

**CAMERON PARISH WATERWORKS DISTRICT NO 9
Grand Chenier, Louisiana**

**ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORTS**

Year Ended December 31, 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 26 2013

TABLE OF CONTENTS

	PAGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	3-6
INDEPENDENT AUDITORS' REPORT	7-8
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	9
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	10-11
STATEMENT OF CASH FLOWS	12
NOTES TO FINANCIAL STATEMENTS	13-25
SUPPLEMENTAL INFORMATION	
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – BUDGET AND ACTUAL	26-27
SCHEDULE OF FUNDING PROGRESS	28
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	29-30
SCHEDULE OF FINDINGS AND RESPONSES	31-32

CAMERON PARISH WATERWORKS DISTRICT NO 9

Management's Discussion and Analysis

The Management's Discussion and Analysis of the Cameron Parish Waterworks District No 9 (the District) presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2012. 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 the additional information contained in the financial statements.

FINANCIAL HIGHLIGHTS

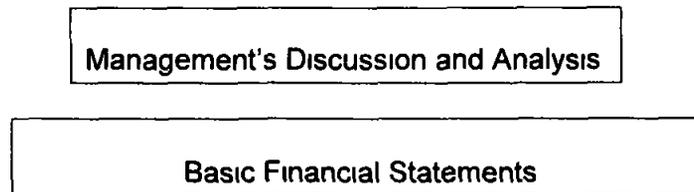
- * The District's assets exceeded its liabilities by \$4,025,003 (net position)
- * Total net position is comprised of the following
 - (1) Net investment in capital assets of \$2,570,132 include property and equipment, net of accumulated depreciation, and reduced for any outstanding debt related to the purchase or construction of capital assets
 - (2) Net position - unrestricted of \$1,454,871 represents the portion available to maintain the District's continuing obligations to customers and creditors
- * Total revenues of \$584,966 were in excess of total expenditures of \$455,692, which resulted in a current year surplus of \$129,274, compared to the prior year's surplus of \$85,858
- * Total operating revenues increased by \$11,037 from the prior year, mainly from an increase in customers. Operating expenses increased by \$90,299 from the prior year, mainly from an increase in depreciation and maintenance

CAMERON PARISH WATERWORKS DISTRICT NO 9

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments



These financial statements consist of two sections – Management's Discussion and Analysis (this section) and the basic financial statements, including the notes to the financial statements

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

The Statement of Net Position presents all of the District's assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, with the difference reported as net position. Net position may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the District's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how the District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash from operating activities (indirect method) as required by GASB 34.

The notes provided additional information that is essential to a full understanding of the data provided in the financial statements.

CAMERON PARISH WATERWORKS DISTRICT NO 9

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the District as a whole. The District's net position at fiscal year-end is \$4,025,003. The following table provides a summary of the District's net position.

	<u>2012</u>	<u>2011</u>
Current assets	\$ 1,496,322	\$ 1,222,086
Capital assets	<u>2,570,132</u>	<u>2,735,285</u>
Total assets	4,066,454	3,957,371
Deferred outflows of resources	_____ -	_____ -
Total liabilities	<u>41,451</u>	<u>61,642</u>
Deferred inflows of resources	_____ -	_____ -
Net position		
Net investment in capital assets	2,570,132	2,735,285
Net position - unrestricted	<u>1,454,871</u>	<u>1,160,444</u>
Total net position	<u>\$ 4,025,003</u>	<u>\$ 3,895,729</u>

Net position of the District increased by \$129,274 for the year ended December 31, 2012.

	<u>2012</u>	<u>2011</u>
Operating revenues	\$ 213,576	\$ 202,539
Operating expenses	<u>455,692</u>	<u>365,393</u>
Operating income (loss)	(242,116)	(162,854)
Non-operating revenues (expenses)	<u>371,390</u>	<u>248,712</u>
Net increase (decrease) in net position	<u>\$ 129,274</u>	<u>\$ 85,858</u>

The District's operating revenues are derived primarily from fees for water services. The District's operating revenues are insufficient to cover operating expenses and must rely on ad valorem taxes to supplement income.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's net investment in capital assets as of December 31, 2012, was \$2,570,132. See Note C for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

