

SAREPTA WATERWORKS DISTRICT
OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana

ANNUAL FINANCIAL STATEMENTS

JUNE 30, 2023

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Management of the Sarepta Waterworks
District of Webster Parish
Component Unit of the Webster Parish Police Jury
Sarepta, Louisiana

We have reviewed the accompanying financial statements of the business-type activities, and the major fund of the Sarepta Waterworks District of Webster Parish, a component unit of Webster Parish Police Jury, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' 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 American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require 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.

We are required to be independent of the Sarepta Waterworks District of Webster Parish, and to meet our ethical responsibilities in accordance with the relevant ethical requirements related to our review.

Accountants' 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.

Other Matter Paragraphs

Supplementary Information

The accompanying Schedule of Compensation Paid Board Members and Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the representation of management. We have reviewed the information, 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 accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Required Supplementary Information

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Wise Martin & Cole LLC

Minden, Louisiana
December 27, 2023

BASIC FINANCIAL STATEMENTS

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana**

**Statement of Net Position
June 30, 2023**

ASSETS

Current assets:

Cash and cash equivalents	\$ 332,281
Accounts receivable	20,694
Due from other governments	11,561
Prepays	<u>6,190</u>
Total current assets	<u>370,726</u>

Noncurrent assets:

Restricted cash - meter deposits	23,935
Capital assets:	
Land	9,100
Depreciable capital assets, net of depreciation	<u>845,271</u>
Total noncurrent assets	<u>878,306</u>

TOTAL ASSETS 1,249,032

LIABILITIES

Current liabilities:

Accounts and other payables	14,159
Customer meter deposits	<u>23,935</u>
Total current liabilities	<u>38,094</u>

Long-term liabilities:

Due within one year	20,783
Due in more than one year	<u>25,202</u>
Total long-term liabilities	<u>45,985</u>

TOTAL LIABILITIES 84,079

NET POSITION

Net invested in capital assets	808,386
Unrestricted	<u>356,567</u>
TOTAL NET POSITION	<u>\$ 1,164,953</u>

See accompanying notes and accountants' report.

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana**

**Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023**

Operating revenues:	
Water sales	\$ 220,077
Penalties	11,250
Meter installation	600
Reconnect charges	945
Total operating revenues	<u>232,872</u>
Operating expenses:	
Salaries	13,514
Contract labor	64,657
Maintenance and supplies	35,932
Utilities	16,342
Office	7,927
Insurance	14,565
Legal and auditing	6,433
Commissioners	4,200
Taxes	1,051
Depreciation	31,119
Bad debt	431
Total operating expenses	<u>196,171</u>
Operating income	36,701
Nonoperating revenues and expenses:	
Grant revenue	5,000
Interest income	281
Interest expense	<u>(2,415)</u>
Total nonoperating revenues and expenses	<u>2,866</u>
Change in net position	39,567
Total net position - beginning	<u>1,125,386</u>
Total net position - ending	<u>\$ 1,164,953</u>

See accompanying notes and accountants' report.

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana**

**Statement of Cash Flows
For the Year Ended June 30, 2023**

Cash flows from operating activities:	
Cash received from customers	\$ 236,639
Cash payments for goods and services	(146,008)
Cash payments to employees and commissioners	<u>(17,714)</u>
Net cash provided by operating activities	<u>72,917</u>
Cash flows from noncapital financing activities:	
Net decrease in meter deposits	<u>(550)</u>
Net cash (used) by noncapital financing activities	<u>(550)</u>
Cash flows from capital and related financing activities:	
Principal paid on debt	(19,920)
Interest paid on debt	<u>(2,415)</u>
Net cash (used) by capital and related financing activities	<u>(22,335)</u>
Cash flows from investing activities:	
Investment income	<u>281</u>
Net cash provided by investing activities	<u>281</u>
Net increase (decrease) in cash and cash equivalents	50,313
Cash and cash equivalents at beginning of year	<u>305,903</u>
Cash and cash equivalents at end of year	<u>\$ 356,216</u>
Reconciliation of operating income to net cash provided by operating activities:	
Net income (loss) from operations	\$ 36,701
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	31,119
Bad debt	431
(Increase) decrease in accounts receivable	3,767
(Increase) decrease in due from other governments	(6,561)
(Increase) decrease in prepaids	1,107
Increase (decrease) in accounts payable - trade	6,532
Increase (decrease) in payroll liabilities	(91)
Increase (decrease) in sales tax payable	<u>(88)</u>
Net cash provided by operating activities	<u>\$ 72,917</u>

See accompanying notes and accountants' report.

