

**LAWTELL WATERWORKS
DISTRICT NO. ONE
OF ST. LANDRY PARISH**
Lawtell, Louisiana

Financial Report

Years Ended June 30, 2017 and 2016

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1-2
BASIC FINANCIAL STATEMENTS	
Comparative Statements of Net Position	4
Comparative Statements of Revenues, Expenses, and Changes in Net Position	5
Comparative Statements of Cash Flows	6-7
Notes to the Basic Financial Statements	8-15
OTHER INFORMATION	
Independent Accountants' Report on Applying Agreed-upon Procedures	17-19
Louisiana Attestation Questionnaire	20-21
Summary Schedule of Current and Prior Year Findings and Management's Corrective Action Plan	22

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors
Lawtell Waterworks District
No. One of St. Landry Parish
Lawtell, Louisiana

We have reviewed the accompanying basic financial statements of the business-type activities of Lawtell Waterworks District No. One of St. Landry Parish (District), a component unit of the St. Landry Parish Government, as of and for the years ended June 30, 2017 and 2016, 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 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.

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.

Required Supplementary Information

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 29, 2017

BASIC FINANCIAL STATEMENTS

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Comparative Statements of Net Position
June 30, 2017 and 2016

	2017	2016
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 279,252	\$ 280,362
Certificate of deposit	371,572	368,614
Accounts receivable (net)	71,302	58,195
Prepaid expenses	12,005	12,262
	734,131	719,433
Restricted assets:		
Cash and interest-bearing deposits	38,940	37,315
Capital assets, net	466,726	508,358
Total assets	\$ 1,239,797	\$ 1,265,106
LIABILITIES AND NET POSITION		
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable	\$ 7,777	\$ 7,391
Payroll taxes payable	3,669	4,256
Sales taxes payable	282	246
Total current liabilities	11,728	11,893
Current liabilities (payable from restricted asset):		
Meter deposits	38,940	37,315
Total liabilities	50,668	49,208
Net position:		
Net investment in capital assets	466,726	508,358
Unrestricted	722,403	707,540
Total net position	1,189,129	1,215,898
Total liabilities and net position	\$ 1,239,797	\$ 1,265,106

See accompanying notes and independent accountants' review report.

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Comparative Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Water sales	\$ 424,509	\$ 399,310
Connection charges	10,140	12,190
Other income	<u>17,578</u>	<u>16,967</u>
Total operating revenues	<u>452,227</u>	<u>428,467</u>
Operating expenses:		
Advertising and promotion	461	497
Auto and truck	4,315	5,794
Bad debts	4,207	(165)
Bank charges	24	218
Burglar alarm	270	-
Chemicals	41,781	29,237
Conventions and seminars	530	472
Depreciation	42,719	41,263
Dues and subscriptions	300	590
Insurance	40,258	37,269
Professional fees	10,825	10,285
Mileage	322	483
Miscellaneous expense	537	1,509
Office expense	11,199	10,825
Rental equipment	1,628	477
Repairs and maintenance	140,593	142,353
Safe water drinking program	8,352	3,370
Salaries	141,202	138,723
Supplies	1,759	1,863
Taxes - payroll	12,308	11,870
Telephone	3,411	3,563
Uniforms	-	631
Utilities	14,625	14,679
Utility line clearance	<u>629</u>	<u>716</u>
Total operating expenses	<u>482,255</u>	<u>456,522</u>
Operating loss	<u>(30,028)</u>	<u>(28,055)</u>
Nonoperating income (expenses):		
Interest income	3,016	3,062
Gain on disposition of asset	243	-
Insurance reimbursement	<u>-</u>	<u>6,766</u>
Total nonoperating income (expenses)	<u>3,259</u>	<u>9,828</u>
Net loss	(26,769)	(18,227)
Net position, beginning of year	<u>1,215,898</u>	<u>1,234,125</u>
Net position, end of year	<u>\$1,189,129</u>	<u>\$1,215,898</u>

See accompanying notes and independent accountants' review report.

