*

***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*The Office Manager informed us that she did not have any misappropriation of public funds or assets during the fiscal year.*

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

*The District has the required notice posted in a conspicuous place upon its premises or its website.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Dragan, Casiday: Shullory*