

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
FINANCIAL REPORT
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

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James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



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John S. Dowling, CPA
 1904-1984
 John Newton Stout, CPA
 1936-2005
 Chizal S. Fontenot, CPA
 1955-2012

Van L. Auld, CPA

Retired

Harold Dupre, CPA
 1996
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003
 Russell J. Steffy, CPA
 2005

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Commissioners
 Te Mamou Water District
 Ville Platte, Louisiana

We have reviewed the accompanying financial statements of the business-type activity of Te Mamou Water District, a component unit of the Evangeline Parish Police Jury, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Te Mamou Water 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, we do not express such an opinion.

Management's Responsibilities for the Financial Statements

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

Accountant's Responsibility

Our 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 AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are 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.

The Board of Commissioners
Te Mamou Water District
Ville Platte, Louisiana
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In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated, November 18, 2019 on the results of our agreed-upon procedures.

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. 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 and for placing the basic financial statements in an appropriate operational, economic or historical context.

Other Supplementary Information

The Schedule of Compensation as listed in the table of contents on page 24 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management, and such information was derived from, and relates directly to, the underlying records used to prepare the financial statements. The supplementary information was subjected to the review procedures applied in the review of the basic financial statements and based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in conformity with the applicable financial reporting framework. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.


Opelousas, Louisiana
November 18, 2019

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018

<u>ASSETS</u>	<u>BUSINESS – TYPE ACTIVITIES</u> <u>PROPRIETARY FUND</u>	
	<u>2019</u>	<u>2018</u>
<u>CURRENT ASSETS</u>		
Cash on hand	\$ 508	\$ 1,890
Evangeline Bank checking	229,118	437,966
Certificates of deposit - Evangeline Bank	426,720	224,698
Accounts receivable	43,569	47,850
Other receivable	11,855	-
Prepaid insurance	7,845	8,702
<u>Total current assets</u>	<u>719,615</u>	<u>721,106</u>
<u>PROPERTY, PLANT, AND EQUIPMENT</u>		
Water system	1,754,029	1,717,551
Office building	26,669	26,669
Office equipment	34,759	34,759
Vehicles	28,491	28,491
	<u>1,843,948</u>	<u>1,807,470</u>
Less: Allowance for depreciation	<u>(1,227,050)</u>	<u>(1,175,831)</u>
	616,898	631,639
Land	16,109	16,109
<u>Total property, plant, and equipment</u>	<u>633,007</u>	<u>647,748</u>
<u>OTHER ASSETS</u>		
Meter deposits	13	13
<u>Total assets</u>	<u>1,352,635</u>	<u>1,368,867</u>
<u>LIABILITIES AND NET POSITION</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 10,178	\$ 4,327
Safe drinking water tax payable	-	2,406
Customer meter deposits	62,610	60,070
<u>Total current liabilities</u>	<u>72,788</u>	<u>66,803</u>
<u>Total liabilities</u>	<u>72,788</u>	<u>66,803</u>
<u>NET POSITION</u>		
Net Investment in capital assets	633,007	647,748
Unrestricted	646,840	654,316
<u>Total net position</u>	<u>1,279,847</u>	<u>1,302,064</u>
<u>Total liabilities and net position</u>	<u>1,352,635</u>	<u>1,368,867</u>