CAMERON PARISH WATERWORKS DISTRICT NO 9

Management's Discussion and Analysis

	<u>2012</u>	<u>2011</u>
Non-depreciable asset		
Land	\$ 20,000	\$ 20,000
Depreciable assets		
Buildings	106,050	106,050
Distribution system	4,971,399	4,971,399
Furniture, Fixtures and equipment	<u>407,549</u>	<u>407,549</u>
Total depreciable assets	5,484,998	5,484,998
Less accumulated depreciation	<u>2,934,866</u>	<u>2,769,713</u>
Book value-depreciable assets	<u>2,550,132</u>	<u>2,715,285</u>
Percentage depreciated	<u>54%</u>	<u>50%</u>
Book value-all assets	<u>\$ 2,570,132</u>	<u>\$ 2,735,285</u>

At December 31, 2012 the depreciable capital assets were 54% depreciated This compares more than the December 31, 2011 percentage This comparison indicates that the District depreciates its assets at a higher rate than they are replaced

DEBT

The District has no debt

ECONOMIC CONDITIONS AFFECTING THE DISTRICT

Since the primary revenue stream for the District is charges for revenue, the District's revenues are subject to changes in the economy

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives If you have any questions about this report or need additional financial information, contact Tina Horn, Secretary, P O Box 1280, Cameron, LA 70632



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INDEPENDENT AUDITORS' REPORT

June 19, 2013

Board of Commissioners
Cameron Parish Waterworks District No. 9
Grand Chenier, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Cameron Parish Waterworks District No. 9, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Cameron Parish Waterworks District No. 9's financial statements as listed in the 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.

Auditors' 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 from 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 auditors' 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 of Cameron Parish Waterworks District No 9 as of December 31, 2012, and the respective changes in financial position for the year 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 and budgetary comparison information on pages 3-6 and 26-28, respectively 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 the 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted principally 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2013, on our consideration of Cameron Parish Waterworks District No 9's internal control over financial reporting and 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 the 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 Cameron Parish Waterworks District No 9's internal control over financial reporting and compliance.

Gragson, Casiday & Guillory

CAMERON PARISH WATERWORKS DISTRICT NO 9

Statement of Net Position

December 31, 2012

	2012	2011
ASSETS		
Current Assets		
Cash	\$ 1,217,686	\$ 957,292
Receivables		
Ad valorem taxes, net	253,858	244,111
Accounts, net	24,778	20,683
Total Current Assets	1,496,322	1,222,086
Property, plant and equipment		
Buildings	106,050	106,050
Distribution system	4,971,399	4,971,399
Furnitures, fixtures and equipment	407,549	407,549
	5,484,998	5,484,998
Less accumulated depreciation	2,934,866	2,769,713
	2,550,132	2,715,285
Land	20,000	20,000
	2,570,132	2,735,285
Total Assets	4,066,454	3,957,371
DEFERRED OUTFLOWS OF RESOURCES		
	-	-
LIABILITIES		
Current Liabilities		
Accounts payable	4,211	24,305
Accrued liabilities	1,465	761
Unearned revenue	30,988	30,988
Total Current Liabilities	36,664	56,054
Net OPEB obligation	4,787	5,588
Total Liabilities	41,451	61,642
DEFERRED INFLOWS OF RESOURCES		
	-	-
NET POSITION		
Net investment in capital assets	2,570,132	2,735,285
Net position - unrestricted	1,454,871	1,160,444
Total Net Position	\$ 4,025,003	\$ 3,895,729

The accompanying notes are an integral part of these financial statements

CAMERON PARISH WATERWORKS DISTRICT NO 9

Statement of Revenues, Expenses
and Changes in Net Position

Year Ended December 31, 2012

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Charges for services	\$ 211,508	\$ 201,654
Miscellaneous revenue	2,068	885
TOTAL OPERATING REVENUES	<u>213,576</u>	<u>202,539</u>
OPERATING EXPENSES		
Advertising	1,288	1,107
Auto	362	2,386
Bank fees	900	532
Contract labor	-	300
Depreciation	165,153	128,099
Dues	495	1,116
Employee benefits - OPEB	2,799	2,953
Equipment rental	444	5,131
Insurance - general	16,726	27,018
Insurance - health	18,173	9,974
Maintenance	112,371	51,022
Miscellaneous	5,103	4,643
Per diem	1,680	2,760
Postage	3,009	3,025
Professional fees	5,000	4,500
Rent - temporary office	563	584
Retirement	9,535	6,538
Salaries	64,732	61,340
Supplies	13,211	15,736
Taxes and licenses	1,819	3,043
Telephone	17,623	16,747
Training and education	684	2,021
Travel	-	695
Utilities	14,022	14,123
TOTAL OPERATING EXPENSES	<u>455,692</u>	<u>365,393</u>
OPERATING INCOME (LOSS)	<u>(242,116)</u>	<u>(162,854)</u>

