

WATER WORKS DISTRICT NO. 1 OF  
PARISH OF EVANGELINE, LOUISIANA  
PINE PRAIRIE, LOUISIANA  
FINANCIAL REPORT  
October 31, 2019 AND 2018



TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-3
Basic Financial Statements:	
Statements of Net Position-Proprietary fund	4-5
Statements of Revenues, Expenses and Changes in Fund Net Position- Proprietary fund	6
Statements of Cash Flows- Proprietary fund	7-8
Notes to Financial Statements	9-15
Other Reports and Schedules	
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	16-17
Schedule of Findings and Questioned Costs	18-19
Schedule of Prior Year Findings	20
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	21

**VIGE, TUJAGUE  NOEL**

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2<sup>ND</sup> STREET  
P. O. BOX 1006  
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.  
FRANK G. TUJAGUE, C.P.A.  
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:  
337-457-9324  
FAX:  
337-457-8743

INDEPENDENT AUDITOR'S REPORT

Board of Directors,  
Water Works District No. 1 of Evangeline Parish,  
State of Louisiana  
Pine Prairie, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities Water Works District No. 1 of Evangeline Parish, State of Louisiana, a component unit of the Parish of Evangeline, State of Louisiana as of and for the years ended October 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Water Works District No. 1 of Evangeline Parish, State of Louisiana, a component unit of the Parish of Evangeline, State of Louisiana, as of October 31, 2019 and 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

The Water Works District No. 1 of Evangeline Parish, State of Louisiana, a component unit of the Parish of Evangeline, State of Louisiana has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

#### ***Other Information***

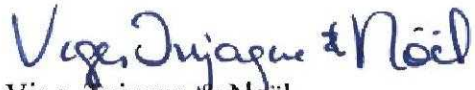
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Water Works District No. 1 of Evangeline Parish, State of Louisiana, a component unit of the Parish of Evangeline, State of Louisiana's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head, as listed in the table of contents, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule of compensation, benefits, and other payments to agency head is the responsibility of management and was derived from and relates directly to the underlying accounting records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In

our opinion, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the 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 February 24, 2020, on our consideration of the Water Works District No. 1 of Evangeline Parish, State of Louisiana, a component unit of the Parish of Evangeline, State of Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Water Works District No. 1 of Evangeline Parish, State of Louisiana, a component unit of the Parish of Evangeline, State of Louisiana's internal control over financial reporting and compliance.



Vige, Tujague & Noël

Eunice, Louisiana

February 24, 2020

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
STATEMENT OF NET POSITION  
OCTOBER 31, 2019 AND 2018

ASSETS

	<u>2019</u>	<u>2018</u>
<u>Current Assets</u>		
Cash	\$ 475,586	\$ 489,085
Savings	2,224,918	1,937,529
Accounts Receivable	13,358	13,441
Advalorem Receivable	80,440	-
Prepaid Insurance	1,526	1,510
Accrued Interest Receivable	499	499
Total Current Assets	2,796,327	2,442,064
 <u>Restricted Assets</u>		
Cash	47,760	47,324
 <u>Property and Equipment</u>		
Land	25,000	25,000
Equipment	291,210	307,398
Building	89,147	89,147
Water Works System	1,280,581	1,224,156
	1,685,938	1,645,701
Less Accumulated Depreciation	(878,034)	(854,183)
Total Property and Equipment	807,904	791,518
 TOTAL ASSETS	 \$ 3,651,991	 \$ 3,280,906

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
STATEMENT OF NET POSITION  
OCTOBER 31, 2019 AND 2018

LIABILITIES AND NET POSITION

	<u>2019</u>	<u>2018</u>
<u>Current Liabilities</u>		
Accounts Payable	\$ 1,744	\$ 9,116
Accrued Expenses Payable	<u>10,217</u>	<u>10,402</u>
Total Current Liabilities	<u>11,961</u>	<u>19,518</u>
 <u>Current Liabilities Payable</u>		
<u>From Restricted Assets</u>		
Meter Deposits	<u>38,861</u>	<u>38,501</u>
 Total Liabilities	 <u>50,822</u>	 <u>58,019</u>
 <u>Net Position</u>		
Investment in Capital Assets, Net of Related Debt	807,904	791,518
Restricted	47,760	47,324
Unrestricted	<u>2,745,505</u>	<u>2,384,045</u>
Total Net Position	<u>3,601,169</u>	<u>3,222,887</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 3,651,991</u>	 <u>\$ 3,280,906</u>



WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED OCTOBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>Operating Revenues</u>		
Customer Water Service	\$ 142,036	\$ 149,943
Connect and Disconnect Fee	3,360	3,965
Late Charges	3,289	3,665
Miscellaneous	<u>1,159</u>	<u>1,859</u>
 Total Operating Revenues	 <u>149,844</u>	 <u>159,432</u>
 <u>Operating Expenses</u>		
Salaries and Wages	149,382	146,281
Depreciation	40,039	45,221
Repairs and Maintenance	30,665	104,854
Telephone and Utilities	29,779	31,012
Materials and Supplies	19,039	38,168
Payroll Tax Expense	13,216	12,283
Board Fees	10,020	6,920
Professional Fees	8,400	8,919
Insurance	19,112	20,870
Office Supplies	2,776	4,089
Postage	3,217	3,273
Retirement	4,533	6,400
Truck Expense	6,693	10,257
Miscellaneous	<u>7,804</u>	<u>6,000</u>
 Total Operating Expenses	 <u>344,675</u>	 <u>444,547</u>
 Income (Loss) from Operations	 <u>(194,831)</u>	 <u>(285,115)</u>
 <u>Non Operating Revenues</u>		
State Revenue Sharing	3,777	3,798
Ad Valorem Tax	544,184	558,580
Gain on Sale of Capital Assets	1,576	-
Interest Earned	<u>23,576</u>	<u>13,964</u>
 Total Non Operating Revenues	 <u>573,113</u>	 <u>576,342</u>
 Change in net position	 378,282	 291,227
 Net Position, Beginning	 <u>3,222,887</u>	 <u>2,931,660</u>
 Net Position, Ending	 <u>\$ 3,601,169</u>	 <u>\$ 3,222,887</u>

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED OCTOBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers and users	\$(219,153)	\$(242,304)
Payments to suppliers for goods and services	(144,877)	(253,132)
Payments to employees for services	(167,316)	(165,666)
Other	<u>1,159</u>	<u>1,859</u>
Net cash provided (used) in operating activities	<u>(530,187)</u>	<u>(659,243)</u>
<b>Cash Flows From Noncapital Financial Activities:</b>		
Ad-valorem taxes	544,184	558,580
State revenue sharing	<u>3,777</u>	<u>3,798</u>
Net cash provided (used) in noncapital financing activities	<u>547,961</u>	<u>562,378</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	(56,425)	(25,839)
Proceeds on sale of capital assets	<u>1,576</u>	<u>-</u>
Net cash flows used by capital and related financing activities	<u>(54,849)</u>	<u>(25,839)</u>
<b>Cash Flows From Investing Activities:</b>		
Interest earned on operating funds	<u>23,576</u>	<u>13,964</u>
Net cash provided by investing activities	<u>23,576</u>	<u>13,964</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(13,499)	(108,740)
Cash and cash equivalents at beginning of year	<u>489,085</u>	<u>597,825</u>
Cash and cash equivalents at end of year	<u>\$ 475,586</u>	<u>\$ 489,085</u>

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED OCTOBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (194,831)	\$ (285,115)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	40,039	45,221
(Increase) decrease in accounts receivable	(80,357)	(34)
(Increase) decrease in savings	(287,389)	(400,000)
(Increase) decrease in restricted assets	(436)	(730)
(Increase) decrease in prepaid expenses	(16)	157
Increase (decrease) in accounts payable	(7,372)	(18,770)
Increase (decrease) in accrued expenses	(185)	(702)
Increase (decrease) in restricted water meter deposits	<u>360</u>	<u>730</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (530,187)</u>	<u>\$ (659,243)</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheets:		
Cash – beginning of period		
Cash- unrestricted	\$ 489,085	\$ 597,825
Cash – end of period		
Cash- unrestricted	<u>475,586</u>	<u>489,085</u>
Net increase (decrease)	<u>\$ (13,499)</u>	<u>\$ (108,740)</u>