See accompanying notes and independent accountant's review report.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>BUSINESS – TYPE ACTIVITIES</u> <u>PROPRIETARY FUND</u>	
	<u>2019</u>	<u>2018</u>
<u>OPERATING REVENUES</u>		
Water sales	\$ 287,407	\$ 283,224
Service charges	1,276	3,158
Installation charges	3,016	135
Late charges	2,595	4,863
Miscellaneous	768	7,759
<u>Total operating revenues</u>	<u>295,062</u>	<u>299,139</u>
<u>OPERATING EXPENSES</u>		
Salaries	59,093	55,117
Contract labor	38,833	33,084
Payroll tax expense	3,036	4,128
Directors' fees	17,112	11,587
Postage	2,798	2,813
Insurance	15,233	10,547
Legal and accounting	19,557	4,360
Chlorine	10,082	7,288
Repairs and maintenance	25,275	71,686
Office expenses	16,659	10,376
Utilities	47,125	30,160
Telephone allowance	1,767	-
Miscellaneous	11,511	11,743
Depreciation	51,218	49,371
<u>Total operating expenses</u>	<u>319,299</u>	<u>302,260</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(24,237)</u>	<u>(3,121)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest earnings	2,020	479
<u>Total nonoperating revenues (expenses)</u>	<u>2,020</u>	<u>479</u>
<u>CHANGE IN NET POSITION</u>	<u>(22,217)</u>	<u>(2,642)</u>
<u>NET POSITION, beginning of year</u>	<u>1,302,064</u>	<u>1,304,706</u>
<u>NET POSITION, end of year</u>	<u>1,279,847</u>	<u>1,302,064</u>

See accompanying notes and independent accountant's review report.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>BUSINESS – TYPE ACTIVITIES</u> <u>PROPRIETARY FUND</u>	
	<u>2019</u>	<u>2018</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$ 299,477	\$ 299,190
Cash paid to suppliers	(155,154)	(147,164)
Cash paid to employees	(118,074)	(103,916)
<u>Net cash provided by operating activities</u>	<u>26,249</u>	<u>48,110</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</u> <u>ACTIVITIES</u>		
Purchase of property, plant, and equipment	(36,478)	(15,083)
<u>Net cash used by capital and</u> <u>related financing activities</u>	<u>(36,478)</u>	<u>(15,083)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Redemption of certificate of deposit	-	225,000
Purchase of certificate of deposit	(202,023)	(224,700)
Interest earned	2,022	479
<u>Net cash provided by investing activities</u>	<u>(200,001)</u>	<u>779</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(210,230)	33,806
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	<u>439,856</u>	<u>406,050</u>
<u>CASH AND CASH EQUIVALENTS, end of year</u>	<u>229,626</u>	<u>439,856</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u> <u>PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating income (loss)	\$ (24,237)	\$ (3,122)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	51,218	49,371
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	4,281	(5,002)
(Increase) decrease in prepaid expense	857	200
Increase (decrease) in payables	(8,410)	4,015
Increase (decrease) in meter deposits	2,540	2,648
<u>Net cash provided by operating activities</u>	<u>26,249</u>	<u>48,110</u>

See accompanying notes and independent accountant's review report.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF ACTIVITIES

Te Mamou Water District is governed by a five member board of commissioners, appointed by the Evangeline Parish Police Jury, who are authorized to construct, maintain, and improve the Waterworks System within the District.

B. SCOPE OF ENTITY

As the governing authority of the parish, for reporting purposes, the Evangeline Parish Police Jury is the financial reporting entity for Evangeline Parish.

The financial reporting entity consists of (a) the primary government (Police Jury) (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Evangeline Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Police Jury appoints a voting majority of the Water District's governing body and the Police Jury has the ability to impose its will on the Water District, the Water District was determined to be a component unit of the Evangeline Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Water 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.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the Statements of Net Position, business-type activities are presented using the economic resources measurement focus.

The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the Statements of Net Position, business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Unbilled and billed utility receivables are recorded at year-end. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year, unless material.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the continuing operations of the fund. Principle operating revenues for proprietary funds are charges to customers for sales or services. Principle operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as nonoperating in the financial statements.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. INVESTMENTS

Investments are recorded at cost, which approximates market. The Water District's investments consist of certificates of deposit.

Louisiana statutes authorize Te Mamou Water District to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, the Louisiana Asset Management Pool, or any other federally insured investment.

E. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Depreciation is considered an estimate.