The accompanying notes are an integral part of these financial statements

Continued

CAMERON PARISH WATERWORKS DISTRICT NO 9

Statement of Revenues, Expenses
and Changes in Net Position - Continued

Year Ended December 31, 2012

	<u>2012</u>	<u>2011</u>
NON-OPERATING REVENUES (EXPENSES)		
Ad valorem taxes, net	\$ 369,443	\$ 246,180
Interest income	1,947	2,532
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>371,390</u>	<u>248,712</u>
CHANGE IN NET POSITION	129,274	85,858
NET POSITION - BEGINNING	<u>3,895,729</u>	<u>3,809,871</u>
NET POSITION - ENDING	<u>\$ 4,025,003</u>	<u>\$ 3,895,729</u>

The accompanying notes are an integral part of these financial statements

CAMERON PARISH WATERWORKS DISTRICT NO 9

Statement of Cash Flows

Year Ended December 31, 2012

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers and others	\$ 209,481	\$ 201,330
Payments for supplies and expenses	(256,506)	(184,857)
Payments to employees for services	<u>(63,971)</u>	<u>(66,717)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	(110,996)	(50,244)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	369,443	246,180
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of fixed assets	-	(216,046)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>1,947</u>	<u>2,532</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	260,394	(17,578)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>957,292</u>	<u>974,870</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,217,686</u>	<u>\$ 957,292</u>
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (242,116)	\$ (162,854)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	165,153	128,099
(Increase) decrease in		
Accounts receivable	(4,095)	(1,209)
Ad valorem taxes receivable	(9,747)	(13,405)
Increase (decrease) in		
Accounts payable	(20,094)	(25,731)
Accrued liabilities	704	(5,377)
Accrued interest	-	(408)
Unearned revenue	-	30,988
OPEB obligation	<u>(801)</u>	<u>(347)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (110,996)</u>	<u>\$ (50,244)</u>

The accompanying notes are an integral part of these financial statements

CAMERON PARISH WATERWORKS DISTRICT NO 9

Notes to Financial Statements

December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cameron Parish Waterworks District No 9 was created by the Cameron Parish Police Jury under the provisions of Louisiana Revised Statutes 33:3811 for the purpose of providing water to the Grand Chenier area of the Parish. The District is governed by a board of commissioners.

1 Reporting Entity

As the governing authority of the parish, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity for Cameron Parish Waterworks District No 9. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

Because the police jury appoints a voting majority to the board and has the ability to impose its will, the District was determined to be a component unit of the Cameron Parish Police Jury, the financial reporting entity. 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 the governmental unit, or the other governmental units that comprise the financial reporting entity.

Continued

CAMERON PARISH WATERWORKS DISTRICT NO 9

Notes to Financial Statements

December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2 Basis of Presentation

The accompanying financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments", issued in June 1999.

The financial statements of the District are prepared on the accrual basis of accounting. Whereby revenues are recognized when earned and expenses are recognized when incurred.

GASB 63 – "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" is adopted for the fiscal year ended December 31, 2012. GASB 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, Elements of Financial Statements introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial elements, which are distinct from assets and liabilities. Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

GASB 65 – "Items Previously Reported as Assets and Liabilities" is adopted for the fiscal year ended December 31, 2012. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement amends the financial statement element classification of certain items previously reported as net assets and liabilities to be consistent with the definitions in Concepts Statement No. 4. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

Continued

CAMERON PARISH WATERWORKS DISTRICT NO 9

Notes to Financial Statements

December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The operating revenues of the District come from metered sales to residential and commercial customers as well as service connection charges and penalties from late payment of bills. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3 Cash

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

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, 2012, the District has \$1,225,121 in deposits (collected bank balances). These deposits are secured from risk by \$376,557 of federal deposit insurance and \$848,564 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

4 Accounts Receivable

The District utilizes the allowance method to recognize doubtful accounts. The allowance for doubtful accounts at December 31, 2012 was \$55,363.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for water user fees. The District's ability to collect the amounts due from the users of the District water system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disasters or other calamity in this one concentrated geographic location.