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Notes to the Financial Statements
As of and for the year ended June 30, 2023

INTRODUCTION

The Sarepta Waterworks District of Webster Parish was created under Revised Statutes 33:3811, by the Webster Parish Police Jury, by Ordinance No. 502, on September 2, 1958. As a result, the District is a component unit of the Webster Parish Police Jury, which has the authority to appoint all members of the Board of Waterworks Commissioners.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Sarepta Waterworks District of Webster Parish have been prepared in conformity with accounting principles accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict the guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. The significant accounting policies used by the District are discussed below.

A. Reporting Entity

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

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

The Utility Fund is used to account for water service operations that are financed and operated in a manner similar to private business enterprise. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided the periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Notes to the Financial Statements
As of and for the year ended June 30, 2023

B. Basic Financial Statements

The District's basic financial statements include fund financial statements (reporting the District's major funds.) The fund financial statements categorize primary activities as either governmental or business-type. The District has no governmental-type activities. All District activities are business-type. As such, the District's basic financial statements include only the financial statements required by enterprise funds.

Proprietary Fund Financial Statements

In the Statement of Net Position, business-type activities column is presented on a consolidated basis by column and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The Statement of Revenues, Expenses, and Changes in Net Position reports both the gross and net cost of the district's function. The function is supported by program revenues, operating and capital grants.

Business-type activities are normally supported by fees and charges.

Major Proprietary Fund

Water Fund – This fund is used to account for the provision of water to residents of the District. This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Proprietary Funds – The financial statements of the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Notes to the Financial Statements
As of and for the year ended June 30, 2023

requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds are from charges for water services. Operating expenses for enterprise funds include the cost of sales services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Budgets and Budgetary Accounting

The Sarepta Waterworks District of Webster Parish is not required by state law to formally adopt a budget for proprietary funds and generally accepted accounting procedures do not require budgetary comparison of financial statements.

E. Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or money market accounts with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The District has no investments as of June 30, 2023.

F. Inventories

Supplies used to repair water lines, pumps, and meters, are immaterial and are expensed when purchased.

G. Receivables

In the proprietary fund financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of accounts receivable. The major receivable balance of the business-type activities is for utilities.

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
 WEBSTER PARISH POLICE JURY
 Sarepta, Louisiana
 Notes to the Financial Statements
 As of and for the year ended June 30, 2023

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the proprietary fund of the District. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The Sarepta Waterworks District of Webster Parish maintains a threshold level of \$2,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

	<u>Years</u>
Utility plant and additions	25-40
Water wells	40
Transportation equipment	5-10
Office equipment/improvements	5-8

I. Long-Term Obligations

In the proprietary fund, long-term debt and other long-term liabilities are reported as liabilities in the applicable business-type activities in the Statement of Net Position.

J. Compensated Absences

The District’s vacation and sick policy provides for five days paid time off for employees in their first year of employment and ten days beginning in the second year of employment. No payment is made for unused vacation and sick time at the end of the fiscal year or upon leaving employment with the District.

K. Restricted Net Position

For the government-wide Statement of Net Position, net position is reported as restricted if either of the following conditions exists:

- Restrictions are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Restrictions are imposed by law through constitutional provision or enabling legislation.
- The primary restricted assets are related to utility meter deposits.

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Notes to the Financial Statements
As of and for the year ended June 30, 2023

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

L. Pension Plan

The District does not participate in a pension plan and therefore has no unfunded liability.

M. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Sarepta Waterworks District of Webster Parish considers all highly liquid investments (including restricted assets) to be cash equivalents.

N. Bad Debt

Uncollectible amounts due for customer accounts are recognized as bad debts through the use of the direct write-off method at the time information becomes available which would indicate the uncollectibility of the particular receivable. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting procedures.

O. Estimates

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

2. CASH AND CASH EQUIVALENTS

These deposits are stated at cost, which approximates fair market. Under state law, these bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Notes to the Financial Statements
As of and for the year ended June 30, 2023

At June 30, 2023, the District had cash and cash equivalents (book balances) totaling \$356,216.

