

**LAFOURCHE PARISH SEWER
DISTRICT NO. 1**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION**

**(WITH INDEPENDENT ACCOUNTANT'S
REVIEW REPORT THEREON)**

**FOR THE YEAR ENDED
DECEMBER 31, 2018**

LAFOURCHE PARISH SEWER DISTRICT NO. 1
As of and for the Year Ended December 31, 2018

TABLE OF CONTENTS

	<u>Page</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	1
FINANCIAL SECTION	
Independent Accountants Review Report	5
Basic Financial Statements – Sewer Enterprise Fund	
Statement of Net Position	7
Statement of Revenues, Expenses, and Changes in Net Position	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
OTHER INFORMATION	
Schedule of Compensation, Benefits and Other Payments to Agency Head	17
OTHER REPORTS	
Independent Accountants' Report on Agreed-Upon Procedures	18
Louisiana Attestation Questionnaire (including Board Resolution)	23

LAFOURCHE PARISH SEWER DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018

This discussion and analysis of the Lafourche Parish Sewer District No. 1's financial performance provides a narrative overview of the financial activities as of and for the fiscal year ended December 31, 2018. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- Total assets decreased by approximately \$100,000 or 8% while total liabilities also decreased by about the same, resulting in total net position decreasing by \$16,000 or 9% from the prior year.
- Operating revenues decreased slightly by about 6% while operating expenses decreased by approximately 7% from the prior year.

USING THIS ANNUAL REPORT

This annual financial report consists of these parts: Management's Discussion and Analysis, the Financial Section, and Other Supplemental Schedules. The Financial Section also includes notes that explain in more detail some of the information in the financial statements.

The Basic Financial Statements - Statement of Net Position, the Statement of Revenues, Expenses and Net Position and the Statement of Cash Flows provide both long-term and short-term information about the overall financial status. The Statement of Net Position includes all assets, liabilities, and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). This financial statement reports net position and how it has changed. Net position – the difference between assets and liabilities– is one way to measure financial health, or position.

All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of operations over the past year and can be used to determine whether operations have successfully recovered all its costs through user fees and other charges, profitability, and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting for operations, investing and financing activities and provides answers to such questions as where did the cash come from, what was the cash used for, and what was the change in cash balance during the reporting period.

LAFOURCHE PARISH SEWER DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018

FINANCIAL ANALYSIS

To begin our analysis, a condensed summary of the Statement of Net Position is presented in the following table:

	Condensed Statement of Net Position		Increase (Decrease)	Percent Change
	2017	2018		
Current and Other Assets	\$ 110,737	\$ 103,862	\$ (6,875)	-6.2%
Restricted Assets	292,491	283,767	(8,724)	-3.0%
Capital Assets	847,453	763,067	(84,386)	-10.0%
Total Assets	1,250,681	1,150,696	(99,985)	-8.0%
Current Liabilities	5,500	6,241	741	13.5%
Non-Current Liabilities	1,061,692	976,692	(85,000)	-8.0%
Net Position	\$ 183,491	\$ 167,763	\$ (15,724)	-8.6%

The following denotes explanations for some of the major changes between fiscal years, as shown in the previous table:

- Current assets decreased by 6% primarily due to a decrease in unrestricted cash and investments generated by the current year spending from operations.
- Capital assets decreased by 10% primarily due to more depreciation than assets purchased.
- Long term debt outstanding decreased due to payments made reducing the outstanding balances at the end of the year.

A condensed summary of the Statement of Revenues, Expenses and Changes in Net Position is presented in the following table:

	Condensed Statement of Changes in Net Position		Increase (Decrease)	Percent Change
	2017	2018		
Operating Revenue	\$ 236,722	\$ 223,241	\$ (13,483)	-5.7%
Operating Expenses	(226,537)	(211,548)	(14,989)	-6.6%
Operating income (expense)	10,189	11,693	1,506	100%
Non-operating income	182	167	(15)	100%
Interest paid on bonds	(27,028)	(27,587)	559	2.1%
Change in Net Position	(16,657)	(15,727)	2,050	-12.3%
Net Position:				
Beginning of the year	200,148	183,489	(16,659)	-9.1%
End of the year	\$ 183,491	\$ 167,763	\$ (15,724)	-8.6%

LAFOURCHE PARISH SEWER DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018

Operating revenues decreased slightly by approximately \$13,000 and non-operating revenues decreased by \$15. Operating expenses, including depreciation expense, decreased by over 6%.

