

LAKE ST. JOHN WATERWORKS DISTRICT

(A COMPONENT UNIT OF THE
CONCORDIA PARISH POLICE JURY)

FERRIDAY, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

LAKE ST. JOHN WATERWORKS DISTRICT

(A COMPONENT UNIT OF THE
CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lake St. John Waterworks District
Concordia Parish Police Jury
Ferriday, Louisiana

We have audited the accompanying financial statements of the business activities and the aggregate remaining fund information of Lake St. John Waterworks District, a component unit of the Concordia Parish Police Jury, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Lake St. John Waterworks District's basic financial statements as listed in the foregoing 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 of 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the aggregate remaining fund information of Lake St. John Waterworks District as of December 31, 2019 and 2018, and the respective changes in net 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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 4 through 6, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lake St. John Waterworks District's basic financial statements. The Schedule of Compensation Paid to the Board Members and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer described in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation Paid to the Board Members and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying 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 Paid to the Board Members and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2020, on our consideration of the District'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 Lake St. John Waterworks District's internal control over financial reporting and compliance.

This report is intended for the information of the Members of Lake St. John Waterworks District, the Concordia Parish Police Jury, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silas Simmons, LLP

Natchez, Mississippi
February 28, 2020

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEARS ENDED DECEMBER 31, 2019 AND 2018

INTRODUCTION

The Management's Discussion and Analysis of Lake St. John Waterworks District's financial performance presents a narrative overview and analysis of Lake St. John Waterworks District's financial activities for the years ended December 31, 2019 and 2018. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with Lake St. John Waterworks District's financial statements.

Lake St. John Waterworks District (the District) is located on Highway 569 near Ferriday, Louisiana, in Concordia Parish. The District provides water to approximately 646 customers and is a component of the Concordia Parish Police Jury.

FINANCIAL HIGHLIGHTS

Assets exceeded liabilities by \$668,249 and \$640,772 in 2019 and 2018, respectively.

Revenues exceeded expenditures by \$27,477 in 2019, and expenditures exceeded revenues by \$9,287 in 2018.

The District had total plant and equipment of \$298,886 and \$270,679 in 2019 and 2018, respectively.

The District had payroll of \$100,640 and \$103,258 in 2019 and 2018, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's financial statements are comprised of two components. These components are (1) fund financial statements, and (2) notes to the financial statements.

Fund Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The Statements of Net Position present the information on all of the District's assets and liabilities with the difference between the two reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position present information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal years.

Notes to the Financial Statements

The notes provide additional information to aid in a full understanding of the data provided in the financial statements. The notes are a required part of the financial statements.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the customers' statistics and compensation of the Board Members. This information is included for additional information and analysis and does not constitute a part of the audited financial statements.

**LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEARS ENDED DECEMBER 31, 2019 AND 2018

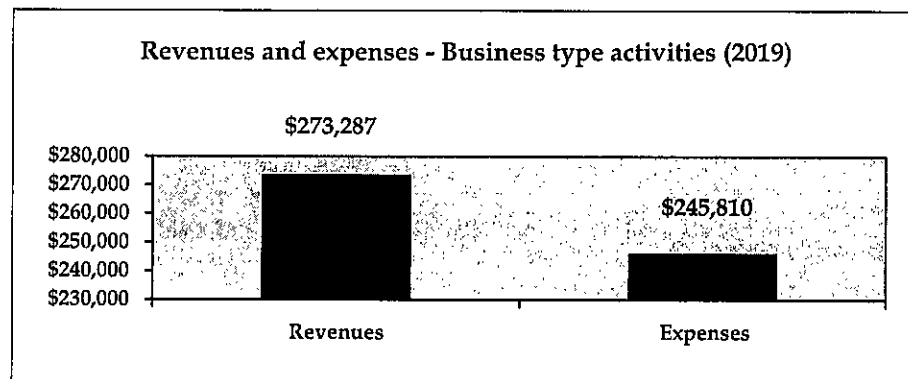
FUND FINANCIAL ANALYSIS

Net Position for the periods ending December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current assets	\$ 370,687	\$ 374,262
Restricted assets	34,755	34,330
Capital assets	<u>298,886</u>	<u>270,679</u>
Total assets	<u>\$ 704,328</u>	<u>\$ 679,271</u>
Liabilities		
Current liabilities	\$ 1,324	\$ 4,169
Customer deposits	<u>34,755</u>	<u>34,330</u>
Total liabilities	<u>\$ 36,079</u>	<u>\$ 38,499</u>
Net position		
Invested in capital assets	\$ 298,886	\$ 270,679
Unrestricted	<u>369,363</u>	<u>370,093</u>
Total net position	<u>\$ 668,249</u>	<u>\$ 640,772</u>