F. CAPITAL ASSETS

Capital assets (including infrastructure assets), which constitute assets of the Proprietary Fund, are recorded at cost and depreciation is computed under the straight-line method and the modified accelerated cost recovery method. The service lives by type of asset are as follows:

Plant and water system	7-50 years
Equipment and vehicles	5-10 years
Buildings/improvements	30-31.5 years

Interest costs during construction are not capitalized.

G. BUDGET ACCOUNTING

Te Mamou Water District is not required to adopt a budget for its Proprietary Fund.

H. STATEMENTS OF CASH FLOWS

For purposes of reporting cash flows, all highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

I. ENCUMBRANCES

Te Mamou Water District does not employ the encumbrance system of accounting.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

J. BAD DEBTS

Te Mamou Water District has a policy of recognizing uncollectible amounts of water billings at the time information becomes available which would indicate the uncollectibility of the receivable.

K. RETIREMENT

The Water District maintains no retirement system.

L. COMPENSATED ABSENCES

No accrual has been made for vacation or sick pay due to the insignificance of the amounts involved.

M. EQUITY CLASSIFICATIONS

Equity is classified as net position and displayed in three components:

1. Net Investment in capital assets – Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributed to the acquisition, construction, or improvements of those assets.
2. Restricted net position – consist of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted resources are available for use, it the Water District’s policy to use restricted resources first, then unrestricted resources as they are needed.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE (2) - CASH AND INVESTMENTS

At June 30, 2019, the bank balance of cash in the checking account was \$235,035, and the carrying amount was \$229,118. At June 30, 2019, the bank balance and carrying amount of certificates of deposit were \$426,720. Of the bank balances, \$250,000 was covered by FDIC and \$411,755 was covered by securities pledged by the bank.

At June 30, 2018, the bank balance of cash in the checking account was \$441,791 and the carrying amount was \$437,966. At June 30, 2018, the bank balance and carrying amount of certificates of deposit were \$224,698. Of the bank balances, \$250,000 was covered by FDIC and \$416,489 was covered by securities pledged by the bank.

Custodial credit risk is the risk that in the event of a bank failure, Te Mamou Water District's deposits may not be recovered. Under state law, these deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the bank. The market value of the pledged securities plus the deposit insurance must at all times equal the amount on deposit with the bank. As of June 30, 2019 and 2018, deposits with financial institutions were fully insured by FDIC or collateralized by securities pledged by the bank. Te Mamou Water District does not have a policy for custodial credit risk.

NOTE (3) - ACCOUNTS RECEIVABLE

The accounts receivable of the Te Mamou Water District, consist of uncollected billed and unbilled utility services. An aging schedule is as follows:

<u>Days</u>	<u>June 30, 2019</u>		<u>June 30, 2018</u>	
	<u>Amounts</u>	<u>Approximate Number of Accounts</u>	<u>Amounts</u>	<u>Approximate Number of Accounts</u>
Current	\$ 23,047	766	\$ 29,218	767
31-60	2,041		2,490	
61-90	544		390	
Over 90	5,751		3,317	
<u>Total</u>	<u>31,383</u>		<u>35,415</u>	
Unbilled receivables	<u>12,186</u>		<u>12,435</u>	
	<u><u>43,569</u></u>		<u><u>47,850</u></u>	

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE (4) - PROPERTY, PLANT, AND EQUIPMENT

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 16,109	\$ -	\$ -	\$ 16,109
Capital assets being depreciated				
Plant and water system	1,717,551	36,478	-	1,754,029
Office building	26,669	-	-	26,669
Office equipment	34,759	-	-	34,759
Vehicle	28,491	-	-	28,491
<u>Total capital assets</u>	<u>1,823,579</u>	<u>36,478</u>	<u>-</u>	<u>1,860,057</u>
Less accumulated depreciation for:				
Plant and water system	(1,127,386)	(43,418)	-	(1,170,804)
Office building	(19,128)	(1,073)	-	(20,201)
Office equipment	(18,870)	(1,029)	-	(19,899)
Vehicle	(10,447)	(5,698)	-	(16,145)
<u>Total accumulated depreciation</u>	<u>(1,175,831)</u>	<u>(51,218)</u>	<u>-</u>	<u>(1,227,049)</u>
<u>Total capital assets, net</u>	<u>647,748</u>	<u>(14,740)</u>	<u>-</u>	<u>633,008</u>