CAPITAL ASSETS

The District reported a net of \$763,067 of capital assets at the end of the year. This amount represents a net decrease (including additions and deductions and less depreciation) of \$84,387 from the prior year. Additions of \$38,967 were capitalized and depreciation of \$123,354 was recorded as operating expense.

Additional detailed information about capital assets is presented in Note 3 to the financial statements.

SEWER REVENUE BONDS, SERIES 2006

Long-term debt activity for the year follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Sewer Revenue Bonds	\$1,061,692	\$-	\$(85,000)	\$976,692

Bonds currently outstanding include Sewer Revenue Bonds, Series 2006 issued on March 4, 2007 with an authorized amount of \$1,750,000. The total amount issued totaled \$1,727,971 for which repayment began in 2009 for a period not to exceed 22 years at an interest rate of 2.45%.

LAFOURCHE PARISH SEWER DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District is not required to but does adopt a budget to use as a management tool. Highlights of next year's operating budget include:

	<u>2019</u>
Anticipated revenues	\$ 235,000
Expenses:	
Operating	97,000
Capital	12,000
Debt service	118,000
Total Expenses	<u>227,100</u>
Excess revenues over expenses	<u>\$7,900</u>

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact our accountants:

T.S. Kearns & Co., CPAs
164 W Main Street
Thibodaux, LA 70301
985-447-8507

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Commissioners
Lafourche Parish Sewerage District No. 1
Thibodaux, LA

We have reviewed the accompanying financial statements of the business-type activities, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2018, which collectively comprises the basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to managements' financial data and making inquiries of the 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 Responsibility on 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; this includes 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.

To the Board of Commissioners
Lafourche Parish Fire Protection District No. 2
Page 2

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.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated June 3, 2019, on the results of our agreed-upon procedures.

Other Information

The other information included in 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. We have reviewed the information and, based on my review, we are 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. We have not audited the information and, accordingly, do not express an opinion on such information.

Stagni & Company

June 3, 2019
Thibodaux, LA



LAFOURCHE PARISH SEWERAGE DISTRICT NO. 1

Statement of Net Position
Proprietary Fund
December 31, 2018

ASSETS

	<u>Enterprise Fund</u>
<i>CURRENT ASSETS</i>	
Cash and cash equivalents	\$ 78,804
Receivables, net	17,744
Prepaid insurance	7,254
Meter deposits	60
<i>RESTRICTED ASSETS</i>	
Cash and cash equivalents	283,767
TOTAL CURRENT ASSETS	<u>387,629</u>
<i>CAPITAL ASSETS</i>	
Land	4,000
Sewerage plants	2,385,957
Accumulated depreciation	(1,626,890)
TOTAL CAPITAL ASSETS	<u>763,067</u>
TOTAL ASSETS	<u>1,150,696</u>

LIABILITIES

<i>CURRENT LIABILITIES</i>	
Accounts payable and accrued expenses	6,241
Bonds payable - current portion	88,000
TOTAL CURRENT LIABILITIES	<u>94,241</u>
<i>NON-CURRENT LIABILITIES</i>	
Bonds payable	888,692
TOTAL LIABILITIES	<u>982,933</u>

NET POSITION

Net Investment in capital assets	70,142
Unrestricted	97,621
TOTAL NET POSITION	<u>\$ 167,763</u>

LAFOURCHE PARISH SEWERAGE DISTRICT NO. 1
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the year ended December 31, 2018

OPERATING REVENUES:	
Charges for services - Maintenance fees	\$ 223,241
OPERATING EXPENSES:	
Collection expense	7,363
Insurance	5,931
Loan fees to DEQ	2,654
Professional fees	8,060
Repairs & maintenance of system	33,350
Salaries	2,879
Taxes/licenses	203
Utilities	26,336
License, Fees & Permits	1,419
Depreciation	123,354
	211,549
Operating Income (Loss)	11,692
NON-OPERATING REVENUE (EXPENSE)	
Investment income	167
Interest on bonds	(27,587)
Total non-operating Revenue (Expense)	(27,420)
Change in net position	(15,728)
Net Position:	
Beginning of year	183,491
End of year	\$ 167,763