The following is a summary of the statement of activities:

	<u>2019</u>	<u>2018</u>
Revenues		
Program revenues	\$ 253,915	\$ 257,839
Interest income	4,572	7,285
Other revenues	<u>14,800</u>	<u>-</u>
Total revenues	<u>\$ 273,287</u>	<u>\$ 265,124</u>
Operating expenses	<u>\$ 245,810</u>	<u>\$ 274,411</u>
Increase (decrease) in net position	\$ 27,477	\$ (9,287)
Net position at beginning of year	<u>640,772</u>	<u>650,059</u>
Net position at end of year	<u>\$ 668,249</u>	<u>\$ 640,772</u>



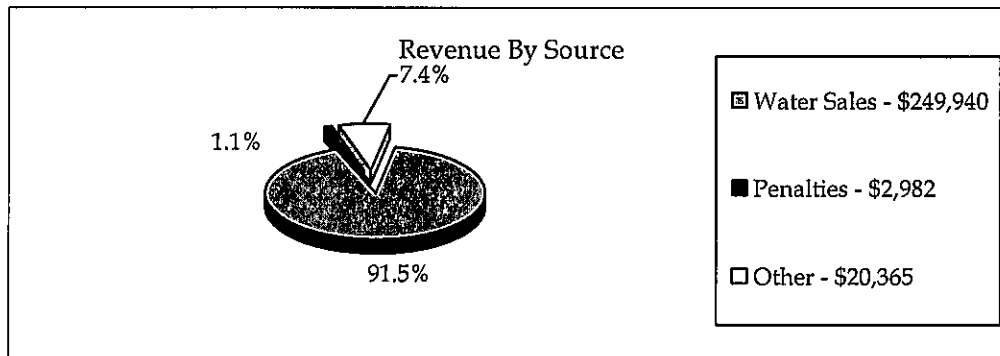
**LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEARS ENDED DECEMBER 31, 2019 AND 2018

FUND FINANCIAL ANALYSIS (continued)

The following chart reflects the revenues by source for Lake St. John Waterworks District. The major sources of revenues are water sales, penalties, reimbursements, and other income.



CAPITAL ASSETS

Lake St. John Waterworks District's investment in capital assets as of December 31, 2019, was \$298,886 (net of accumulated depreciation). This investment in capital assets includes land; distribution system, wells, and storage tanks; water meters; and furniture, fixtures, and equipment. There were additions of \$50,614 to capital assets in 2019.

ECONOMIC FACTORS AND NEXT YEAR'S RATES

The District had 646 active customers at December 31, 2019. Rates are expected to remain at current levels next year.

The District prepares and submits a budget to the Board of Commissioners.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Kathy Cook at Lake St. John Waterworks District, 1185 Highway 569, Ferriday, Louisiana 71334.

SECTION II
BASIC FINANCIAL STATEMENTS

LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
STATEMENTS OF NET POSITION
DECEMBER 31, 2019 AND 2018

ASSETS	<u>2019</u>	<u>2018</u>
Current assets		
Cash and cash equivalents	\$ 336,324	\$ 336,767
Accounts receivable, net of allowance	20,313	22,049
Inventory, at cost	10,170	9,699
Prepaid expenses	3,880	5,747
Total current assets	<u>\$ 370,687</u>	<u>\$ 374,262</u>
Restricted assets		
Meter deposits	\$ 34,755	\$ 34,330
Total restricted assets	<u>\$ 34,755</u>	<u>\$ 34,330</u>
Property, plant, and equipment		
Plant and equipment, at cost, net of allowance of accumulated depreciation	\$ 298,886	\$ 270,679
Total plant and equipment	<u>\$ 298,886</u>	<u>\$ 270,679</u>
 Total assets	 <u>\$ 704,328</u>	 <u>\$ 679,271</u>
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable (payable from current assets)	\$ 1,324	\$ 4,169
Customer deposits (payable from restricted assets)	34,755	34,330
Total current liabilities	<u>\$ 36,079</u>	<u>\$ 38,499</u>
Net position		
Investment in capital assets	\$ 298,886	\$ 270,679
Unrestricted net position	369,363	370,093
Total net position	<u>\$ 668,249</u>	<u>\$ 640,772</u>