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2019 AND 2018

Introduction

The Water District is governed by eight commissioners who are resident property taxpayers of the district. These eight commissioners are collectively referred to as the board of commissioners and are appointed by the Evangeline Parish Police Jury and the City of Pine Prairie. Vacancies are filled by the bodies making the original appointments. The water district was created to provide water within the district. The water district is a component unit of the Evangeline Parish Police Jury. The system has approximately 820 customers and employs 5 people. It is economically dependent upon the district it serves.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Evangeline Parish Water District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Evangeline Parish Police Jury is the financial reporting entity for Evangeline Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and other organizations for which the 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 Codification Section 2100 defines criteria for determining which component units should be considered part of the Evangeline 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. These criteria include:

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2019 AND 2018 (Continued)

B. REPORTING ENTITY (Continued)

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 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's 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 majority of the district's governing body, the district was determined to be a component unit of the Evangeline 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 governmental services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statements of Net Position display information on all of the non-fiduciary activities of Evangeline Parish Water District, as a whole. They include the proprietary fund of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in GWFS.

D. FUND ACCOUNTING

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

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2019 AND 2018 (Continued)

E. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Proprietary fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net position. The Proprietary fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income, property taxes and interest income that are not a result of the direct operations of the activity. When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the District's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

F. CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Water Works District No. 1 of Parish of Evangeline, Louisiana are subject to the following risk:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits. 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 or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

At October 31, 2019, the District had cash in bank in the amount of \$2,750,236 and insurance and security pledges of \$2,784,248. At October 31, 2018, the District had cash in bank in the amount of \$2,474,582 and insurance and security pledges of \$2,159,341.

G. PREPAID ITEMS

Payments made to insurance companies for insurance that will benefit future periods beyond October 31, 2019 and 2018, are recorded as prepaid insurance.

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2019 AND 2018 (Continued)

H. RESTRICTED ASSETS

Customer Security Deposits are recorded as restricted assets and the accompanying liability as a payable from restricted assets.

I. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Depreciation expense totaled \$40,039 and \$45,221 for the years ended October 31, 2019 and 2018, respectively. The cost of maintenance and repairs is charged to operations as incurred. Major renewals, betterments, and additions are capitalized. Interest costs during construction periods are capitalized. When capital assets are retired or disposed of, the cost of the asset and accumulated depreciation is eliminated from the accounts and the resulting gain or loss from such disposition is credited or charged to income, except that the gain or loss on assets traded in for new equipment is applied as an adjustment to the cost of the asset acquired. The capitalization limit is \$500. The estimated useful lives of these assets are as follows:

Equipment	5-10 years
Building	15-31.5 years
Water Works System	40-50 years

J. COMPENSATED ABSENCES

Employees of the Water District are entitled to two weeks of vacation. Each full time employee is allocated 5 days of sick leave per year, accumulating to 10 days, however all accrued sick leave is not a vested benefit and accordingly no liability has been recorded. Accrued vacation at October 31, 2019 and 2018 totaled \$6,294 and \$6,940 and is included in accrued expenses payable.

K. ALLOWANCE FOR DOUBTFUL ACCOUNTS

No allowance for doubtful accounts has been established because management believes all accounts receivable will be collected.

L. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the Enterprise Fund.

M. NET POSITION

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net positions are classified in the following three components:

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2019 AND 2018 (Continued)

M. NET POSITION (continued)

Invested in capital assets, net of related debt- This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net positions that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The district’s policy is first to apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Note 2: RESTRICTED ASSETS

Restricted Assets consists of the following:

	<u>2019</u>	<u>2018</u>
Customer Deposits	\$ 47,760	\$ 47,324
Total Restricted Assets	\$ 47,760	\$ 47,324

Note 3: AD VALOREM TAXES

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the district in September or October and are actually billed to the taxpayers in November or December. Billed taxes become delinquent on January 1, of the following year. The district bills and collects its property taxes using the assessed values determined by the tax assessor of Evangeline Parish. For the year ended October 31, 2019 and 2018, taxes of 12.81 mills were levied.



WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2019 AND 2018 (Continued)

Note 4: COMPENSATION OF BOARD OF COMMISSIONERS

The board members received the following per diem:

<u>Members</u>	<u>Meetings Attended</u>	<u>Total</u>
Johnny Johnson	11	\$ 1,100
Roderick Thibodeaux	11	1,100
Lloyd Fontenot	12	1,200
Alfred Oliver	12	1,380
R.L. Quam	12	1,200
Samuel T. Welch, President	12	1,740
Al B Ardoin	12	1,200
Rita Drummond	11	1,100
		<u>\$ 10,020</u>

Note 5: CAPITAL ASSETS

The changes in capital assets for the year-end October 31, 2019 are as follows:

	<u>Balance 10/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 10/31/2019</u>
Capital Assets:				
Land (not depreciated)	\$ 25,000	\$ -	\$ -	\$ 25,000
Equipment	307,398	-	16,188	291,210
Building	89,147	-	-	89,147
Water Works System	<u>1,224,156</u>	<u>56,425</u>	<u>-</u>	<u>1,280,581</u>
Total Capital Assets	<u>1,645,701</u>	<u>56,425</u>	<u>16,188</u>	<u>1,685,938</u>
Less Accumulated				
Depreciation				
Equipment	245,720	12,086	16,188	241,618
Building	55,880	1,291	-	57,171
Water Works System	<u>552,583</u>	<u>26,662</u>	<u>-</u>	<u>579,245</u>
Total Accumulated				
Depreciation	<u>854,183</u>	<u>40,039</u>	<u>16,188</u>	<u>878,034</u>
Total Capital Assets, Net	<u>\$ 791,518</u>	<u>\$ 16,386</u>	<u>\$ -</u>	<u>\$ 807,904</u>

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
October 31, 2019 AND 2018 (Continued)

The changes in capital assets for the year-end October 31, 2018 are as follows:

	Balance 10/31/2017	Additions	Deletions	Balance 10/31/2018
Capital Assets:				
Land (not depreciated)	\$ 25,000	\$ -	\$ -	\$ 25,000
Equipment	308,708	2,515	3,825	307,398
Building	89,147	-	-	89,147
Water Works System	1,200,832	23,324	-	1,224,156
Total Capital Assets	<u>1,623,687</u>	<u>25,839</u>	<u>3,825</u>	<u>1,645,701</u>
Less Accumulated Depreciation				
Equipment	233,518	16,027	3,825	245,720
Building	54,589	1,291	-	55,880
Water Works System	524,680	27,903	-	552,583
Total Accumulated Depreciation	<u>812,787</u>	<u>45,221</u>	<u>3,825</u>	<u>854,183</u>
Total Capital Assets, Net	<u>\$ 810,900</u>	<u>\$ (19,382)</u>	<u>\$ -</u>	<u>\$ 791,518</u>

Note 6: LITIGATION AND CLAIMS

At October 31, 2019 and 2018, the district had no pending litigation expected to result in a financial liability to the District.

Note 7: CONCENTRATION OF RISK

The Water System serves customers in and around the Village of Pine Prairie, Louisiana.

Note 8: ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

Note 9: EVALUATION OF SUBSEQUENT EVENTS

The Water System has evaluated subsequent events through February 24, 2020, the date which the financial statements were available to be issued for events requiring recording or disclosure in the organization's financial statements.