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Comparative Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Receipts from customers	\$ 421,542	\$ 403,865
Payments to suppliers	(298,242)	(283,845)
Payments to employees	(141,202)	(138,723)
Other receipts	<u>17,578</u>	<u>17,132</u>
Net cash used by operating activities	<u>(324)</u>	<u>(1,571)</u>
 Cash flows from capital and related financing activities:		
Increase in customer meter deposits	1,625	1,525
Purchase of property, plant and equipment	(1,087)	(25,393)
Insurance reimbursement	-	6,766
Proceeds from sale of fixed assets	<u>243</u>	<u>-</u>
Net cash flows provided (used) by capital and related financing activities	<u>781</u>	<u>(17,102)</u>
 Cash flows from investing activities:		
Maturities of certificate of deposit with maturity in excess of ninety days	368,614	365,609
Purchase of certificate of deposit with maturity in excess of ninety days	(371,572)	(368,614)
Interest earned	<u>3,016</u>	<u>3,062</u>
Net cash flows provided by investing activities	<u>58</u>	<u>57</u>
 Net increase (decrease) in cash and cash equivalents	515	(18,616)
 Cash and cash equivalents, beginning of period	<u>317,677</u>	<u>336,293</u>
 Cash and cash equivalents, end of period	<u>\$ 318,192</u>	<u>\$ 317,677</u>

(continued)

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Comparative Statement of Cash Flows (Continued)
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (30,028)	\$ (28,055)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	42,719	41,263
Changes in assets and liabilities:		
Decrease in accounts receivable	(13,107)	(7,635)
(Increase) decrease in prepaid insurance	257	(2,118)
Increase (decrease) in accounts payable	386	(6,304)
Increase (decrease) in payroll taxes payable	(587)	1,203
Increase in sales tax payable	36	75
Net cash used by operating activities	<u>\$ (324)</u>	<u>\$ (1,571)</u>
Cash and cash equivalents, beginning of period		
Cash - unrestricted	\$ 280,362	\$ 300,503
Cash - restricted	<u>37,315</u>	<u>35,790</u>
Total cash and cash equivalents	<u>317,677</u>	<u>336,293</u>
Cash and cash equivalents, end of period		
Cash - unrestricted	279,252	280,362
Cash - restricted	<u>38,940</u>	<u>37,315</u>
Total cash and cash equivalents	<u>318,192</u>	<u>317,677</u>
Net increase (decrease)	<u>\$ 515</u>	<u>\$ (18,616)</u>

See accompanying notes and independent accountants' review report.

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Lawtell Waterworks District No. One of St. Landry Parish (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the District are described below.

A. Financial Reporting Entity

The Lawtell Waterworks District No. One of St. Landry Parish, Louisiana was created by the St. Landry Parish Council (Council) on June 8, 1965 and is a component unit of the St. Landry Parish Government. As the governing authority of the parish, for reporting purposes, the St. Landry Parish Government is the financial reporting entity for St. Landry Parish.

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

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, “Defining the Financial Reporting Entity” establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government’s governing authority appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or the potential component unit is fiscally dependent on the primary government.

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

3. Financial benefit/burden relationship between the primary government and the potential component unit.
4. The nature and significance of the relationship between the potential component unit with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

Because the Parish Government appoints a voting majority of the District's governing body and has the ability to impose its will on the District, the District was determined to be a component unit of the St. Landry Parish Government, the financial reporting entity. This report is comprised of a proprietary fund that is administered by the District's Board of Directors and controlled by the St. Landry Parish Government. The accompanying financial statements presents information only on the proprietary fund maintained by the District and does not present information on the St. Landry Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

Basic Financial Statements

The statement of net position, and related statements of revenues, expenses, and changes in fund net position, and cash flows display information about the reporting government as a whole. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Lawtell Waterworks District No. One of St. Landry Parish, Louisiana does not have governmental activities. Its operation is a business-type activity.

C. Fund Accounting

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

The District maintains only one fund and it is described below:

Proprietary Fund –

Enterprise Fund

The Enterprise fund is used to account for operations (a) 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 (b) 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.

D. Basis of Accounting

The District maintains its books and records on the full accrual basis of accounting and on the flow of economic resources measurement focus. The District applies all applicable professional standards in accounting and reporting for its proprietary operations.

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 principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash and interest-bearing deposits

Cash and interest-bearing deposits is comprised of checking accounts (interest-bearing and non interest-bearing) and certificates of deposit, which are stated at cost, which approximates market. For the purposes of reporting cash flows, all highly liquid investments with maturity at purchase date of three months or less are considered to be cash equivalents.

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

Receivables

Receivables consist mainly of customer's utility service receivables. The District has a policy of recognizing uncollectible amounts of water billings at the time information becomes available, indicating the uncollectibility of the receivable. Once a customer is listed as inactive, the customer no longer receives a bill, is then considered to be uncollectible and an allowance for uncollectible accounts receivable is established. The allowance for uncollectible accounts receivable was \$62,034 and \$57,828 at June 30, 2017 and 2016, respectively. Unbilled utility service receivable resulting from utility services rendered between the date of meter reading and billing and the end of the month are recorded at year-end. At June 30, 2017 and 2016, the unbilled receivables totaled \$6,105 and \$5,883, respectively.

