

**ST. TAMMANY PARISH
SEWERAGE DISTRICT NO. 4
Covington, Louisiana**

Financial Statements
and
Independent Accountant's Compilation Report

December 31, 2018



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Independent Accountant's Compilation Report

To the Board of Commissioners
St. Tammany Parish Sewerage District No. 4
Covington, Louisiana

Management is responsible for the accompanying statement of net position of St. Tammany Parish Sewerage District No. 4 (the District), a component unit of St. Tammany Parish, Louisiana, as of and for the year ended December 31, 2018, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation 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. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Required Supplementary Information

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The management's discussion and analysis, 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.

Other Matters

Management has elected to omit substantially all the disclosures as required in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
June 12, 2019

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 4
Statement of Net Position
December 31, 2018

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 134,628
Revenues Receivable - Charges for Services	14,922
Due from Other Governmental Entity - St. Tammany Parish Waterworks	45,514
Prepaid Insurance	<u>5,058</u>
Total Current Assets	<u>200,122</u>
Non-Current Assets	
Property, Plant, and Equipment (Net of Accumulated Depreciation)	<u>5,056</u>
Total Non-Current Assets	<u>5,056</u>
Total Assets	<u>205,178</u>
Liabilities	
Current Liabilities	
Accounts Payable and Other Accruals	15,902
Bonds Payable - Less than One Year	<u>9,000</u>
Total Current Liabilities	<u>24,902</u>
Total Liabilities	<u>24,902</u>
Net Position	
Deficit in Net Investment in Capital Assets	(3,944)
Unrestricted	<u>184,220</u>
Total Net Position	<u><u>\$ 180,276</u></u>

See independent accountant's compilation report.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 4
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2018

Operating Revenues	
Charges for Services	\$ 178,457
Administrative Fees for New Users	<u>550</u>
Total Operating Revenues	<u>179,007</u>
Operating Expenses	
Board Members' Per Diem	6,000
Depreciation	102
Fees	111
Insurance	8,076
Licenses and Permits	1,016
Office Supplies and Expenses	1,111
Postage	534
Professional Services	12,708
Repairs and Maintenance	81,100
Telephone	535
Utilities	<u>18,684</u>
Total Operating Expenses	<u>129,977</u>
Operating Income	<u>49,030</u>
Non-Operating Revenues (Expenses)	
Interest Income	743
Late Fees Received	3,081
Interest Expense	<u>(821)</u>
Total Non-Operating Revenues (Expenses)	<u>3,003</u>
Change in Net Position	52,033
Net Position, Beginning of Year	<u>128,243</u>
Net Position, End of Year	<u><u>\$ 180,276</u></u>

See independent accountant's compilation report.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 4
Statement of Cash Flows
For the Year Ended December 31, 2018

Cash Flows from Operating Activities	
Cash Received from Customers	\$ 184,436
Cash Payments to Suppliers for Goods and Services	(113,895)
Cash Payments to Board Members	<u>(6,000)</u>
Net Cash Provided by Operating Activities	<u>64,541</u>
Cash Flows from Non-Capital Financing Activities	
Increase in Due from Other Governmental Entity	<u>(16,709)</u>
Net Cash Used in Non-Capital Financing Activities	<u>(16,709)</u>
Cash Flows from Capital Financing Activities	
Principal Payments on Bond Indebtedness	(41,000)
Interest Paid	<u>(821)</u>
Net Cash Used in Capital Financing Activities	<u>(41,821)</u>
Cash Flows from Investing Activities	
Interest Received	<u>743</u>
Net Cash Provided by Investing Activities	<u>743</u>
Increase in Cash and Cash Equivalents	6,754
Cash and Cash Equivalents, Beginning of Year	<u>127,874</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 134,628</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 49,030
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	102
Late Fees Received	3,081
Decrease in Receivables	2,348
Decrease in Prepaid Insurance	946
Increase in Accounts Payable and Other Accruals	<u>9,034</u>
Net Cash Provided by Operating Activities	<u><u>\$ 64,541</u></u>

See independent accountant's compilation report.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 4
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2018

Agency Head

William M. Bartlett, Jr., Chairperson

Purpose	Amount
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$3,000
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent accountant's compilation report.