Depreciation expense for the years ended June 30, 2019 was \$51,218.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE (4) - PROPERTY, PLANT, AND EQUIPMENT – Continued

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 16,109	\$ -	\$ -	\$ 16,109
Capital assets being depreciated				
Plant and water system	1,717,551	-	-	1,717,551
Office building	26,669	-	-	26,669
Office equipment	19,676	15,083	-	34,759
Vehicle	28,491	-	-	28,491
<u>Total capital assets</u>	<u>1,808,496</u>	<u>15,083</u>	<u>-</u>	<u>1,823,579</u>
Less accumulated depreciation for:				
Plant and water system	(1,085,489)	(41,897)	-	(1,127,386)
Office building	(18,005)	(1,123)	-	(19,128)
Office equipment	(18,218)	(652)	-	(18,870)
Vehicle	(4,749)	(5,698)	-	(10,447)
<u>Total accumulated depreciation</u>	<u>(1,126,461)</u>	<u>(49,370)</u>	<u>-</u>	<u>(1,175,831)</u>
<u>Total capital assets, net</u>	<u>682,035</u>	<u>(34,287)</u>	<u>-</u>	<u>647,748</u>

Depreciation expense for the year ended June 30, 2018 was \$49,370.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE (5) - BOARD MEMBER COMPENSATION

The Board of Commissioners is comprised of five members. The members' compensations vary based on the duties and responsibilities of their office.

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Victor Slaven	\$ 7,050	\$ 5,549
Michel Anderson	3,162	-
Jason Fontenot	3,450	3,450
Felix Morein	3,450	575
Daniel Miller	-	2,013
	<u>17,112</u>	<u>11,587</u>
Wilbur Thompson - President	13,902	11,801
Ronald McCauley	-	3,013
	<u>13,902</u>	<u>14,814</u>
	 <u>31,014</u>	 <u>26,401</u>

NOTE (6) - RISK MANAGEMENT

The District is exposed to risks of loss in the areas of general liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance.

NOTE (7) - SUBSEQUENT EVENTS

Subsequent events were evaluated through November 18, 2019, which is the date the financial statements were available to be issued. As of November 18, 2019, there were no subsequent events noted.

NOTE (8) - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Te Mamou Water District does not provide any post-employment benefits to retirees and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

The Board of Commissioners
 Te Mamou Water District
 Ville Platte, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Te Mamou Water District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Te Mamou Water District's compliance with certain laws and regulations during the year ended June 30, 2019 included in the accompanying Louisiana Attestation Questionnaire. Management of Te Mamou Water District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000 or public works exceeding \$154,450. Compare the documentation for these expenditures to Louisiana Revised Statute (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.

No expenditures were made for materials and supplies exceeding \$30,000 or public works exceeding \$154,450 during the fiscal year ended June 30, 2019.

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).

The Board of Commissioners
 Te Mamou Water District
 Page 2

Management provided us with the required list including the noted information.

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

Management provided us with the required list.

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

The employees included on the list provided by management in agreed-upon procedure (3) were not included on the listing obtained in agreed-upon procedure (2).

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

Management provided the requested information. There was one vendor that appeared on both lists. The bookkeeping services are being provided by a board member's business.

Budgeting

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

Te Mamou Water District's operations are accounted for in a proprietary fund which is not required to adopt a budget.

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

Te Mamou Water District's operations are accounted for in a proprietary fund which is not required to adopt a budget.

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.

