

**COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO. 1
Columbia, Louisiana**

Annual Financial Statements

**As of and for the Year Ended
December 31, 2020**

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2020

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

Independent Accountant's Review Report

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

I have reviewed the accompanying financial statements of the business-type activities of Columbia Heights Sewerage District No. 1 (the "District"), a component unit of Caldwell Parish police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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.

Accountant's Responsibility

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

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

Accountant's Conclusion

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

Other Matters

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head and board of commissioners and the schedule of prior year findings are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Management has omitted 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated May 4, 2021, on the results of my agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on the Columbia Heights Sewerage District No.1's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance.



Calhoun, Louisiana
May 4, 2021

BASIC FINANCIAL STATEMENTS

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

STATEMENT OF NET POSITION
December 31, 2020

ASSETS

Current assets:

Cash	\$1,126,415
Investments	48,759
Accounts receivable - sewer fees	22,422
Total current assets	1,197,596

Noncurrent assets:

Restricted cash	337,252
Other assets	753
Property, plant and equipment (net of accumulated depreciation)	1,896,589
Total noncurrent assets	2,234,594
Total assets	3,432,190

LIABILITIES

Current liabilities:

Accounts payable	11,429
Payroll taxes payable	874
Accrued interest payable	1,467
Current portion of long-term debt	31,491
Customer meter deposits	17,760
Total current liabilities	63,021

Noncurrent liabilities - revenue bonds payable

Total liabilities	1,554,606
	1,617,627

NET POSITION

Net investment in capital assets	310,492
Restricted for construction	204,566
Restricted by revenue bonds	132,686
Unrestricted	1,166,819
Total net position	\$1,814,563

See accompanying notes and independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2020

OPERATING REVENUE	
Sewer service fees	\$281,570
Connection fees	1,875
Other revenue	500
Total operating revenue	<u>283,945</u>
OPERATING EXPENSES	
Commissioners fees	5,700
Accounting and audit	1,956
Repairs and maintenance	26,593
Materials and supplies	27,413
Office expense	5,332
Utilities and telephone	26,822
Insurance	12,054
Health insurance	10,788
Salaries	48,400
Payroll taxes	4,151
Consulting fees	6,000
Contract labor	19,000
Collection expense	2,316
Lab tests	5,275
Licenses and permits	1,322
Gasoline and truck expense	4,062
Depreciation	96,739
Other operating expenses	1,275
Total operating expenses	<u>305,198</u>
OPERATING INCOME (Loss)	<u>(21,253)</u>
NON-OPERATING REVENUES (Expenses)	
Interest expense	(30,025)
Interest income	657
Property taxes and state revenue sharing	87,353
Insurance proceeds	16,869
Total non-operating revenues	<u>74,854</u>
CHANGE IN NET POSITION	53,601
NET POSITION - BEGINNING	<u>1,760,962</u>
NET POSITION - ENDING	<u><u>\$1,814,563</u></u>

See accompanying notes and independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$287,396
Customer deposit receipts, net	3,125
Payments to suppliers	(147,016)
Payments to employees and board members	(54,100)
Net cash provided by operating activities	<u>89,405</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Payment of principal of revenue bonds	(30,907)
Payment of interest on revenue bonds	(30,053)
Proceeds from insurance	16,869
Increase in restricted cash	(6,096)
Net cash used by capital financing activities	<u>(50,187)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Property tax receipts	86,225
State revenue sharing receipts	1,128
Net cash provided by non-capital financing activities	<u>87,353</u>
NET INCREASE IN CASH	126,571
CASH AT BEGINNING OF YEAR	<u>999,844</u>
CASH AT END OF YEAR	<u><u>\$1,126,415</u></u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating Income (Loss)	<u>(\$21,253)</u>
Adjustments:	
Depreciation	96,739
Decrease in accounts receivable	3,451
Increase in accounts payable	7,335
Increase in payroll taxes payable	8
Increase in customer deposits	3,125
Total adjustments	<u>110,658</u>
Net cash provided by operating activities	<u><u>\$89,405</u></u>

See accompanying notes and independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

INTRODUCTION

Columbia Heights Sewerage District No. 1 was created by the Caldwell Parish Police Jury on August 21, 1977, as authorized by Louisiana Revised Statute 33:3881. The District is governed by a five member board appointed by the police jury. Columbia Heights Sewerage District No. 1 commissioners receive \$100 per meeting attended. The District is responsible for maintaining and operating a sewerage collection and disposal system within the boundaries of the District. The District serves approximately 573 customers and has two part-time employees.