See notes and Independent Accountants' Review Report

LAFOURCHE PARISH SEWERAGE DISTRICT NO. 1

Statement of Cash Flows

Proprietary Fund

For the year ended December 31, 2018

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 223,241
Cash payments to suppliers for goods and services	(86,519)
Cash payments made to employees for services	(3,082)
Net cash provided (used) by operating activities	<u>133,640</u>
Cash flows from capital and related financing activities:	
Interest paid on long-term obligations	(27,587)
Principal payments on long-term obligations	(85,000)
Net cash provided (used) for capital and related financing activities	<u>(112,587)</u>
Cash flows from investing activities:	
Interest received	168
Acquisition of capital assets	(38,966)
Net cash provided (used) by investing activities	<u>(38,798)</u>
Net increase (decrease) in cash and cash equivalents	(17,745)
Cash and cash equivalents at the beginning of year	380,316
Cash and cash equivalents at the end of year	<u>\$ 362,571</u>
Cash and cash equivalents are composed of:	
Unrestricted Cash and Cash Equivalents	\$ 78,804
Cash and cash equivalents from restricted cash	283,767
	<u>\$ 362,571</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$11,692
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	123,354
Changes in assets and liabilities:	
(Increase) decrease in receivables	868.00
(Increase) decrease in prepaid insurance	(3,014.00)
Increase (decrease) in accounts payable	740.00
Total adjustments	121,948
Net cash provided (used) by operating activities	<u>\$ 133,640</u>

See notes and Independent Accountants' Review Report.

LAFOURCHE PARISH SEWER DISTRICT NO. 1

Notes to the Financial Statements
For the Year Ended December 31, 2018

The Lafourche Parish Sewer District No. 1 (the District) was created by the Lafourche Parish Council as authorized by LA Revised Statute 33:3883. The Board is composed of 5 members appointed by the Lafourche Parish Council.

The District is authorized to construct, operate and maintain a sewerage system for user within its boundaries. This is accomplished through fees charged to property owners. It currently serves approximately 400 customers.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of certain significant accounting policies.

A. Reporting Entity

As the governing authority, the Lafourche Parish Government (the Parish) is the financial reporting entity for Lafourche Parish. Because the Parish could by definition in statute be financially burdened by the Lafourche Parish Sewer District No. 1, the District was determined to be a component unit of the Parish. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Lafourche Parish Government, the general government services provided by that governmental unit, or any other governmental reporting entity.

The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Lafourche Parish Government for the year ending December 31, 2018.

B. Measurement Focus / Basis of Accounting

The financial statements of the District are prepared on the accrual basis of accounting for proprietary funds. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent they have been made authoritative under Governmental Accounting Standards Statement 625, Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA pronouncements.

LAFOURCHE PARISH SEWER DISTRICT NO. 1

Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Measurement Focus / Basis of Accounting (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The operating revenues of the District come from charges from services – maintenance fees. Operating expenses include the cost of sales and services, collection expenses, repairs and maintenance of the sewer system, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Operating Budgets

The annual budget is a management tool that assists users in analyzing financial activity for the ensuing fiscal year. State law does not require a budget be adopted or reported for Enterprise Funds and accordingly; no budget and actual comparisons are presented in this report.

Compliance with bond resolutions and covenants, authorizing and securing the currently outstanding revenue bonds does require the adoption of a budget. Prior to the close of each fiscal year the Board adopts a proposed budget.

D. Cash and Investments

Cash includes amounts in demand deposit and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of ninety days or less. Under state law, the court may deposit funds in demand deposits, interest-bearing demand deposits, money markets, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations. Investments consist of certificates of deposit which are stated at cost and approximate market value.

LAFOURCHE PARISH SEWER DISTRICT NO. 1

Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Receivables

In the opinion of management all trade receivables are fully collectible. The opinion is based upon historical experience and a review of receivable balances. No allowance for uncollectible accounts has been provided.