Inventory

Items that are on hand at June 30, 2017 and 2016 are not recorded as inventory due to immateriality. All items are expensed in the year purchased.

Capital Assets

Capital assets include property, plant and equipment. They are reported at historical cost or estimated cost if historical cost is not available. Donated assets are recorded at their estimated fair market value at the date of donation. The District maintains a threshold level of \$250 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. Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Years</u>
Furniture, fixtures & equipment	4-7
Building	15-39
Water system and improvements	10-50

Restricted assets

Restricted assets include cash and interest-bearing deposits that are legally restricted as to their use. The restricted assets are related to the utility meter deposits.

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

Compensated Absences

Full-time employees of the District earn three weeks of vacation per year and take sick leave as it is needed. There is no formal policy on carrying over leave time not used.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources and deferred inflows of resources as of June 30, 2017 and 2016.

Equity Classifications

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

- a. Net investment 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.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

The District uses unrestricted position only when restricted net position is fully depleted.

F. Revenues and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

G. Budgets and Budgetary Accounting

The District is not required to adopt a budget for its Proprietary Fund under Louisiana Revised Statute 39:1303.

H. Use of Estimates

The preparation of financial statements in conformity with 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 at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Accounts Receivable

Accounts receivable is comprised of uncollected billed and unbilled utility services at June 30, 2017 and 2016 as follows:

	<u>2017</u>	<u>2016</u>
Uncollected billed receivable	\$ 127,231	\$ 110,140
Allowance for doubtful accounts	(62,034)	(57,828)
Unbilled receivable	<u>6,105</u>	<u>5,883</u>
Total accounts receivable	<u>\$ 71,302</u>	<u>\$ 58,195</u>

(3) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017 and 2016, the District had cash and interest-bearing deposits (book balances) totaling \$689,764 and \$686,291, respectively, as follows:

	<u>2017</u>	<u>2016</u>
Interest-bearing demand deposits	\$ 318,192	\$ 317,677
Time deposits	<u>371,572</u>	<u>368,614</u>
Total cash and interest-bearing deposits	<u>\$ 689,764</u>	<u>\$ 686,291</u>

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

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 similar federal security 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 bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2017, are secured as follows:

Bank balances	<u>\$ 696,187</u>
Federal deposit insurance	500,000
Pledged securities	<u>196,187</u>
Total FDIC insurance and pledged securities	<u>\$ 696,187</u>

Deposits in the amount of \$196,187 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name. The District does not have a policy for custodial credit risk.

(4) Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Balance</u> <u>7/1/2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>6/30/2017</u>
Capital assets not being depreciated:				
Land	\$ 5,411	\$ -	\$ -	\$ 5,411
Other capital assets:				
Water system	1,215,372	-	-	1,215,372
Buildings and improvements	138,325	-	-	138,325
Furniture, fixtures and equipment	<u>190,282</u>	<u>1,087</u>	<u>-</u>	<u>191,369</u>
Total	1,549,390	1,087	-	1,550,477
Less: Accumulated depreciation	<u>1,041,032</u>	<u>42,719</u>	<u>-</u>	<u>1,083,751</u>
Capital assets, net	<u>\$ 508,358</u>	<u>\$ (41,632)</u>	<u>\$ -</u>	<u>\$ 466,726</u>

Depreciation expense for the years ended June 30, 2017 and 2016 was \$42,719 and \$41,263, respectively.

LAWTELL WATERWORKS DISTRICT NO. ONE
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Notes to Basic Financial Statements (Continued)

(5) Compensation of Board Members

Included in salaries is compensation paid to the board members for the years ended June 30, 2017 and 2016 as follows:

<u>Board Members</u>	<u>2017</u>	<u>2016</u>
Allen Guillory Sr.	\$ -	\$ 360
Michael Lafleur	1,080	1,240
Armand Declouette	1,080	1,080
Daryl Miller	1,440	480
Jennifer Cravins	1,440	540
Johnny Timmons	1,440	960
Linda Babineaux	-	360
Total	<u>\$ 6,480</u>	<u>\$ 5,020</u>

(6) Water Rates

The water rate schedule (per month) for commercial and residential customers during the years ended June 30, 2017 and 2016 is as follows:

First 2,000 gallons - - minimum	\$ 12.00
All over 2,000 gallons - - per 1,000 gallons	5.00

(7) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Michael Lafleur, Board Chairman, for the year ended June 30, 2017 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 1,080

OTHER INFORMATION

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Conrad O. Chapman, CPA* 2006

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

To the Board of Directors of
Lawtell Waterworks District
No. One of St. Landry Parish
Lawtell, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Lawtell Waterworks District No. One of St. Landry Parish (District), Lawtell, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended June 30, 2017 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedure engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000 or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law) or LSA-RS 39:1551-39:1775 (the state procurement code), whichever is applicable.

