

LAKE ST. JOHN WATERWORKS DISTRICT

(A COMPONENT UNIT OF THE
CONCORDIA PARISH POLICE JURY)

FERRIDAY, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

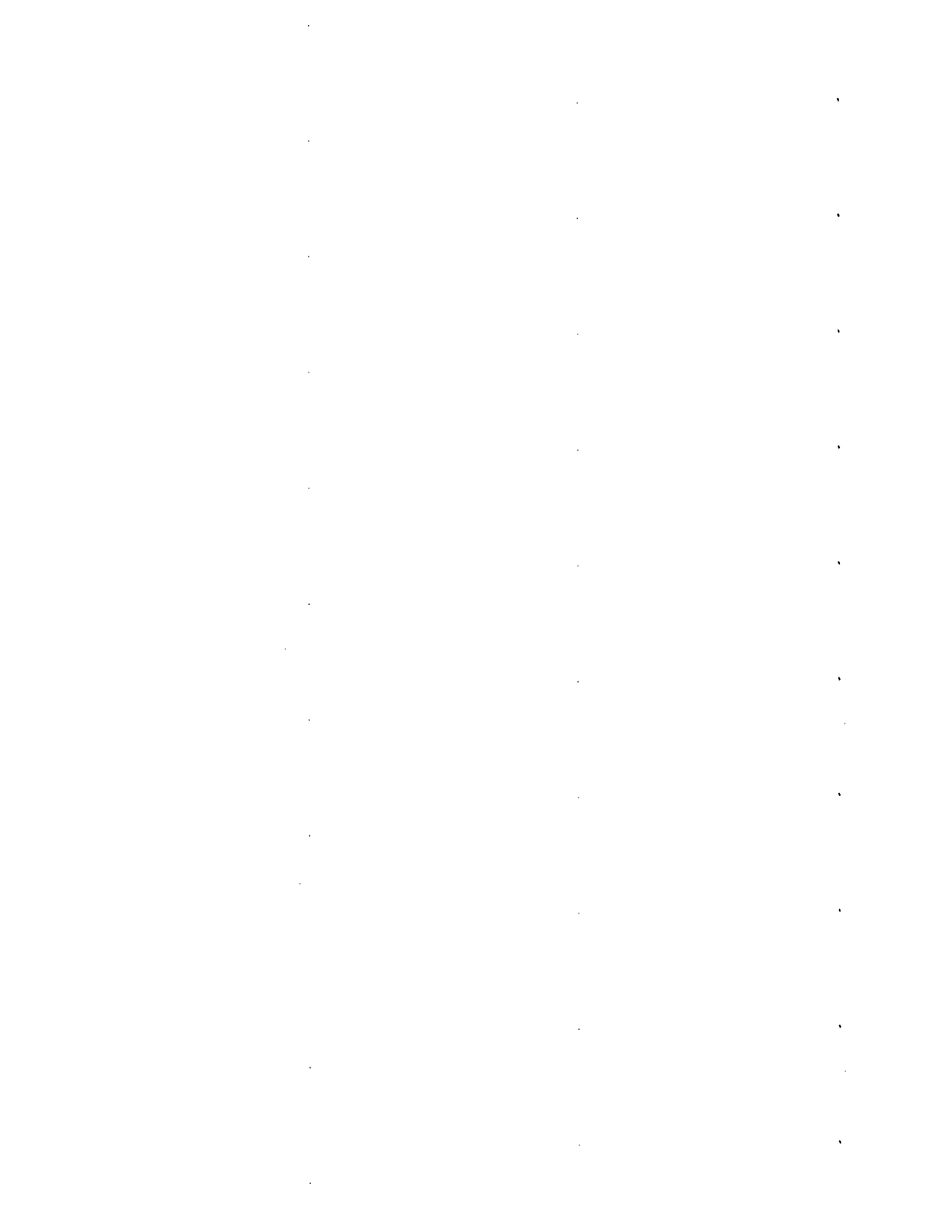
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS



LAKE ST. JOHN WATERWORKS DISTRICT

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

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the business activities and the aggregate remaining fund information of Lake St. John Waterworks District (the District), a component unit of the Concordia Parish Police Jury, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the aggregate remaining fund information of the District as of December 31, 2020 and 2019, and the respective changes in net position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Natchez, Mississippi
May 14, 2021

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEARS ENDED DECEMBER 31, 2020 AND 2019

INTRODUCTION

The Management's Discussion and Analysis of Lake St. John Waterworks District's financial performance presents a narrative overview and analysis of Lake St. John Waterworks District's financial activities for the years ended December 31, 2020 and 2019. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with Lake St. John Waterworks District's financial statements.

Lake St. John Waterworks District (the District) is located on Highway 569 near Ferriday, Louisiana, in Concordia Parish. The District provides water to approximately 650 customers and is a component of the Concordia Parish Police Jury.

FINANCIAL HIGHLIGHTS

1. Assets exceeded liabilities by \$721,877 and \$668,249 in 2020 and 2019, respectively.
2. Revenues exceeded expenditures by \$53,628 and \$27,477 in 2020 and 2019, respectively.
3. The District had total plant and equipment, net of accumulated depreciation of \$351,756 and \$298,886 in 2020 and 2019, respectively.
4. The District had payroll of \$96,947 and \$100,640 in 2020 and 2019, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Fund Financial Statements

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

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

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

Notes to the Financial Statements

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

Other Supplementary Information

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEARS ENDED DECEMBER 31, 2020 AND 2019

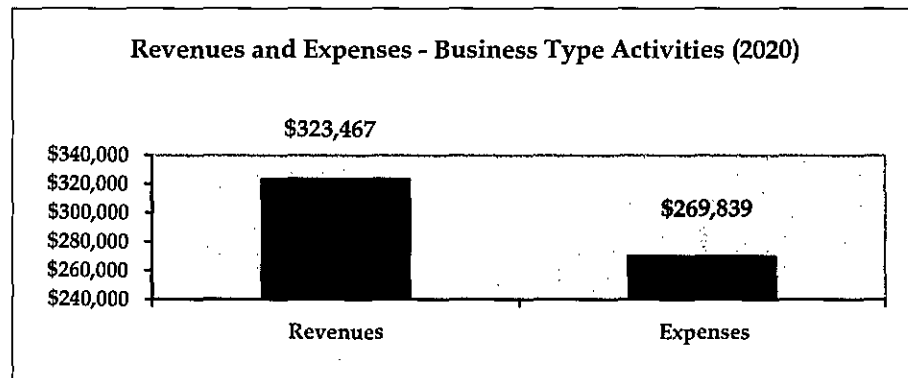
FUND FINANCIAL ANALYSIS

The following is a condensed statement of the District's net position as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Assets		
Current assets	\$ 370,793	\$ 370,687
Restricted assets	36,215	34,755
Capital assets	<u>351,756</u>	<u>298,886</u>
Total assets	<u>\$ 758,764</u>	<u>\$ 704,328</u>
Liabilities		
Current liabilities	\$ 672	\$ 1,324
Customer deposits	<u>36,215</u>	<u>34,755</u>
Total liabilities	<u>\$ 36,887</u>	<u>\$ 36,079</u>
Net position		
Invested in capital assets	\$ 351,756	\$ 298,886
Unrestricted	<u>370,121</u>	<u>369,363</u>
Total net position	<u>\$ 721,877</u>	<u>\$ 668,249</u>

The following is a summary of the statement of activities for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Revenues		
Program revenues	\$ 261,110	\$ 253,915
Interest income	4,557	4,572
Other revenues	<u>57,800</u>	<u>14,800</u>
Total revenues	<u>\$ 323,467</u>	<u>\$ 273,287</u>
Operating expenses	<u>\$ 269,839</u>	<u>\$ 245,810</u>
Increase in net position	\$ 53,628	\$ 27,477
Net position at beginning of year	<u>668,249</u>	<u>640,772</u>
Net position at end of year	<u>\$ 721,877</u>	<u>\$ 668,249</u>