GASB Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14* established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these statements, the Columbia Heights Sewerage District No. 1 is considered a component unit of Caldwell Parish. As a component unit, the accompanying financial statements may be included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Statements

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of :

- (1) Management's discussion and analysis (MD&A)
- (2) Statement of net position
- (3) Statement of revenues, expenses, and changes in net position
- (4) Statement of cash flows
- (5) Notes to the financial statements
- (6) RSI other than MD&A, if applicable

The Columbia Heights Sewerage District No. 1 is a special-purpose government engaged only in business-type activities.

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Notes to the Financial Statements

**B. Measurement Focus, Basis of Accounting, and
Financial Statement Presentation**

Enterprise fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenues of the Columbia Heights Sewerage District No. 1 are sewer service fees, tap fees, and connection fees. Operating expenses for enterprise funds include the costs of the services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Deposits and Investments

Cash includes amounts in non-interest bearing demand deposits. State law limits the District's credit risk by restricting the District's investments to collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 2020, the District's investments consist of nonnegotiable certificates of deposit with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost. The District's interest rate risk is limited by the investment of funds for periods not to exceed 12 months.

D. Receivables

Accounts receivable consist of amounts due from customers for sewer service provided prior to year end. Receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The District is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole. Past due amounts are written off as bad debts when considered uncollectible by management.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. For the year ended December 31, 2020, taxes of 4.52 mills were levied on

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
 DISTRICT NO.1
 Notes to the Financial Statements

property with assessed valuations totaling approximately \$27,328,145, for maintenance and operation of the sewerage district. On November 18, 2017, the voters of the District approved a renewal of the 4.40 mills tax for a period of twenty years, beginning with the year 2017 and ending with the year 2037, for the purpose of constructing, improving, maintaining, and operating the sewers and sewerage disposal works and system of the District.

E. Restricted Assets

Certain resources set aside to meet requirements in connection with the 2016 Sewer Revenue Bonds and for construction of major system improvements are classified as restricted assets on the balance sheet because their use is limited. It is the policy of the District to first use the restricted assets for construction but otherwise to use nonrestricted assets when both restricted and nonrestricted assets are available.

F. Capital Assets

Capital assets, which include land, the sewerage system, buildings, and equipment are reported in the enterprise fund financial statements. All of the District's capital assets are capitalized at historical cost. The Columbia Heights Sewerage District No. 1 maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets, if any, is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - Sewerage system	25 years
Buildings	25 years
Equipment	5- 10 years

G. Long-term Obligations

Long-term debt such as revenue bonds payable are reported as noncurrent liabilities on the statement of net position.

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Notes to the Financial Statements

H. 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 certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

I. Interest Costs

The following provides disclosure on interest costs for the year ended December 31, 2020:

Total interest cost expensed	\$30,025
Total interest cost capitalized	<u>NONE</u>
Total interest costs incurred	<u><u>\$30,025</u></u>

2. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2020, the District has cash, restricted cash, and investments, (book balances) as follows:

Non-interest bearing checking accounts	\$1,463,667
Investments - certificates of deposit	<u>48,759</u>
Total	<u><u>\$1,512,426</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2020, the Columbia Heights Sewerage District No. 1 has \$1,517,410 in deposits (collected bank balances). These deposits are secured from risk by \$298,459 of federal deposit insurance and \$1,229,092 of pledged securities held by an unaffiliated bank in the name of the fiscal agent bank.

3. ACCOUNTS RECEIVABLE

At December 31, 2020, the District has net receivables of \$22,422 as follows:

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Notes to the Financial Statements

Sewer service fees	\$22,422
Allowance for uncollectible accounts	<u>NONE</u>
Net receivables	<u>\$22,422</u>

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2020, is as follows:

	Balance at January 1, 2020	Increases	Decreases	Balance at December 31, 2020
Capital assets not being depreciated:				
Land	\$35,517	NONE	NONE	\$35,517
Capital assets being depreciated:				
Sewerage system	2,604,489			2,604,489
Buildings	23,160			23,160
Equipment	134,822			134,822
Total capital assets being depreciated	2,762,471	NONE	NONE	2,762,471
Less accumulated depreciation for:				
Sewerage system	732,931	\$84,563		817,494
Buildings	22,186	70		22,256
Equipment	49,543	12,106		61,649
Total accumulated depreciation	804,660	96,739	NONE	901,399
Total assets being depreciated, net	1,957,811	(96,739)	NONE	1,861,072
Total assets, net	<u>\$1,993,328</u>	<u>(\$96,739)</u>	<u>NONE</u>	<u>\$1,896,589</u>

Depreciation expense of \$96,739 for the year ended December 31, 2020 was reported in the statement of revenues, expenses, and changes in net position.