Continued

CAMERON PARISH WATERWORKS DISTRICT NO 9

Notes to Financial Statements

December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5 Compensated Absences

The District has the following policy relating to vacation and sick leave

Vacation – 5-25 days per year depending on length of service

Sick Leave – 12-18 days per year, depending on length of service

The District's recognition and measurement criteria for compensated absences follows

GASB Statement No 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met

- a The employees' rights to receive compensation are attributable to services already rendered
- b It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement

GASB Statement No 16 also provides that a liability for sick leave should be accrued using one of the following termination approaches

- a An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals
- b Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments

At December 31, 2012, the District had an accrual for compensated absences of \$1,465

6 Statement of Cash Flow

For purpose of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less when purchased to be cash equivalents

Continued

CAMERON PARISH WATERWORKS DISTRICT NO 9

Notes to Financial Statements

December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

7 Net Position

In the financial statements, 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 Net position – restricted – Consists of net position with constraints placed on use either by (1) external groups such as creditors grantors, contributors, laws or regulation of other governments, or (2) law through constitutional provisions or enabling legislation
- c Net position - unrestricted – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net or related debt”

8 Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 expenses during the reporting period Actual results could differ from those estimates

9 Subsequent Events

Management has evaluated subsequent events through June 19, 2013, the date the financial statements were available to be issued

NOTE B – AD VALOREM TAXES

For the year ended December 31, 2012, taxes of 6.41 mills were levied on property with taxable assessed valuations totaling \$41,175,934

Total taxes levied were	<u>\$ 263,938</u>
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Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st Property taxes not paid by the end of February are subject to lien

CAMERON PARISH WATERWORKS DISTRICT NO 9

Notes to Financial Statements

December 31, 2012

NOTE C – PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are valued at historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related assets, as applicable.

Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Buildings	15 years
Distribution system	15-45 years
Furniture, fixtures and equipment	5-20 years

A summary of changes in property, plant and equipment for the year ended December 31, 2012 are as follows:

	<u>Beginning of Year</u>	<u>Net Additions</u>	<u>End of Year</u>
Buildings	\$ 106,050	\$ -	\$ 106,050
Distribution system	4,971,399	-	4,971,399
Furniture, fixtures and equipment	407,549	-	407,549
Land	<u>20,000</u>	<u>-</u>	<u>20,000</u>
	5,504,998	<u>\$ -</u>	5,504,998
Less accumulated depreciation	<u>2,769,713</u>		<u>2,934,866</u>
TOTALS	<u>\$ 2,735,285</u>		<u>\$ 2,570,132</u>

Depreciation expense was \$165,153 for the year ended December 31, 2012.

NOTE D - RETIREMENT COMMITMENTS

The District participates in a state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the District's full-time employees. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. Additional disclosures with respect to the District's participation in these systems are provided below.

Continued

CAMERON PARISH WATERWORKS DISTRICT NO 9

Notes to Financial Statements

December 31, 2012

NOTE D - RETIREMENT COMMITMENTS - CONTINUED

Parochial Employees' Retirement System

The System is composed of two district plans, Plan A and Plan B with separate assets and benefit provisions. Employees of the District are members of Plan A. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least twenty-eight hours per week, not participating in another public funded retirement system and under age fifty-five (55) at date of employment. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the system. Under Plan A, employees who retire at or after age 60 with at least 10 years of credited services, at or after age 55 with 25 years of credited service, or at any age with 30 or more years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or jointed months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Parochial Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P O Box 14619, Baton Rouge, LA 70898.

Plan members are required to contribute 9.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the System's Board of Trustees. The District's contributions to the System for the year ended December 31, 2012 totaled \$9,535.

NOTE E - PER DIEM

In accordance with Louisiana Revised Statute 33:3819, per diem is allowed not to exceed \$60 per meeting attended, up to twenty-four regular meetings and twelve special meetings. The Board has approved per diem at \$60.