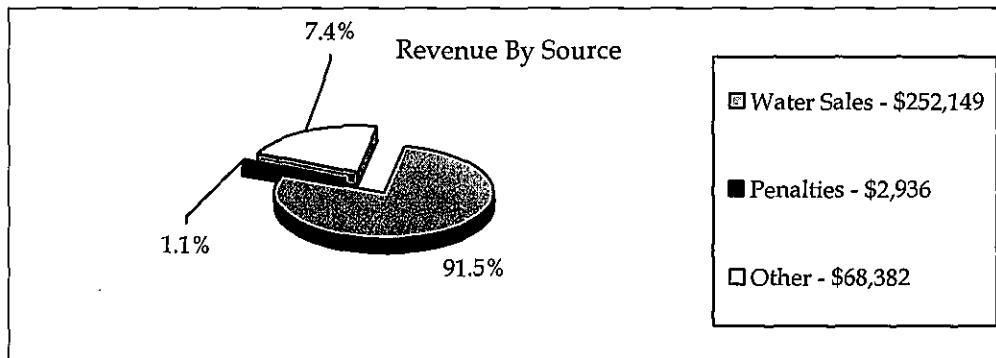
**LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEARS ENDED DECEMBER 31, 2020 AND 2019

FUND FINANCIAL ANALYSIS (continued)

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



CAPITAL ASSETS

Lake St. John Waterworks District's investment in capital assets as of December 31, 2020, was \$351,756 (net of accumulated depreciation). This investment in capital assets includes land; distribution system, wells, and storage tanks; water meters; and furniture, fixtures, and equipment. There were additions of \$78,946 to capital assets in 2020.

ECONOMIC FACTORS AND NEXT YEAR'S RATES

The District had 650 active customers at December 31, 2020. Rates are expected to remain at current levels next year.

REQUEST FOR INFORMATION

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

SECTION II
BASIC FINANCIAL STATEMENTS

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

STATEMENTS OF NET POSITION

DECEMBER 31, 2020 AND 2019

ASSETS	2020	2019
Current assets		
Cash and cash equivalents	\$ 333,671	\$ 336,324
Accounts receivable, net of allowance	22,042	20,313
Inventory, at cost	11,393	10,170
Prepaid expenses	3,687	3,880
Total current assets	\$ 370,793	\$ 370,687
Restricted assets		
Cash and cash equivalents - customer deposits	\$ 36,215	\$ 34,755
Total restricted assets	\$ 36,215	\$ 34,755
Property, plant, and equipment		
Plant and equipment, at cost, net of allowance of accumulated depreciation	\$ 351,756	\$ 298,886
Total plant and equipment	\$ 351,756	\$ 298,886
Total assets	\$ 758,764	\$ 704,328
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable (payable from current assets)	\$ 672	\$ 1,324
Customer deposits (payable from restricted assets)	36,215	34,755
Total current liabilities	\$ 36,887	\$ 36,079
Net position		
Investment in capital assets	\$ 351,756	\$ 298,886
Unrestricted net position	370,121	369,363
Total net position	\$ 721,877	\$ 668,249

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

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

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Operating Revenues		
Water sales	\$ 252,149	\$ 249,940
Installation and service charges	6,025	993
Penalties	2,936	2,982
Other income	57,800	14,800
Total operating revenues	\$ 318,910	\$ 268,715
Operating Expenses		
Salaries	\$ 96,947	\$ 100,640
Depreciation	26,076	22,407
Accounting	8,750	8,950
Auto expense	14,859	15,498
Chemicals	5,023	5,965
Computer	3,747	2,261
Cost of services	24,064	15,274
Insurance	31,291	27,014
Miscellaneous	19,794	13,912
Office supplies	1,939	2,395
Per diem	1,700	1,900
Postage and supplies	6,219	4,909
Repairs and maintenance	8,618	3,942
Taxes	7,530	7,889
Utilities	13,282	12,854
Total operating expenses	\$ 269,839	\$ 245,810
Operating Income	\$ 49,071	\$ 22,905
Non-Operating Revenues		
Interest income	\$ 4,557	\$ 4,572
Total nonoperating revenues	\$ 4,557	\$ 4,572
Change in Net Position	\$ 53,628	\$ 27,477
Net Position, beginning of year	668,249	640,772
Net Position, end of year	\$ 721,877	\$ 668,249