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

LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Operating Revenues		
Water sales:		
Water sales	\$ 249,940	\$ 253,309
Installation and service charges	993	1,592
Penalties	2,982	2,918
Other income	14,800	20
Total operating revenues	\$ 268,715	\$ 257,839
Operating Expenses		
Water operations:		
Salaries	\$ 100,640	\$ 103,258
Depreciation	22,407	24,956
Accounting	8,950	18,846
Auto expense	15,498	15,019
Chemicals	5,965	5,437
Computer	2,261	2,515
Cost of services	15,274	10,698
Insurance	27,014	33,679
Miscellaneous	13,912	24,176
Office supplies	2,395	3,690
Per diem	1,900	1,626
Postage and supplies	4,909	4,375
Repairs and maintenance	3,942	3,896
Taxes	7,889	8,012
Utilities	12,854	14,228
Total operating expenses	\$ 245,810	\$ 274,411
Operating Income (loss)	\$ 22,905	\$ (16,572)
Other Revenue		
Interest income	\$ 4,572	\$ 7,285
Total nonoperating revenues	\$ 4,572	\$ 7,285
Change in Net Position	\$ 27,477	\$ (9,287)
Net Position, beginning of year	640,772	650,059
Net Position, end of year	\$ 668,249	\$ 640,772

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

LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash flows from operating activities		
Cash flows from customers	\$ 270,451	\$ 256,562
Cash payments to suppliers for goods and services	(124,212)	(144,530)
Cash payments for services	(100,640)	(103,258)
Net cash provided by operating activities	\$ 45,599	\$ 8,774
Cash flows from investing activities		
Interest received	\$ 4,572	\$ 7,285
Net cash provided by investing activities	\$ 4,572	\$ 7,285
Cash flows from capital and related financing activities		
Increase in customer deposits	\$ 425	\$ 1,095
Fixed assets acquired	(50,614)	-
Net cash provided by (used for) capital and related financing activities	\$ (50,189)	\$ 1,095
Net increase (decrease) in cash and cash equivalents	\$ (18)	\$ 17,154
Cash and cash equivalents at beginning of year	371,097	353,943
Cash and cash equivalents at end of year	\$ 371,079	\$ 371,097
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 22,905	\$ (16,572)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	22,407	24,956
Decrease (increase) in accounts receivable, net	1,736	(1,277)
Decrease in prepaid expenses	1,867	-
(Increase) decrease in inventory	(471)	1,756
(Decrease) in accounts payable	(2,845)	(89)
Net cash provided by operating activities	\$ 45,599	\$ 8,774

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

NOTES TO THE FINANCIAL STATEMENTS

**LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

INTRODUCTION

Lake St. John Waterworks District (the District) was created by ordinance of the Concordia Parish Police Jury in 1967. The purpose of the District is to process and distribute water in the Lake St. John area. The District is governed by five commissioners appointed by the Concordia Parish Police Jury. The commissioners serve five-year terms which expire on a rotating basis. The District is located in an area including Lake St. John and Lake Concordia in East Central Louisiana. The District has approximately 646 customers. The District has one full-time and three part-time employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the District, a component unit of the Concordia Parish Police Jury, is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the management who is responsible for their integrity and objectivity.

A. Financial Statement Presentation

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

B. Reporting Entity

The District is a component unit of the Concordia Parish Police Jury, the financial reporting entity. The Police Jury is financially accountable for the District because it appoints a voting majority of the Board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, 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.

LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise 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 balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. For example, cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. Inventories

Inventories consist of supplies and are recorded as an expense when consumed. Inventories are valued at the lower of cost (first-in, first-out; last-in, first-out; etc.) or market.