Te Mamou Water District's operations are accounted for in a proprietary fund which is not required to adopt a budget.

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:

The Board of Commissioners
 Te Mamou Water District
 Page 3

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

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

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

Payments were properly 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.

All payments were properly approved by the Board of Commissioners.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:11 through 42:13 (the open meetings law); and report whether there are any exceptions.

Management has asserted that a notice of each meeting and the agenda is posted on the door of the District's office building.

Debt

11. Obtain bank deposits for the fiscal year, and scan 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.

We inspected copies of all bank deposit slips for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board. 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.

A reading of the minutes of the District for the fiscal year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

The Board of Commissioners
 Te Mamou Water District
 Page 4

State Audit Law

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

Yes, the District provided for a timely report in accordance with R.S. 24:513.

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).

Management reported that they did not enter into any contracts.

Prior Comments and Recommendations

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

Our prior year report dated January 14, 2019, included one comment which remains unresolved and three comments which have been resolved.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. 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 Te Mamou Water District 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.

John S. Dowling & Company

Opelousas, Louisiana
 November 18, 2019

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR EXCEPTIONS
NOTED IN THE ATTESTATION REPORT
JUNE 30, 2019 AND 2018

Exception Noted: The bookkeeping services are being provided by a board member's business.

Management's Response: The Ethics Board has been contacted several times and we are waiting on written approval.

Contact Person: Victor Slaven, Board Member

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

June 3, 2019 (Date Transmitted)
John S. Dowling & Company (CPA Firm Name)
P.O. Box 1549 (CPA Firm Address)
Opelousas, Louisiana 70570 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2019 (date) 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.

<u>Ronella Fortner</u>	Secretary	<u>06-03-2019</u>	Date
<u>Ronella Fortner</u>	Treasurer	<u>06-03-2019</u>	Date
<u>Timothy Thompson</u>	President	<u>6-3-19</u>	Date

TE MAMOU WATER DISTRICT
SCHEDULE OF PRIOR AND CURRENT YEAR FINDINGS AND
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2019

PRIOR YEAR FINDINGS:

Compliance

2018-1 – Timely Submittal of Review Report

Resolved

Internal Control

2018-1 – Inadequate Segregation of Accounting Functions

Unresolved

2018-3 – Accounts Receivable Not Reconciled Monthly

Resolved

2018-4 – Cash Not Correctly Reconciled Monthly

Resolved

2018-5 – Incomplete General Ledger

Resolved

CURRENT YEAR FINDINGS:

Internal Control and Compliance

2019-1 – Inadequate Segregation of Accounting Functions

Condition: Due to the small number of employees, the Water District does not have adequate segregation of functions within the accounting system. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to completion.

Criteria: The Water District should have adequate segregation of duties over accounting functions.

Cause: There are a small number of employees at the Water District performing the daily operating activities.

TE MAMOU WATER DISTRICT
SCHEDULE OF PRIOR AND CURRENT YEAR FINDINGS AND
MANAGEMENT'S CORRECTIVE ACTION PLAN (CONTINUED)
YEAR ENDED JUNE 30, 2019

Effect: Accounting functions are not segregated, and it is important that you are aware of this condition because errors or fraud could occur and not be detected.

Recommendation: A system of internal control procedures should be established in order to mitigate the problem of having such a small number of employees performing the daily operating activities.

Management's corrective action plan: Management has determined that it is not cost effective to achieve complete segregation of duties within the accounting department.

Contact Person: J. Wilbur Thompson, President

TE MAMOU WATER DISTRICT OPELOUSAS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
YEAR ENDED JUNE 30, 2019

Agency Head Name: J. Wilbur Thompson, President of the Board

<u>Purpose</u>	<u>Amount</u>
Salary	\$13,902
Benefits-insurance	0
Benefits-retirement	0
Benefits-<list any other here>	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses - Telephone allowance	0
Special meals	0

See independent accountant's review report.