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

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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities		
Cash flows from customers	\$ 317,181	\$ 270,451
Cash payments to suppliers for goods and services	(148,498)	(124,212)
Cash payments for services	(96,947)	(100,640)
Net cash provided by operating activities	\$ 71,736	\$ 45,599
Cash flows from investing activities		
Interest received	\$ 4,557	\$ 4,572
Net cash provided by investing activities	\$ 4,557	\$ 4,572
Cash flows from capital and related financing activities		
Increase in customer deposits	\$ 1,460	\$ 425
Fixed assets acquired	(78,946)	(50,614)
Net cash used for capital and related financing activities	\$ (77,486)	\$ (50,189)
Net decrease in cash and cash equivalents	\$ (1,193)	\$ (18)
Cash and cash equivalents at beginning of year	371,079	371,097
Cash and cash equivalents at end of year	\$ 369,886	\$ 371,079
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 49,071	\$ 22,905
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	26,076	22,407
Decrease (increase) in accounts receivable, net	(1,729)	1,736
Decrease in prepaid expenses	193	1,867
Increase in inventory	(1,223)	(471)
Decrease in accounts payable	(652)	(2,845)
Net cash provided by operating activities	\$ 71,736	\$ 45,599

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

INTRODUCTION

Lake St. John Waterworks District (the District) was created by ordinance of the Concordia Parish Police Jury in 1967. The purpose of the District is to process and distribute water in the Lake St. John area. The District is governed by five commissioners appointed by the Concordia Parish Police Jury. The commissioners serve five-year terms which expire on a rotating basis. The District is located in an area including Lake St. John and Lake Concordia in East Central Louisiana. The District has approximately 650 customers. The District has one full-time and four part-time employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Statement Presentation

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

B. Reporting Entity

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

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

C. Fund Accounting

The District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

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

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

E. Cash and Cash Equivalents

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

F. Inventories

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

G. Prepaid Expenses

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

H. Plant and Equipment

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

I. Bad Debts

Bad debts are collectible amounts of customer utility receivables.

J. Comparative Data

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

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

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Accumulated Unpaid Sick Pay and Unpaid Vacation

The District has no policy concerning accumulated unpaid sick pay and vacation time. The sick pay policy allows for paid sick days for employees, but there is no accrual for sick time. The vacation policy allows for one week paid vacation after one year of service and two weeks paid vacation after 10 years of service.

L. Uses of Estimates

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

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2020 and 2019, were as follows:

	<u>2020</u>	<u>2019</u>
Unrestricted		
Petty cash	\$ 56	\$ 64
Demand deposits	48,579	55,753
Certificates of deposit	285,034	285,034
Total unrestricted	<u>\$ 333,669</u>	<u>\$ 336,324</u>
Restricted		
Demand deposit	\$ 36,215	\$ 34,755
Total restricted	<u>\$ 36,215</u>	<u>\$ 34,755</u>
Total cash and cash equivalents	<u>\$ 369,884</u>	<u>\$ 371,079</u>

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

At December 31, 2020, the District's total deposits with financial institutions (collected bank balances) were \$374,329. These deposits are secured from risk by \$250,000 of federal deposit insurance and \$132,620 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

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

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 3 - ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Customers' utilities	\$ 24,042	\$ 22,313
Allowance for bad debts	<u>(2,000)</u>	<u>(2,000)</u>
Total	<u>\$ 22,042</u>	<u>\$ 20,313</u>

NOTE 4 - RESTRICTED ASSETS

Certain cash accounts are restricted for customer deposits. The amount restricted was \$36,215 and \$34,755 at December 31, 2020 and 2019, respectively.