These deposits are reported as follows:

Cash and cash equivalents	\$ 332,281
Restricted cash	<u>23,935</u>
Total	\$ <u>356,216</u>

Custodial credit risk – deposits

At June 30, 2023, the District had \$361,785 in collected bank balances. These deposits are secured from risk by \$250,000 of federal deposit insurance and \$324,858 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though pledged securities are considered uncollateralized (Category 3) under the provisions of GASB statement No. 3, 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 district that the fiscal agent has failed to pay deposited fund upon demand.

The District’s policies do not address custodial credit risk.

3. ACCOUNTS RECEIVABLE

The receivables of business activities at June 30, 2023 are \$20,694 which is made up of amounts owed for water services.

This receivable is expected to be collected in full; therefore, there is no allowance for doubtful accounts recognized.

4. RESTRICTED ASSETS

At June 30, 2023, the District had restricted assets totaling \$23,935 deposits held for utility customer deposits.

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
 WEBSTER PARISH POLICE JURY
 Sarepta, Louisiana
 Notes to the Financial Statements
 As of and for the year ended June 30, 2023

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2023, for the District is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 9,100	\$ -	\$ -	\$ 9,100
Total capital assets, not being depreciated	<u>9,100</u>	<u>-</u>	<u>-</u>	<u>9,100</u>
Capital assets being depreciated				
Buildings	190,027	-	-	190,027
Land improvements other than buildings	1,196,344	-	-	1,196,344
Equipment	11,780	-	-	11,780
Vehicles	11,285	-	-	11,285
Total capital assets being depreciated	<u>1,409,436</u>	<u>-</u>	<u>-</u>	<u>1,409,436</u>
Less accumulated depreciation for:				
Buildings	(186,389)	(314)	-	(186,703)
Land improvements other than building	(324,584)	(30,380)	-	(354,964)
Equipment	(10,788)	(425)	-	(11,213)
Vehicles	(11,285)	-	-	(11,285)
Total accumulated depreciation	<u>(533,046)</u>	<u>(31,119)</u>	<u>-</u>	<u>(564,165)</u>
Total capital assets being depreciated, net	<u>876,390</u>	<u>(31,119)</u>	<u>-</u>	<u>845,271</u>
Business-type activities capital assets, net	<u>\$ 885,490</u>	<u>\$ (31,119)</u>	<u>\$ -</u>	<u>\$ 854,371</u>

Depreciation expense of \$31,119 was charged as a direct expense of the government.

6. ACCOUNTS PAYABLE

Accounts payable at June 30, 2023 consisted of the following:

<u>Class of Payable</u>	<u>Amount</u>
Accounts	\$ 13,788
Payroll tax	371
Total	<u>\$ 14,159</u>

7. CUSTOMERS' DEPOSITS

Deposits held for customers that are currently active on the water and sewer systems total \$23,935 at June 30, 2023. These amounts are payable from restricted assets. See Note 4.

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
 WEBSTER PARISH POLICE JURY
 Sarepta, Louisiana
 Notes to the Financial Statements
 As of and for the year ended June 30, 2023

8. LONG-TERM OBLIGATIONS

The long-term obligations for the year ended June 30, 2023 is as follows:

Business activities	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Amount due within one year</u>
Direct borrowing and direct placement	\$ 65,905	\$ -	\$ (19,920)	\$ 45,985	\$ 20,783

Direct borrowings at June 30, 2023, are comprised of the following individual issue:

	<u>Principal Outstanding</u>	<u>Interest to Maturity</u>
\$100,000 Citizens National Bank Loan dated August 19, 2020; due in monthly installments of \$1,861.29 through August 19, 2025; interest at 4.25%	\$ 45,985	\$ 2,223

The Citizens National Bank Loan is secured with collateral of deposits or certificates of deposits at present or in the future with Citizens National Bank. The note is being issued for the purpose of acquiring, constructing and improving the water system to be used in giving water services to the Issuer.

Total interest expense paid on long-term debt as of June 30, 2023 was \$2,416. The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest payments of \$2,223, are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 20,783	\$ 1,553	\$ 22,336
2025	21,683	652	22,335
2026	<u>3,519</u>	<u>18</u>	<u>3,537</u>
	<u>\$ 45,985</u>	<u>\$ 2,223</u>	<u>\$ 48,208</u>

9. LITIGATION AND CLAIMS

At June 30, 2023 the District is involved in one lawsuit. It is the opinion of the District that the outcome of the lawsuit is not presently determinable.

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Notes to the Financial Statements
As of and for the year ended June 30, 2023

10. 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; injuries to employees; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of insurance. There were no significant reductions in insurance coverage from the previous year.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 27, 2023. This date represents the date the financial statements were available to be issued.