G. Prepaid Expenses

Payments made to vendors that will benefit beyond the current calendar year are recorded as prepaid expenses. Prepaid expenses consist primarily of prepaid insurance premiums.

H. Plant and Equipment

Fixed assets of the District are included on the balance sheet of the fund. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Fixed assets reported on the balance sheet are net of accumulated depreciation. Depreciation is computed using the straight line method over the estimated useful lives of 5 to 50 years.

I. Bad Debts

Bad debts are collectible amounts of customer utility receivables.

J. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the financial position of the District.

**LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Accumulated Unpaid Sick Pay and Unpaid Vacation

The District has no policy concerning accumulated unpaid sick pay and vacation time. The sick pay policy allows for paid sick days for employees, but there is no accrual for sick time. The vacation policy allows for one week paid vacation after one year of service and two weeks paid vacation after ten years of service.

L. Uses of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the current period. Actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2019 and 2018, the District had cash and cash equivalents (book balances) totaling \$371,079 and \$371,097, respectively, as follows:

	<u>2019</u>	<u>2018</u>
Demand deposits	\$ 90,508	\$ 89,559
Time deposits	280,507	281,403
Cash on hand	<u>64</u>	<u>135</u>
Total	<u>\$ 371,079</u>	<u>\$ 371,097</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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2019, the District's total deposits with financial institutions (collected bank balances) were \$372,270. These deposits are secured from risk by \$250,000 of federal deposit insurance and \$147,035 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within ten days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

**LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 3 - ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Customers' utilities	\$ 22,313	\$ 24,049
Allowance for bad debts	<u>(2,000)</u>	<u>(2,000)</u>
Total	<u>\$ 20,313</u>	<u>\$ 22,049</u>

NOTE 4 - RESTRICTED ASSETS

Certain cash accounts are restricted for customer deposits. The amount restricted was \$34,755 and \$34,330 at December 31, 2019 and 2018, respectively.

NOTE 5 - PLANT AND EQUIPMENT

A summary of plant and equipment at December 31, 2019, is as follows:

	<u>Beginning Balance 1/1/2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance 12/31/2019</u>
Capital assets not being depreciated				
Land	\$ 2,820	\$ -	\$ -	\$ 2,820
Capital assets being depreciated				
Furniture and fixtures	\$ 13,365	\$ 3,200	\$ -	\$ 16,565
Distribution system, tanks, and meters	832,978	47,375	-	880,353
Equipment	11,447	39	-	11,486
Water well	<u>59,182</u>	<u>-</u>	<u>-</u>	<u>59,182</u>
Total capital assets being depreciated	<u>\$ 916,972</u>	<u>\$ 50,614</u>	<u>\$ -</u>	<u>\$ 967,586</u>
Less accumulated depreciation	<u>\$ (649,113)</u>	<u>\$ (22,407)</u>	<u>\$ -</u>	<u>\$ (671,520)</u>
Total capital assets being depreciated, net	<u>\$ 267,859</u>	<u>\$ 28,207</u>	<u>\$ -</u>	<u>\$ 296,066</u>
Total capital assets, net	<u>\$ 270,679</u>	<u>\$ 28,207</u>	<u>\$ -</u>	<u>\$ 298,886</u>

**LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 5 - PLANT AND EQUIPMENT (continued)

A summary of plant and equipment at December 31, 2018, is as follows:

	Beginning Balance <u>1/1/2018</u>	<u>Increase</u>	<u>Decrease</u>	Ending Balance <u>12/31/2018</u>
Capital assets not being depreciated				
Land	\$ 2,820	\$ -	\$ -	\$ 2,820
Capital assets being depreciated				
Furniture and fixtures	\$ 13,365	\$ -	\$ -	\$ 13,365
Distribution system, tanks, and meters	832,978	-	-	832,978
Equipment	11,447	-	-	11,447
Water well	<u>59,182</u>	<u>-</u>	<u>-</u>	<u>59,182</u>
Total capital assets being depreciated	\$ 916,972	\$ -	\$ -	\$ 916,972
Less accumulated depreciation	\$ (624,157)	\$ (24,956)	\$ -	\$ (649,113)
Total capital assets being depreciated, net	\$ 292,815	\$ (24,956)	\$ -	\$ 267,859
Total capital assets, net	<u>\$ 295,635</u>	<u>\$ (24,956)</u>	<u>\$ -</u>	<u>\$ 270,679</u>

NOTE 6 - RETIREMENT COMMITMENTS

The District's employees are all members of the social security system and are members of no other retirement plan. The expense of the social security is reflected in the payroll taxes account in the statement of revenues and expenses.