**VIGE, TUJAGUE  NOEL**

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2<sup>ND</sup> STREET  
P. O. BOX 1006  
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.  
FRANK G. TUJAGUE, C.P.A.  
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:  
337-457-9324  
FAX:  
337-457-8743

INDEPENDENT AUDITOR'S 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*

Water Works District No. 1  
of Evangeline Parish  
Pine Prairie, Louisiana 70576

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Water Works District No. 1 of Evangeline Parish, State of Louisiana, a component unit of the Parish of Evangeline, State of Louisiana, as of and for the years ended October 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Water Works District No. 1 of Evangeline Parish, State of Louisiana's basic financial statements and have issued our report thereon dated February 24, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Water Works District No. 1 of Evangeline Parish, State of Louisiana'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 Water Works District No. 1 of Evangeline Parish, State of Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Water Works District No. 1 of Evangeline Parish, State of Louisiana'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as item 2019-001, that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Water Works District No. 1 of Evangeline Parish, State of Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Water Works District No. 1 of Evangeline Parish, State of Louisiana's Response to Findings**

Water Works District No. 1 of Evangeline Parish, State of Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Water Works District No. 1 of Evangeline Parish, State of Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Vige, Tujague & Noël, CPA's  
February 24, 2020

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED October 31, 2019

We have audited the financial statements of Water Works District No. 1 of Evangeline Parish as of and for the years ended October 31, 2019 and 2018, and have issued our report thereon dated February 24, 2020. We conducted our audit in accordance with United States generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of October 31, 2019 and 2018, resulted in an unmodified opinion.

Section I. Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses  Yes  No Significant Deficiencies  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

b. Federal Awards

None

Section II. Financial Statement Findings

#2019-001 - Segregation of Duties

Condition: The Water Works District No. 1 of Evangeline Parish did not have adequate segregation of functions within the accounting system.

Criteria: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU314.43 defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT501.03 states:

“An entity’s internal control over financial reporting includes those policies and procedures that pertain to an entity’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
YEAR ENDED October 31, 2019

Cause: The cause of the condition is the fact that the District does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

Effect: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

Recommendation: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response: It is not cost effective to achieve complete segregation of duties within the accounting function. No corrective action is considered necessary.

Section III. Federal Award Findings and Questioned Costs

This section is not applicable for the year ended October 31, 2019.

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED October 31, 2019

Section I. Internal Control and Compliance Material to the Financial Statements

#2018-001- Segregation of Duties

Condition: There is lack of segregation of duties in all areas of the financial cycle.

Recommendation: Water Works District No. 1 of Evangeline Parish is aware of this problem and we are in agreement with them that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment.

Status: This finding is repeated for the year ended October 31, 2019, and is described in #2019-001 in the schedule of findings and questioned costs; however, Water Works District No. 1 of Evangeline Parish has segregated as much as it can, based on available resources.

#2018-002 – Custodial Credit Risk

Condition: The Water Works District No. 1 of Evangeline Parish did not have adequate pledged securities to cover deposits at Investar Bank. At October 31, 2018, the District had cash in bank in the amount of \$2,474,582 and insurance and security pledges of \$2,159,341. The District was short \$315,241 in security pledges.

Recommendation: We recommend that management monitor security pledges on a monthly basis to ensure that pledges are adequate and contract the bank to increase pledges when necessary.

Status: This finding is cleared.

Section II. Internal Control and Compliance Material to Federal Awards

There were no audit findings related to any federal award program for the year ended October 31, 2018.

WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
YEAR ENDED October 31, 2019

Agency Head Name: Todd Welch  
Service Period: 12 months

<u>Purpose</u>	<u>Amount</u>
Board Per Diem	\$1,200
Expense Allowance	540




WATER WORKS DISTRICT NO. 1 OF PARISH OF  
EVANGELINE, LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
October 31, 2019

#2019-001 - Segregation of Duties

Condition: The Water Works District No. 1 of Evangeline Parish did not have adequate segregation of functions within the accounting system.

Recommendation: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response: It is not cost effective to achieve complete segregation of duties within the accounting function. No corrective action is considered necessary.