Per diem paid commissioners for the year ended December 31, 2012 were as follows:

Tina Horn	\$ 300
Thompson McCall	420
Shane Broussard	240
Kevin Warner	360
Kristin Saltzman	360
	<u>\$ 1,680</u>

CAMERON PARISH WATERWORKS DISTRICT NO 9

Notes to Financial Statements

December 31, 2012

NOTE F - 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 maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE G – CONTINGENCIES

In September 2008 Hurricane Ike struck Southwest Louisiana causing damage to the District's property and its infrastructure. Through December 31, 2012, all Hurricane related expenses/costs have been paid and/or accounted for.

Unearned revenue of \$30,988 at December 31, 2012 represents funds received from FEMA for fire hydrant flange bolts replacement that has not been spent.

NOTE H – POST-EMPLOYMENT BENEFITS

Plan Description. The Cameron Parish Waterworks District No. 9's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Effective with the year ended December 31, 2009, the Cameron Parish Waterworks District No. 9 implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB 45). This statement has been implemented prospectively. Using this method, the beginning OPEB liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to January 1, 2009) will be amortized and recognized as an expense over thirty years.

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Through fiscal year ending December 31, 2008, the Cameron Parish Waterworks District No. 9 recognized the cost of providing post-employment medical benefits (the Cameron Parish Waterworks District No. 9's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis.

Continued

CAMERON PARISH WATERWORKS DISTRICT NO 9

Notes to Financial Statements

December 31, 2012

NOTE H – POST-EMPLOYMENT BENEFITS – CONTINUED

In fiscal year ending December 31, 2012, Cameron Parish Waterworks District No 9's portion of health care funding cost for retired employees totaled \$3,600. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the table below.

Annual Required Contribution. The Cameron Parish Waterworks District No 9's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year is \$2,898, as set forth below.

	<u>Medical</u>
Normal Cost	\$ 528
30-year UAL amortization amount	2,370
Annual required contribution (ARC)	<u>\$ 2,898</u>

Net Post-employment Benefit Obligation. The table below shows the Cameron Parish Waterworks District No 9's Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ending December 31, 2012.

	<u>Medical</u>
Annual required contribution	\$ 2,898
Interest on Net OPEB Obligation	224
ARC Adjustment	<u>(323)</u>
Annual OPEB Cost	2,799
Contributions made	<u>(3,600)</u>
Increase in Net OPEB Obligation	(801)
Beginning Net OPEB Obligation	<u>5,588</u>
Ending Net OPEB Obligation	<u>\$ 4,787</u>

The following table shows the Cameron Parish Waterworks District No 9's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability.

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
Medical	December 31, 2012	\$2,799	128.62%	\$ 4,787

Continued

CAMERON PARISH WATERWORKS DISTRICT NO 9

Notes to Financial Statements

December 31, 2012

NOTE H – POST-EMPLOYMENT BENEFITS - CONTINUED

Funded Status and Funding Progress. In the fiscal year ending December 31, 2012, the Cameron Parish Waterworks District No 9 made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ration of zero. Based on the January 1, 2011 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year ended December 31, 2012 was \$47,808, which is defined as that portion, as determined by a particular actuarial cost method (the Cameron Parish Waterworks District No 9 uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost

	<u>Medical</u>
Actuarial Accrued Liability (AAL)	\$ 47,808
Actuarial Value of Plan Assets	-
Unfunded Act Accrued Liability (UAAL)	<u>\$ 47,808</u>
Funded Ration (Act Val Assets/AAL)	00%
Covered Payroll (active Plan members)	\$ 64,732
UAAL as a percentage of covered payroll	73.86%

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate, (2) retirement rate, (3) health care cost trend rate, (4) mortality rate, (5) discount rate (investment return assumption), and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Cameron Parish Waterworks District No 9 and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Cameron Parish Waterworks District No 9 and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Cameron Parish Waterworks District No 9 and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Continued

CAMERON PARISH WATERWORKS DISTRICT NO 9

Notes to Financial Statements

December 31, 2012

NOTE H – POST-EMPLOYMENT BENEFITS - CONTINUED

Actuarial Cost Method. The ARC is determined using the United Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets. There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be used.

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 5%.