NOTE 5 - PLANT AND EQUIPMENT

A summary of plant and equipment at December 31, 2020, is as follows:

	<u>Beginning Balance 1/1/2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance 12/31/2020</u>
Capital assets not being depreciated				
Land	\$ 2,820	\$ -	\$ -	\$ 2,820
Capital assets being depreciated				
Furniture and fixtures	\$ 16,565	\$ 480	\$ -	\$ 17,045
Distribution system, tanks, and meters	880,353	78,466	-	958,819
Equipment	11,486	-	-	11,486
Water well	<u>59,182</u>	<u>-</u>	<u>-</u>	<u>59,182</u>
Total capital assets being depreciated	<u>\$ 967,586</u>	<u>\$ 78,946</u>	<u>\$ -</u>	<u>\$ 1,046,532</u>
Less accumulated depreciation	<u>\$ (671,520)</u>	<u>\$ (26,076)</u>	<u>\$ -</u>	<u>\$ (697,596)</u>
Total capital assets being depreciated, net	<u>\$ 296,066</u>	<u>\$ 52,870</u>	<u>\$ -</u>	<u>\$ 348,936</u>
Total capital assets, net	<u>\$ 298,886</u>	<u>\$ 52,870</u>	<u>\$ -</u>	<u>\$ 351,756</u>

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

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 5 - PLANT AND EQUIPMENT (continued)

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

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

NOTE 6 - RETIREMENT COMMITMENTS

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

NOTE 7 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

NOTE 8 - RISK MANAGEMENT

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

SECTION III
OTHER SUPPLEMENTARY INFORMATION

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

SCHEDULE OF COMPENSATION PAID TO BOARD OF COMMISSIONERS

DECEMBER 31, 2020

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

William Coleman, President	\$	400
Tim Sessions, Vice President		400
Frances Freeman, Secretary		400
Cameron Harris, Director		200
Lynwood Wiley, Director		100
Jamie McCartney, Director		<u>200</u>
 Total	 \$	 <u>1,700</u>

See Independent Auditor's Report.

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

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

DECEMBER 31, 2020

Agency Head Name: William Coleman, President

Per diem \$ 400

See Independent Auditor's Report.

SECTION IV
REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business activities and the aggregate remaining fund information of Lake St. John Waterworks District, a component unit of the Concordia Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Lake St. John Waterworks District's basic financial statements, and have issued our report thereon dated May 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lake St. John Waterworks District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lake St. John Waterworks District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lake St. John Waterworks District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations during our audit, we did not identify any deficiencies in external control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, 2020-01, described in the accompanying schedule of findings that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake St. John Waterworks District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Lake St. John Waterworks District's Response to Findings

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

Purpose of this Report

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



Natchez, Mississippi
May 14, 2021

SECTION V
SCHEDULE OF FINDINGS

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

SUMMARY OF FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2020

Section I: Summary of Auditor's Results

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

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

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

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2019

Section I - Financial Statement Findings:

2019-1 Segregation of Duties (Internal Control Finding)

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

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

Cause of Condition: Small entity with very few employees.

Effect of Condition: Material weakness in internal control.

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

Contact Person: Kathy Cook

Anticipated Completion Date: N/A

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

None

Section III - Management Letter:

None

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

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

FOR THE YEAR ENDED DECEMBER 31, 2020

Section I - Financial Statement Findings:

2020-1 Segregation of Duties (Internal Control Finding)

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

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

Cause of Condition: Small entity with very few employees.

Effect of Condition: Material weakness in internal control.

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

Contact Person: Kathy Cook

Anticipated Completion Date: N/A

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

None

Section III - Management Letter:

None