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Notes to the Financial Statements

5. REVENUE BONDS PAYABLE

On October 13, 2017, the District issued \$1,682,000 in Sewer Revenue Bonds, Series 2016. The bonds were issued in series R-1 in the amount of \$1,391,000 and R-2 in the amount of \$291,000. The bonds were purchased by the United States Department of Agriculture (USDA) and principal was advanced to the District in amounts needed to repay the principal and interest due on two different series of Bond Anticipation Notes and to provide financing for a portion of the costs of constructing and acquiring improvements to the sewage system. Both series of bonds bear interest at 1.875% and are payable over a 40 year period in monthly installments of principal and interest through October 13, 2056. The bonds are secured by a pledge of the income and revenues of the District after the payment of all reasonable and necessary expenses of operating and maintaining the sewer system. USDA has the right to appoint a third party to take possession of the water system and operate, maintain, manage, and control the water system in the event that the District should default on the payment of interest on or principal of the bonds as they become due, or fail to fund the reserve accounts as established in the bond resolution.

The following is a summary of long-term debt transactions for the year ended December 31, 2020:

Direct Borrowings....		
	Sewer Revenue Bonds	Sewer Revenue Bonds	
	<u>Series R-1</u>	<u>Series R-2</u>	<u>Total</u>
Balance at January 1, 2020	\$1,337,251	\$279,753	\$1,617,004
Additions			NONE
Reductions	<u>(25,558)</u>	<u>(5,349)</u>	<u>(30,907)</u>
Balance at December 31, 2020	<u>\$1,311,693</u>	<u>\$274,404</u>	<u>\$1,586,097</u>

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of sewer revenue bonds as of December 31, 2020:

Current portion	\$31,491
Long-term portion	<u>1,554,606</u>
Total	<u>\$1,586,097</u>

The principal and interest payments on all debt outstanding are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2021	\$31,491	\$29,469	\$60,960

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Notes to the Financial Statements

Year Ending December 31,	Principal Payments	Interest Payments	Total
2022	\$32,086	\$28,874	\$60,960
2023	32,693	28,267	60,960
2024	33,312	27,648	60,960
2025	33,942	27,018	60,960
2026-2030	179,581	125,219	304,800
2031-2035	197,217	107,583	304,800
2036-2040	216,584	88,216	304,800
2041-2045	237,854	66,946	304,800
2046-2050	261,212	43,588	304,800
2051-2055	286,865	17,935	304,800
2056	43,260	323	43,583
Total	\$1,586,097	\$591,086	\$2,177,183

6. RESTRICTED CASH

The letter of conditions issued by the United States Department of Agriculture in connection with the 2016 Sewer Revenue Bond requires the District to make monthly transfers of \$254 per month into a Reserve Fund until \$60,960 has been accumulated therein. The District is also required to deposit \$508 per month into a Contingency Fund. At December 31, 2020, the District had \$60,960 set aside in the Reserve Fund and \$71,726 set aside in the Contingency Fund. In addition, the letter of conditions also required that the District deposit all bond advances into a separate Construction Account to be used solely for the payment of costs incurred for the sewer improvement project. At December 31, 2020, there was \$204,566 in unexpended bond funds in the Construction Account.

7. RISK MANAGEMENT

The District purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

8. SUBSEQUENT EVENTS

Since March 2020, the spread of COVID-19 has severely impacted many local economies. Measures taken to contain the spread of the virus have triggered significant disruptions to businesses. There were significant adverse effects from COVID-19 on the District’s financial position during 2020 as many customers accounts became delinquent due to the discontinuance of cut-offs for nonpayment

See independent accountant’s review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Notes to the Financial Statements

which occurred for several months. Although not expected, the District's future cash flows could be affected by an economic slowdown that results from measures taken to contain the spread of the virus. The District has determined that the potential impact of COVID-19 is a non-adjusting subsequent event. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2020, have not been adjusted to reflect this potential impact. The duration and impact of the COVID-19 pandemic remains unclear at this time.