Post employment Benefit Plan Eligibility Requirements. Based on past experience, it has been assumed that entitlement to benefits will commence three years after eligibility to enter the D R O P. Medical benefits are provided to employees upon actual retirement. Most employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D R O P entry) provisions are as follows: 30 years of service at any age, age 55 and 25 years of service, age 60 and 10 years of service, or, age 65 and 7 years of service. For employees hired on and after January 1, 2008, retirement eligibility (D R O P entry) provisions are as follows: age 55 and 30 years of service, age 62 and 10 years of service, or, age 67 and 7 years of service. For the few employees not covered by that system, the same retirement eligibility has been assumed. Entitlement to benefits continues through Medicare to death.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate. Because the employer provided medical cost of retirees is limited to a flat \$150 per month, we have assumed a flat 3% annual "trend" as the expected rate of increase in medical cost assuming general inflation will cause the flat amount to increase. Conventional medical trend factors have not been used.

Continued

CAMERON PARISH WATERWORKS DISTRICT NO 9

Notes to Financial Statements

December 31, 2012

NOTE H – POST-EMPLOYMENT BENEFITS – CONTINUED

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is the mortality table which the IRS requires to be used in determining the value of accrued benefits in defined benefit pension plans.

Method of Determining Value of Benefits. The “value of benefits” has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The retiree ostensibly pays 100% of the coverage for medical benefits, but it is based on subsidized premiums. Thus, the employer pays the remainder of the cost of the medical benefits for the retiree through the subsidy. Since GASB 45 mandates that “unblended” rates applicable to the coverage provided to retirees be used, we have estimated these “unblended” rates for two broad groups: retired before Medicare eligibility, and retired after Medicare eligibility. It has been assumed that the unblended retiree rate before Medicare eligibility is 130% of the blended active rate and that the unblended retiree rate after Medicare eligibility is 80% of the blended active rate.

Inflation Rate. Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above are an implicit inflation assumption of 2.50% annually.

Projected Salary Increases. This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases. The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Continued

CAMERON PARISH WATERWORKS DISTRICT NO 9

Notes to Financial Statements

December 31, 2012

NOTE H – POST-EMPLOYMENT BENEFITS – CONTINUED

Below is a summary of OPEB cost and contributions for the last three fiscal years.

	OPEB Costs and Contributions		
	<u>2010</u>	<u>2011</u>	<u>2012</u>
OPEB Cost	\$ 6,823	\$ 2,953	\$ 2,799
Contribution	-	-	-
Retiree premium	<u>3,900</u>	<u>3,300</u>	<u>3,600</u>
Total contribution and premium	<u>3,900</u>	<u>3,300</u>	<u>3,600</u>
Change in net OPEB obligation	<u>\$ 2,923</u>	<u>\$ (347)</u>	<u>\$ (801)</u>
% of contribution to cost	0 0%	0 0%	0 0%
% of contribution plus premium to cost	57 16%	111 75%	128 62%

CAMERON PARISH WATERWORKS DISTRICT NO 9

Statement of Revenues, Expenses
and Changes in Net Position- Budget and Actual

Year Ended December 31, 2012

	Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 222,900	\$ 211,508	\$ (11,392)
Miscellaneous revenue	-	2,068	2,068
TOTAL OPERATING REVENUES	222,900	213,576	(9,324)
OPERATING EXPENSES			
Advertising	1,300	1,288	12
Auto	3,500	362	3,138
Bank fees	450	900	(450)
Contract labor	15,500	-	15,500
Depreciation	127,000	165,153	(38,153)
Dues	275	495	(220)
Employee benefits - OPEB	-	2,799	(2,799)
Equipment rental	5,500	444	5,056
Insurance - general	20,600	16,726	3,874
Insurance - health	9,000	18,173	(9,173)
Maintenance	52,500	112,371	(59,871)
Miscellaneous	250	5,103	(4,853)
Per diem	3,000	1,680	1,320
Postage	3,100	3,009	91
Professional fees	4,500	5,000	(500)
Rent - temporary office	900	563	337
Retirement	9,800	9,535	265
Salaries	69,000	64,732	4,268
Supplies	9,150	13,211	(4,061)
Taxes and licenses	2,000	1,819	181
Telephone	16,500	17,623	(1,123)
Training and education	-	684	(684)
Travel	800	-	800
Utilities	15,600	14,022	1,578
TOTAL OPERATING EXPENSES	370,225	455,692	(85,467)
OPERATING INCOME (LOSS)	(147,325)	(242,116)	(94,791)

Continued

CAMERON PARISH WATERWORKS DISTRICT NO 9

Statement of Revenues, Expenses
and Changes in Net Position - Budget and Actual - Continued

Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
NON-OPERATING REVENUES (EXPENSES)			
Ad valorem taxes, net	\$ 238,000	\$ 369,443	\$ 131,443
Interest income	2,500	1,947	(553)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>240,500</u>	<u>371,390</u>	<u>130,890</u>
CHANGE IN NET POSITION	93,175	129,274	36,099
NET POSITION - BEGINNING	<u>3,895,729</u>	<u>3,895,729</u>	<u>-</u>
NET POSITION - ENDING	<u>\$ 3,988,904</u>	<u>\$ 4,025,003</u>	<u>\$ 36,099</u>

CAMERON PARISH WATERWORKS DISTRICT NO 9

Employee Health Care Plan

December 31, 2012

Schedule of Funding Progress (Unaudited)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2010	\$ 0	\$ 88,204	\$ 88,204	0.00%	\$ 85,745	102.87%
December 31, 2011	\$ 0	\$ 44,201	\$ 44,201	0.00%	\$ 61,340	72.05%
December 31, 2012	\$ 0	\$ 47,808	\$ 47,808	0.00%	\$ 64,732	73.86%



GRAGSON, CASIDAY & GULLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A.
RAYMOND GULLORY, JR., C.P.A.
GRAHAM A. PORTUS, E.A.
COY T. VINCENT, C.P.A.
MICHELLE LEE, C.P.A.
BRADLEY J. CASIDAY, C.P.A., C.V.A.
JULIA W. PORTUS, C.P.A.
KATHRYN BLESSINGTON, C.P.A.
JACKLYN BRANEFF, C.P.A.

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

June 19, 2013

Board of Commissioners
Cameron Parish Waterworks District No. 9
Grand Lake, Louisiana

We have audited, 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, the financial statements of the business-type activities of the Cameron Parish Waterworks District No. 9, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Cameron Parish Waterworks District No. 9's basic financial statements, and have issued our report thereon dated June 19, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cameron Parish Waterworks District No. 9'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 Cameron Parish Waterworks District No. 9's internal control. Accordingly, we do not express an opinion on the effectiveness of Cameron Parish Waterworks District No. 9'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 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal 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, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cameron Parish Waterworks District No 9's financial statements are free of 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*.

Cameron Parish Waterworks District No. 9's Response to Findings

Cameron Parish Waterworks District No 9's response to the findings identified in our audit is described in the accompanying findings and responses. The District's response was not subjected to the auditing procedures 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



CAMERON PARISH WATERWORKS DISTRICT NO 9

Schedule of Findings and Responses

Year Ended December 31, 2012

1 Summary of Auditors' Results

Type of auditors' report issued unqualified

Internal control over financial reporting

- Material weaknesses(es) identified? _____ yes X no
- Control deficiencies identified that are not considered to be material weakness(es)? X yes _____ none reported

Noncompliance material to financial statements noted?

_____ yes X no

2 Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding #2012-1:

Inadequate Segregation of Duties

- Condition** Because of the small size of the District's office staff, the opportunity for segregation of duties is limited. Effective internal control requires adequate segregation of duties among entity personnel.
- Effect** Without proper segregation of duties, misstatements in amounts may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.
- Recommendation** To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.
- Corrective Action Planned** Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve appropriate segregation of duties. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, review listings of revenue received and review of bank reconciliations on a monthly basis.

Continued

CAMERON PARISH WATERWORKS DISTRICT NO 9

Schedule of Findings and Responses - Continued

Year Ended December 31, 2012

Finding #2012-2:

Budgetary Authority and Control:

Condition Inadequate budgeting procedures resulted in expenses being over budget by 5% or more and the budget was not amended

Criteria Inadequate budgeting procedures

Effect Violations of Louisiana Revised Statute 39 1310

Cause Administrative lack of oversight The budget was not amended during the year as required by statute

Recommendation The District should review actual revenues and expenditures on an interim basis and amend the budget when necessary

Response/Corrective Action Planned The District agrees with the finding and will implement the recommendations

3 **Findings and Questioned Costs for Federal Awards**

N/A

4 **Prior Year Findings**

Finding 2011-01:

Inadequate segregation of duties

Corrective Action Taken None, repeat finding in 2012

Finding 2011-02

Budgetary authority and control

Corrective Action Taken None, repeat finding in 2012