NOTE 7 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

The District does not accrue unpaid vacation pay on its financial statements and does not allow the carryover of unused vacation pay from one year to the next. The District has no policy for accrued vacation pay for terminated employees.

NOTE 8 - RISK MANAGEMENT

The District is exposed to certain risks of losses such as property damage, liability issues, and other potential losses that may occur. The District minimizes its losses by purchase of commercial insurance. The District's exposure over the amount of insurance is considered to be immaterial.

SECTION III
OTHER SUPPLEMENTARY INFORMATION

LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

DECEMBER 31, 2019

A schedule of compensation paid to Board Members is presented below, in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature:

William Coleman, President	\$	400
Tim Sessions, Vice President		400
Francis Freeman, Secretary		300
Cameron Harris, Director		400
Micki Smith, Director		<u>400</u>
Total	\$	<u>1,900</u>

See Independent Auditor's Report.

LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

DECEMBER 31, 2019

Agency Head Name: William Coleman, President

Per diem \$ 400

SECTION IV

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Lake St. John Waterworks District
Ferriday, Louisiana

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 activities and the aggregate remaining fund information of Lake St. John Waterworks District, a component unit of the Concordia Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Lake St. John Waterworks District's basic financial statements and have issued our report thereon dated February 28, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lake St. John Waterworks District'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 Lake St. John Waterworks District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lake St. John Waterworks District'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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be material weaknesses: 2019-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake St. John Waterworks District'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*.

Lake St. John Waterworks District's Response to Findings

Lake St. John Waterworks District's response to the findings identified in our audit is described in the accompanying schedule of findings. Lake St. John Waterworks District's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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

This report is intended for the information and use of management of Lake St. John Waterworks District, the Concordia Parish Police Jury, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Natchez, Mississippi
February 28, 2020

SECTION V
SCHEDULE OF FINDINGS

**LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA**

SCHEDULE OF FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2019

Section I: Summary of Auditor's Results

1. Type of auditor's report issued on the government financial statements:

Business-type activities	Unmodified
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2. Internal control over financial reporting:

a. Material weakness(es) identified?	Yes
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b. Significant deficiency(s) identified that are not considered to be material weaknesses?	No
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3. Noncompliance material to the government financial statements?	No
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LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

Section I - Financial Statement Findings:

2018-1 Segregation of Duties (Internal Control Finding)

Condition: Because of the small size of the District and the small number of employees, many of the important elements of good internal control cannot always be achieved to ensure adequate protection of the District's assets.

Criteria: Important elements of good internal control often require that the same employee does not handle the functions of accounting, collections, billing, receiving, and check-writing.

Cause of Condition: Small entity with very few employees.

Effect of Condition: Material weakness in internal control.

Recommendation: We recommend that the Board continue to provide the necessary oversight in its internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Contact Person: Kathy Cook

Anticipated Completion Date: N/A

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None

**LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA**

**SCHEDULE OF CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND
CORRECTIVE ACTION PLAN**

FOR THE YEAR ENDED DECEMBER 31, 2019

Section I - Financial Statement Findings:

2019-1 Segregation of Duties (Internal Control Finding)

Condition: Because of the small size of the District and the small number of employees, many of the important elements of good internal control cannot always be achieved to ensure adequate protection of the District's assets.

Criteria: Important elements of good internal control often require that the same employee does not handle the functions of accounting, collections, billing, receiving, and check-writing.

Cause of Condition: Small entity with very few employees.

Effect of Condition: Material weakness in internal control.

Recommendation: We recommend that the Board continue to provide the necessary oversight in its internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Contact Person: Kathy Cook

Anticipated Completion Date: N/A

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None