12. NEW GASB STANDARDS

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for governments. This Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition will result in greater consistency in practice. This Statement will also enhance the relevance and reliability of a government’s financial statements by requiring recognition of a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The adoption of this standard had no impact on the financial statements.

SUPPLEMENTARY INFORMATION

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
 WEBSTER PARISH POLICE JURY
 Sarepta, Louisiana

Schedule of Compensation Paid Board Members
 For the Year Ended June 30, 2023

Because of the constant participation of members of the Board of commissioners in day-to-day activities of the District, the members are paid a monthly per diem with additional per diem for attendance at special board meetings. The Sarepta Waterworks District, Louisiana paid the following amounts to the members of the board as of June 30, 2023:

	For the year June 30, 2023
Andy Hanson	\$ 720
Thomas Garland	720
Michael Andrews	600
Jason Timmons	720
John Frakes	720
John Hamilton	720
Total	<u>\$ 4,200</u>

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana

Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2023

Agency Head:	Andy Hanson, President
<u>Purpose</u>	<u>Amount</u>
Per diem	\$ 720

OTHER REPORT

WISE, MARTIN & COLE, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Sarepta Waterworks District
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year fiscal year ended June 30, 2023, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the District's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2023. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (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.

For the year ended June 30, 2023, we noted no expenditures exceeding \$30,000 for either materials, supplies or for public works during the fiscal year.

Code of Ethics for Public Officials and Public Employees

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

Management provided us with the requested information.

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

Management provided us with the requested information.

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

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

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

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

Budgeting

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

Not applicable - Management is a water district that reports a proprietary fund and business-type activities.

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

Not applicable - Management is a water district that reports a proprietary fund and business-type activities.

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 exceeded budgeted amounts by 5% or more.

Not applicable - Management is a water district that reports a proprietary fund and business-type activities.

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:

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

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

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

Exception: Two of the six selected disbursements were not coded to the correct general ledger account.

Management's response: We will review coding to make sure disbursements are posted to the correct general ledger account.

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

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

Meetings

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

Management represented that 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. Although management has asserted that such documents were properly posted, no evidence was provided to support management's assertion other than copies of the notices and agendas.

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 examined all bank deposits for the period under examination 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, 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.

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

State Audit Law

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

District filed the report by December 31, 2022. The District did provide 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).

The District did not enter into any contracts that utilized state funds and were subject to public bid law. This procedure does not apply since the agency is in compliance with R.S. 24:513 (the audit law).

Prior-Year Comments

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

The prior year report, dated December 31, 2022, included no findings. The prior year report on applying agreed upon procedures had one exception which was resolved. There were several suggestions made to the District related to handling outstanding reconciling items on the bank reconciliations, correctly recording deposits to the general ledger and reconciling accounts receivable and meter deposits that were not resolved.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. 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.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Wise Martin & Cole, LLC

Minden, LA
December 27, 2023

Attachments: Signed Louisiana Attestation Questionnaire

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

11/3/2023 (Date Transmitted)

Wise, Martin & Cole LLC (CPA Firm Name)
601 Main Street (CPA Firm Address)
Minden, LA 71055 (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, 2023 (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 state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No [] N/A []

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 [] N/A []

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 [] N/A []

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 [] N/A []

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 [] N/A []

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

Yes [] No [] N/A []

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

Yes [] No [] N/A []

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 [] N/A []

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 [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [] No [] N/A []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No [] N/A []

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 [] N/A []

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 [] N/A []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No [] N/A []

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No [] N/A []

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes [] No [] N/A []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes [] No [] N/A []

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 [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes [] No [] N/A []

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose

to you any such communication received between the end of the period under examination and the date of your report.

Yes [] No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [] No [] N/A []

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

Ashley Morgan Bookkeeper/Clerk 11/3/23 Date
Ashley Morgan Secretary 11/3/23 Date
Andy Hanson President 11-3-23 Date

**SCHEDULES FOR LOUISIANA
LEGISLATIVE AUDITORS**

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana

Schedule of Prior Year Findings
As of and for the year ended June 30, 2023

There were no findings required to be reported for the year ended June 30, 2022.

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana

Schedule of Current Year Findings
As of and for the year ended June 30, 2023

There were no findings required to be reported for the year ended June 30, 2023.

All exceptions to the agreed upon procedures are included in the Independent Accounts' Report on Applying Agreed Upon procedures with the District response and corrective actions.