  
\_\_\_\_\_  
Todd Welch, President

WATER WORKS DISTRICT NO. 1  
OF PARISH OF EVANGELINE, LOUISIANA  
STATEWIDE AGREED UPON PROCEDURES REPORT  
YEAR ENDED OCTOBER 31, 2019



**VIGE, TUJAGUE & NOEL**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2<sup>ND</sup> STREET  
P. O. BOX 1006  
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.  
FRANK G. TUJAGUE, C.P.A.  
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:  
337-457-9324  
FAX:  
337-457-8743

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Management and Board of Aldermen of the Water Works District No. 1 of Parish of Evangeline, Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Water Works District No. 1 of Parish of Evangeline, Louisiana 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 period November 1, 2018 through October 31, 2019. The Water Works District No. 1 of Parish of Evangeline, Louisiana'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:

Report all exceptions to the following procedures, either after each procedure or after all procedures within each of the twelve AUP categories. "Random" selections may be made using Microsoft Excel's random number generator or an alternate method selected by the practitioner that results in an equivalent sample (e.g., those methods allowed under the AICPA Audit Guide - *Audit Sampling*).

***Written Policies and Procedures***

---

*No exceptions in prior year. This category was excluded from testing in the current year, with the exception of item k.*

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
- 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.
- c) **Disbursements**, including processing, reviewing, and approving
- d) **Receipts/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 confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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
- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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 entity has procedures in place to address the function; however, there are no written policies at this time.*

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

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

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.
  - 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.
  - 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.

### ***Bank Reconciliations***

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

3. Obtain a listing of client 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 selected each 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 logged);
  - 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
  - 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.

## Collections

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/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).

*Obtained a listing of deposit sites and managements representation that the listing is complete.*

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 that 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 collections do share a cash drawer.*

- 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.

*The employees responsible for collecting cash are also responsible for preparing/making bank deposits.*

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

*The employees responsible for collecting cash are also responsible for posting collections to the general ledger or subsidiary ledgers.*

- d) The employee(s) 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.

*The employee responsible for reconciling cash collections to the general ledger is also responsible for collecting cash.*

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

*The employees who have access to cash are covered by a bond or 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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.  
*Receipts are not sequentially pre-numbered. Payment stubs are stamped "paid" when presented by the customer. If the customer does not have the stub, they are given a carbon copied written receipt.*
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
*Traced receipts or collections documentation to the deposit slip with no exceptions.*
- c) Trace the deposit slip total to the actual deposit per the bank statement.  
*Traced the deposit slip total to the actual deposit per the bank statement.*
- 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).  
*Deposits selected were made within one business day of receipt at the collection location.*
- e) Trace the actual deposit per the bank statement to the general ledger.  
*Traced the actual deposit per the bank statement to the general ledger with no exception.*

***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).  
*Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.*
- 9. For each location selected under #8 above, obtain a listing 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.  
*No exceptions noted.*
  - 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 can add vendor files; however, checks written require two signatures and board approval.*

- 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 responsible for processing the payments also has authority to sign checks; however, checks require two signatures.*

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.

*Obtained management's representation that the population is complete. No exceptions noted.*

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

*Obtained management's representation that the population is complete. No exceptions noted.*

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

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.

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 excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

- b) Observe that finance charges and late fees were not assessed on the selected statements.

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, observe 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).

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

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

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)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - 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).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### ***Contracts***

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing 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.
  - 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).

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

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

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one 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.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments 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' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
- 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.

### ***Ethics***

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

20. Using the 5 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.
  - 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.

### ***Debt Service***

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

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

### ***Other***

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

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.
24. Observe that 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.

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.

*Vige, Tujague & Noël*

Vige, Tujague & Noël

Eunice, Louisiana

February 24, 2020

WATER WORKS DISTRICT NO. 1 OF PARISH OF EVANGELINE, LOUISIANA

Management's Response to Statewide Agreed-Upon Procedures  
For the Year Ended October 31, 2019

Management Response to Item:

1k                                      The board will adopt written policies and procedures addressing a disaster recovery and business continuity plan.

5a, 5b, 5c, 5d, 9c, 9d              Efforts will be made to segregate duties in these areas as much as possible with the limited number of employees involved.



---