There were no expenditures made during the year ended June 30, 2017 for material and supplies exceeding \$30,000, or public works exceeding \$150,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of management as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all employees, as well as their immediate families.

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.

Management provided a listing of all employees paid.

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.

No employees obtained from management in agreed-upon procedure (3) were included on the listing obtained from management in agreed-upon procedure (2).

Budgeting

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

The District is not required to adopt a budget for its Proprietary Fund under Louisiana Revised Statute 39:1303.

6. Trace the budget adoption and amendments to the minute book.

Not applicable, see step 5.

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

Not applicable, see step 5.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- a. Trace payments to supporting documentation as to proper amount and payee;

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

- b. Determine if payments were properly coded to the correct fund and general ledger account;

All payments were properly coded to the correct fund and general ledger account.

- c. Determine whether payments received approval from proper authorities;

Inspection of documentation supporting each of the six selected disbursements indicated approval from the proper authorities.

Meetings

9. Examine evidence indicating 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).

The District posted a notice of each meeting and the accompanying agenda as required by LSA-RS 42:11 through 42:28 (the open meetings law).

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

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

Advances and Bonuses

11. Examine payroll records for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

We examined the payroll records for the year and concluded that no payments have been made to employees, which may constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

12. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no prior year findings.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the accounting records. 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. The results of our procedures disclosed no instance of noncompliance.

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 29, 2017

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

May 24, 2017

Kolder, Champagne, Slaven & Company, LLC
183 S. Beadle Road
Lafayette, LA 70508

In connection with your review of our financial statements as of [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. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of **May 24, 2017**.

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 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 []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies 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 this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

<u>Barbara Moore</u>	Secretary	<u>5-24-17</u>	Date
<u>Bernard DeLoitte</u>	Treasurer	<u>5-24-17</u>	Date
<u>Michael Taylor</u>	President	<u>5/24/17</u>	Date

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan
Year Ended June 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/17) --						
<u>Management letter:</u>						
2017-001	2015	The District realized a water loss percentage of approximately 38% which was an decrease of 8% from the prior year. Management should carefully monitor their water loss percentage in order to identify and correct significant system leaks in a timely manner.	Partial	The District will evaluate their procedures for monitoring the amount of gallons pumped to the amount of gallons metered to customers. If significant differences are identified, management will take the appropriate action to correct any leaks within their lines.	Michael Lafleur, President	6/30/2018
2017-002	2015	The District experienced an operating loss of \$30,028 for the fiscal year ended June 30, 2017. The District should consider increasing water rates and/or decreasing expenses in order to operate on a profitable basis.	No	Management will consider increasing water rates and/or decreasing expenses.	Michael Lafleur, President	6/30/2018
PRIOR YEAR (6/30/15) --						
<u>Management letter:</u>						
2016-001	2015	The District realized a water loss percentage of approximately 46% which was an increase of 16% from the prior year. Management should carefully monitor their water loss percentage in order to identify and correct significant system leaks in a timely manner.	No	The District will evaluate their procedures for monitoring the amount of gallons pumped to the amount of gallons metered to customers. If significant differences are identified, management will take the appropriate action to correct any leaks within their lines.	Michael Lafleur, President	6/30/2017
2016-002	2015	The District experienced an operating loss of \$28,055 for the fiscal year ended June 30, 2016. The District should consider increasing water rates and/or decreasing expenses in order to operate on a profitable basis.	No	Management will consider increasing water rates and/or decreasing expenses.	Michael Lafleur, President	6/30/2017

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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* A Professional Accounting Corporation

To the Board of Directors
Lawtell Waterworks District
No. One of St. Landry Parish
Lawtell, Louisiana

During our review of the basic financial statements of Lawtell Waterworks District No. One of St. Landry Parish (the District) for the year ended June 30, 2017, we noted certain areas in which improvements in the accounting system and financial practices of the District should be considered.

- (1) The District realized a water loss percentage of approximately 38% which was an decrease of 8% from the prior year. Management should carefully monitor their water loss percentage in order to identify and correct significant system leaks in a timely manner.
- (2) The District experienced an operating loss of \$30,028 for the fiscal year ended June 30, 2017. The District should consider increasing water rates and/or decreasing expenses in order to operate on a profitable basis.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance, please feel free to contact us.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 29, 2017