F. Restricted Assets

Certain proceeds of sewer revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined as assets with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives 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 is included as part of the capitalized value of the assets. Capital assets in service are depreciated using the straight-line method over the following useful lives:

Type of Asset	Service Life
Sewerage Plant	45 years
Equipment	10 years

H. Long term Obligations

In the proprietary fund types financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts.

LAFOURCHE PARISH SEWER DISTRICT NO. 1

Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

I. Compensated Absences

The District has no full-time employees. There is no accumulated compensated absences at year-end.

J. Net Position

For government-wide financial statements net position is classified and displayed in three components:

- Net invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
- Restricted – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted – All other net assets that do not meet the definition of “restricted” or “net invested in capital assets.”

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

K. Use of 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 and disclosures. Accordingly, actual results could differ from those estimates.

LAFOURCHE PARISH SEWER DISTRICT NO. 1

Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 2 DEPOSITS

A summary of deposits are listed as follows:

	Bank Balance	Reported Amount
Interest –bearing demand deposits	\$79,467	\$78,804
Money Market Savings	283,767	283,767
Total Deposits	\$363,234	\$362,571

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. The District has a written policy for custodial credit risk. As of year-end \$113,234 of the bank balance of deposits was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name. At year-end all deposits in excess of FDIC insurance were adequately collateralized, under state law, by securities held by unaffiliated banks for the account of the District. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk.

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

LAFOURCHE PARISH SEWER DISTRICT NO. 1

Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 3 CAPITAL ASSETS

A schedule of changes in capital assets follows:

Governmental activities	Balance 12/31/16	Additions	Donations/ Adjustments/ Deletions	Balance 12/31/17
Land	\$ 4,000	-	-	\$ 4,000
Sewerage Plant & Improvements	2,346,991	38,966	-	2,385,957
Total Cost of Assets	\$2,350,991	38,966	-	\$2,389,957

Less accumulated depreciation:

Sewerage Plant & Improvements	(1,503,536)	(123,356)	-	(1,626,890)
Net Capital Assets- depreciable	843,455			759,067
Net Capital Assets	\$847,455			\$763,067

Depreciation expense for the year was \$123,356 recorded in operating expenses.

NOTE 4 SEWER REVENUE BONDS, SERIES 2006

Long-term debt activity for the year follows:

	Beginning Balance	Adjustment to Beginning Balance	Retirements	Ending Balance
Sewer Revenue Bonds	\$1,061,692	-	\$(85,000)	\$976,692

Bonds currently outstanding include Sewer Revenue Bonds, Series 2006 issued on March 4, 2007 with an authorized amount of \$1,750,000. The total amount issued totaled \$1,727,971 for which repayment began in 2009 for a period not to exceed 22 years at an interest rate of 2.45%.

LAFOURCHE PARISH SEWER DISTRICT NO. 1

Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 4 SEWER REVENUE BONDS, SERIES 2006 (continued)

The annual requirements to amortize all bonds outstanding, including interest payments are as follows:

Year Ended December 31,	Amount
2019	\$110,851
2020	110,670
2021	111,429
2022	112,113
Remaining	654,339
TOTALS	\$1,099,402

NOTE 5 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the insurance coverage.

NOTE 6 COMPENSATION OF BOARD MEMBERS

Board Members were compensated as follows for the year:

Roland Charamie	\$660
Terry Dantin	900
Kent P Lirette	660
Michael Ordogne	660
	\$2,880

OTHER INFORMATION

LAFOURCHE PARISH SEWERAGE DISTRICT NO. 1

Agency Head Schedule

For the year ended December 31, 2018

Agency Head Name: Dr. Terry Dantin, Chairman

Purpose	Amount
Salary	\$0
Benefits - insurance	\$0
Benefits - retirement	\$0
Benefits - life insurance, short-term and long-term disability	\$0
Benefits - Medicare tax	\$0
Car Allowance	\$0
Vehicle provided by government - reported on W-2	\$0
Per Diem	\$900
Reimbursements - office supplies	\$37
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Continuing professional education fees	\$0
Housing	\$0
Unvouchered expenses	\$0
Special meals	\$0
Fuel	\$0
Dues	\$0
Cell Phone	\$0
	<hr/>
	\$937