AGREED-UPON PROCEDURES REPORT

St. Tammany Parish Sewerage District No. 4

Independent Accountant's Report
on Applying Agreed-Upon Procedures

For the Period of January 1, 2018 - December 31, 2018

To the Board of Commissioners
St. Tammany Parish Sewerage District No. 4
Covington, Louisiana

We have performed the procedures enumerated below, which were agreed to by management of St. Tammany Parish Sewerage District No. 4 (the District) and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the District's compliance with certain laws and regulations during the period of January 1, 2018 through December 31, 2018, in accordance with Act 774 of 2014 Regular Legislative Session.

Management of the District, a component unit of St. Tammany Parish, Louisiana, is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the District and the Legislative Auditor. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the report has been requested or for any other purpose.

The procedures and associated results are as follows:

Written Policies and Procedures (follow up)

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a. **Contracting**, including (1) types of services requiring written contracts and (2) legal review.

Results: The District's policies over contracting did not include the types of services requiring written contracts or legal review.

- b. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (LRS) 42:1111-1121 and (2) system to monitor possible ethics violations.

Results: The District's policies over ethics did not include the prohibitions as defined in LRS 42:1111-1121 or a system to monitor possible ethics violations.

Board Oversight

1. Obtain and review all board minutes for the fiscal period, and:
 - a. Report if a reconciliation of billing receipts to joint bank account, reconciliation of customer billings to deposits, and/or customer account adjustments were presented to the Board for at least one meeting during the fiscal period.

Results: We obtained and reviewed all board minutes for the fiscal period and noted a reconciliation of billing receipts to joint bank account, a reconciliation of customer billings to deposits, and/or customer account adjustments were not presented to the Board for at least one meeting during the fiscal period.

Open Meetings Law Compliance

1. Report whether a copy of the Open Meetings Law is posted at the location where the entity holds its meetings.

Results: A copy of the Open Meetings Law is posted at the location where the entity holds its meeting.

2. Using the board minutes obtained under Board Oversight above, report whether the entity maintained written minutes for each board meeting and if each set of written meeting minutes included:
 - a. Place of the meeting.
 - b. Whether the entity provided an opportunity for public comment prior to a vote being taken.

Results: The District does maintain written minutes for each board meeting. For procedure 2a) above, none of the meeting minutes included the place of the meeting. For procedure 2b) above, we noted that the meeting minutes did reference that the District provided an opportunity for public comment/open discussion.

3. Report whether the minutes of each selected meeting were published in the official journal of the entity.

Results: Minutes were not published in the official journal of the entity.

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*. 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. 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.

This report is intended solely for the use of management of St. Tammany Parish Sewerage District No. 4 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Covington, LA
September 18, 2019

Management Response
St. Tammany Parish Sewer District No. 4
For the Period of January 1, 2018 - December 31, 2018

Mr. Daryl Purpera
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Act 774 Agreed-upon Procedures

The Board of Directors are responsible for responding to the results of the preceding agreed-upon procedures report. Management's responses are as follows:

Written Policies and Procedures

Results: We obtained the District's policies and procedures. For procedure 1a) we noted the policies over contracting did not include the types of services requiring written contracts or legal review. For procedure 1b) we noted the policies over ethics did not include the prohibitions as defined in LRS 42:1111-1121 or a system to monitor possible ethics violations.

Management Response: A contract policy will be developed in coordination with the retained engineering firm. This will contain the types of services requiring written contracts and legal review and proper ethics policies as defined by LRS 42:1111-1121 and a system to monitor possible violations.

Board Oversight

Results: We obtained and reviewed all board minutes for the fiscal period and noted a reconciliation of billing receipts to joint bank account, a reconciliation of customer billings to deposits, and/or customer account adjustments were not presented to the Board for at least one meeting during the fiscal period

Management Response: The Board will make sure a financial report will be presented to the board at least annually in the future.

Open Meetings Law Compliance

Results: For procedure 2a) none of the meeting minutes included the place of the meeting. For procedure 3, minutes were not published in the official journal of the entity.

Management Response: Meeting minutes in the future will contain the additional information listed above. Meeting minutes will be posted for public access and review on the district website.