Management of the District has evaluated subsequent events through May 4, 2021, the date which the financial statements were available to be issued.

See independent accountant's review report.

SUPPLEMENTAL INFORMATION SCHEDULES

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year Ended December 31, 2020

**SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
AND BOARD OF COMMISSIONERS**

The Schedule of Compensation, Benefits, and Other payments to Agency Head and Board of Commissioners is presented in compliance with Louisiana Revised Statute 24:513 A (3) and House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As provided by Louisiana Revised Statute 33:3819, Columbia Heights Sewerage District No. 1 commissioners receive \$100 per meeting attended.

SCHEDULE OF PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in Schedule 2.

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD AND BOARD OF COMMISSIONERS
For the Year Ended December 31, 2020

BOARD COMPENSATION

Agency Head - Louis Champagne - President	\$1,200
Tommy Basco	1,200
Monty Adams, Sr.	1,200
Ronnie Darden	1,000
Laura Roquemore	<u>1,100</u>
Total	<u>\$5,700</u>

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2020

Finding Number	Fiscal Year Finding Initially Occurred	Description of Finding	Status of Finding
2019-001	2000	Inadequate Segregation of Accounting Duties	Unresolved - see 2020-001 in current year findings.

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2020

2020-001. Inadequate Segregation of Accounting Duties

Criteria: Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

Condition: The accounting duties of billing, collecting, depositing, and posting customer payments to customers accounts' is performed by one individual who the District contracts with to provide accounting services.

Cause: Limited number of accounting personnel due to the small size of the District.

Effect: Errors or irregularities may not be detected within a timely period.

Recommendation: None.

Management's Response: It is not economically feasible to correct this deficiency based on the size of the District and its limited revenues.

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO. 1
Columbia, Louisiana

I have performed the procedures enumerated below, which were agreed to by Columbia Heights Sewerage District No. 1 (the "District") and the Louisiana Legislative Auditor (the specified parties), on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2020, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated 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:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.), R.S. 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

A review was made of all expenditures for the year. There were no expenditures for materials and supplies that exceeded \$30,000 nor any expenditures for public works exceeding \$250,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided the requested information.

Columbia Heights Sewerage District No. 1
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2020

3. Obtain a list of all employees paid during the fiscal year.

Management provided the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list of employees provided by management for agreed-upon Procedure 3 appeared on the list provided by management in agreed-upon Procedure 2.

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

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

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

The District is not legally required to adopt a budget.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

See agreed-upon Procedure 6.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceed budgeted amounts by 5% or more.

See agreed-upon Procedure 6.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation and:

Columbia Heights Sewerage District No. 1
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2020

- (a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

- (b) Report whether the six disbursements were coded to the correct fund and general ledger account.

Each of the six selected disbursements were coded to the correct fund and general ledger account.

- (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Each of the six selected disbursements were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 - 42:28 (the opening meetings law); and report whether there are any exceptions.

Management provided evidence that a notice and agenda of each meeting is posted at the District's office building as required by the open meetings law.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

I scanned all bank deposit slips for the fiscal year and noted no deposits which appeared to be proceeds from bank loans, bonds, or like indebtedness.

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Advances and Bonuses

12. Obtain a list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

I scanned payroll disbursements and read the meeting minutes of the District's board of commissioners for the fiscal year. I found no payments or approval for payments to employees that may constitute bonuses, advances, or gifts.

State Audit Law

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

The District's report for the year ended December 31, 2019, was submitted prior to June 30, 2020.

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

The District was in compliance with R.S. 24:513 for the year ended December 31, 2019.

Prior Year Comments

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

My prior year report, dated June 3, 2020, included one finding. That finding has not been resolved by management.

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

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

A handwritten signature in cursive script that reads "Carleen Dumas". The signature is written in black ink and is positioned above the typed name and date.

Calhoun, Louisiana
May 4, 2021

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the *Louisiana Governmental Audit Guide*.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

_____ (Date Transmitted)

M. Carleen Dumas, CPA

369 Donaldson Road

Calhoun, LA 71225

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2020 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

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

Yes [] No []

Code of Ethics for Public Officials and Public Employees

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

Yes [] No []

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

Yes [] No []

Budgeting

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

Yes [] No []

Accounting and Reporting

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

Meetings

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

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.
Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.
Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.
Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.
Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.
Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.
Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.
Yes [] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.
Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.
Yes [] No []

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

James V. Champsagnon President 4/18/21 Date