This form is used to satisfy the reporting requirement of R.S. 24:513(A)(3) on Supplemental Reporting

OTHER REPORTS



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
INDEPENDENT ACCOUNTANT'S REPORT ON
AGREED-UPON PROCEDURES

To the Board of Commissioners
Lafourche Parish Sewerage District No. 1
Lockport, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Lafourche Parish Sewerage District No. 1, (the District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating the management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2018 included in the accompanying *Louisiana Attestation Questionnaire*.

Management 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.

Our applied procedures, together with any observation or findings, follow:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$154,450. Compare the documentation for these expenditures to Louisiana Revised Statute R.S. 38:2211-2296 (the public bid law); and report whether the expenditures were made in accordance with these laws.

There were no such purchases made during the year for materials and supplies nor any contracts that were entered into for public works.

Code of Ethics for Public Officials and Public Employees

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

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

3. Obtain from management a listing of all employees paid during the period under examination.

The District did not have any employees during the period under examination.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The District did not have any employees during the period under examination.

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 operates as an enterprise fund and is not required to adopt a budget.

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

Although the District is not required to formally adopt a budget it does prepare and the Board reviews a budget that is submitted to the Lafourche Parish Government. The budget was approved to submit to the LPG on January 17, 2018.



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

This procedure is not applicable.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select 6 disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

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

We examined the supporting documentation for five of the six selected disbursements and found that payment was for the proper amount and made to the correct payee and no support was provided for 1.

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

Six of the 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.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Board of Commissioners. In addition, each of the disbursements was traced to the District's minute book where they were approved by the full Board.



Meetings

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

The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. It was noted by inquiry during the year that agendas for meetings were posted or advertised on the door as required.

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.

We inspected all bank deposit slips for the period under examination and noted no deposits that 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, 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.

The District did not have any employees during the period under examination.

State Audit Law

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

The District's prior year report was due on June 30, 2018 and was submitted timely on June 16, 2018.



We were not engaged to, 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 information of the management 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 is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
June 3, 2019



OFFERED BY: Mike Ordogne

SECONDED BY: Kent Lirette

RESOLUTION

A resolution to review and approve the Louisiana Attestation Questionnaire as a required part of the review and attestation engagement of Louisiana Governments

WHEREAS, Sewerage District No.1 of Lafourche Parish, Louisiana, received the Louisiana Attestation Questionnaire for review and approval by the Board of Commissioners of Sewerage District no. 1, Louisiana, and

WHEREAS, The Chairman presented the questionnaire to the Board at their regular meeting of March 18,2019, where each portion was reviewed and a response recorded accordingly, and

WHEREAS, The completed questionnaire will be forwarded to the Sewerage District's CPA, Stagni & Co., for their review during the course of their engagement of services for the fiscal year ending December, 31, 2018, and

NOW, THEREFORE BE IT RESOLVED that the Board Commissioners of Sewerage District No. 1 of Lafourche Parish Louisiana, has reviewed and approved all portions with a response of the Louisiana Attestation Questionnaire, and

BE IT FURTHER RESOLVED that the Board of Commissioners of Sewerage District No.1, Lafourche Parish, does hereby authorize the Chairman, Terry Dantin, PhD., to execute said questionnaire and forward same to the District's CPA

THERE WAS RECORDED:

YEAS: 3

NAYS: 0

ABSENT: 1

I, **Mike Ordogne**, Secretary of the Board of Commissioners of Sewerage District No. 1, Lafourche Parish, certify that the foregoing is a true and correct copy of the resolution adopted by the Board of Commissioners on March 18, 2019.



Mike Ordogne, Secretary

Sewerage District No..1, Lafourche Parish, LA

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

Stagni & Company, LLC
207 Lafayette Ave
Thibodaux, LA 70301

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of **December 31, 2018** 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.

Larry Denton Chairman 3/18/2019 Date

Lafourche Parish Sewerage District No. 1

Please attach resolution adopted by the Board in an open meeting.