

**INDIAN VILLAGE WATER SYSTEM, INC.**

*Financial Statements  
For the Year Ended December 31, 2019*



**INDIAN VILLAGE WATER SYSTEM, INC.**

**DECEMBER 31, 2019**

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# CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

*Certified Public Accountants*

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

## **Independent Accountants' Review Report**

Board of Directors

Indian Village Water System, Inc.

West Monroe, Louisiana

We have reviewed the accompanying financial statements of Indian Village Water System, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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 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.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana

March 31, 2022

**INDIAN VILLAGE WATER SYSTEM, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**

"SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT"

ASSETS

Current Assets

Cash and Cash Equivalents	\$	275,334
Accounts Receivable		37,835
Prepaid Insurance		6,872
Inventory		32,957
Total Current Assets		352,998

Property, Plant, and Equipment

Vehicles		25,141
HWY 144 Upgrade		110,336
Plant and Equipment		937,263
Water Well #4		278,967
CIP Aeration		82,070
Accumulated Depreciation		(790,066)
Net Property, Plant and Equipment		643,711

<u>TOTAL ASSETS</u>	\$	996,709
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$	856
Payroll Liabilities		768
Customers Deposits Payable		15,193
Total Current Liabilities		16,817

Long-Term Liabilities

Notes Payable		82,070
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<u>Total Liabilities</u>		98,887
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Net Assets

Net Assets Without Donor Restrictions		
Unrestricted		897,822

<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$	996,709
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The accompanying notes are an integral part of this financial statement.

**INDIAN VILLAGE WATER SYSTEM, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

"SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT"

Changes in Net Assets

Revenue:

Water Sales	\$ 367,482
New Meter and Reconnect Fees	16,940
Late Penalties and NSF Charges	6,160
Dividend Income	5,272
Interest Income	285
Other Income	3,622
Total Revenues	<u>399,761</u>

Expenses:

Advertising	448
Auto Expense	2,084
Bank Charges	432
Contract Labor	64,410
Credit Card Processing Fees	-
Depreciation	47,262
Dues and Subscriptions	860
Insurance	20,790
Interest	1,232
Office	4,618
Payroll Taxes	2,719
Professional Fees	10,431
Postage and Delivery	3,276
Rent	4,800
Repair and Maintenance	31,040
Salaries	34,680
Telephone	2,044
Utilities	25,307
Water Testing Fees	7,655
Sales Taxes	237
Total Expenses	<u>264,325</u>

<u>Change in Net Assets</u>	135,436
<u>Net Assets at Beginning of Year</u>	<u>762,386</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 897,822</u>

The accompanying notes are an integral part of this financial statement.

**INDIAN VILLAGE WATER SYSTEM, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

"SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT"

<u>Cash Flows From Operating Activities</u>	
Change in Net Assets	\$ 135,436
Adjustments to Reconcile Change in Net Assets for the Year to Net Cash Provided by Operating Activities:	
Depreciation	47,262
(Increase) Decrease in Accounts Receivable	(14,768)
Decrease in Prepaid Expenses	1,410
Increase (Decrease) in Accounts Payable	391
Increase (Decrease) in Payroll Liabilities	73
Total Adjustments	<u>34,368</u>
Net Cash Provided by Operating Activities	<u>169,804</u>
 <u>Cash Flows From Investing Activities</u>	
Purchases of Property and Equipment	(87,716)
Increase in Customers Deposits Payable	<u>800</u>
Net Cash Used by Investing Activities	(86,916)
 <u>Cash Flows From Financing Activities</u>	
Proceeds of Long-Term Debt	82,070
Principal Payments on Notes	<u>(52,318)</u>
Net Cash Provided by Financing Activities	29,752
 <u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	 112,640
 <u>Cash and Cash Equivalents at Beginning of Year</u>	 <u>162,694</u>
 <u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	 <u>\$ 275,334</u>

The accompanying notes are an integral part of this financial statement.

**INDIAN VILLAGE WATER SYSTEM, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

"SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT"

<u>Expense Type</u>	<u>Operations and Maintenance</u>	<u>General and Administrative</u>	<u>Total</u>
Advertising	\$ 448	\$ -	\$ 448
Auto Expenses	2,084	-	2,084
Bank Charges	-	432	432
Contract Labor	64,410	-	64,410
Credit Card Processing Fees	-	-	-
Depreciation	37,810	9,452	47,262
Dues and Subscriptions	-	860	860
Insurance	16,632	4,158	20,790
Interest	986	246	1,232
Office	-	4,618	4,618
Payroll Taxes	680	2,039	2,719
Professional Fees	9,388	1,043	10,431
Postage and Delivery	2,621	655	3,276
Rent	4,800	-	4,800
Repair and Maintenance	24,832	6,208	31,040
Salaries	20,808	13,872	34,680
Telephone	1,840	204	2,044
Utilities	12,654	12,653	25,307
Water Testing Fees	7,655	-	7,655
Sales Tax	237	-	237
<b>TOTAL</b>	<b>\$ 207,883</b>	<b>\$ 56,442</b>	<b>\$ 264,325</b>

The accompanying notes are an integral part of this financial statement.

**INDIAN VILLAGE WATER SYSTEM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1 - Summary of Significant Accounting Policies

A. Historical Background

Indian Village Water System, Inc. (the System) is a nonprofit corporation incorporated in 1976 for the following purpose: to provide dependable potable water service to connections in Calhoun, east Jackson, western Ouachita, and eastern Lincoln parishes, Louisiana.

B. Financial Statements Presentation

FASB Accounting Standards Codification (ASC) section 958-205 *Not-for-Profit Entities, Presentation of Financial Statements* establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to the existence or absence of donor restricted restrictions. Accordingly, net assets and changes therein are classified as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and are not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources has been fulfilled, or both. As of the year ended December 31, 2019, the System does not have any donor-imposed restrictions that are either temporary or perpetual in nature.

C. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

D. Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with an initial maturity of three months or less.

E. Revenue

Indian Village Water System, Inc. receives income for billable services for water sales and recognizes this income when earned. The System has 670 active members. The current billing rate is \$25.00 for the first 2,000 gallons and \$7.00 per thousand gallons over the first 2,000 gallons.



**INDIAN VILLAGE WATER SYSTEM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1 - Summary of Significant Accounting Policies (Continued)

F. Fixed Assets

Indian Village Water System, Inc. follows the practice of capitalizing, at cost, all expenditures for fixed assets. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Water System	50 Years
Water System Improvements	25 Years
Equipment	10 Years
Vehicles	7 Years

The net fixed asset balance has been recorded as a separate component in unrestricted net assets.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Income Taxes

Indian Village Water System, Inc. is a nonprofit corporation exempted from federal income taxes under Section 501 (c)(12) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made; however, should the System engage in activities unrelated to its exempt purpose, taxable income could result. The System had no material unrelated business income for the year ended December 31, 2019. The earliest income tax year that is subject to examination is 2016.

Note 2- Financial Instruments Disclosure

At December 31, 2019, the System had bank balances of \$274,016, which was insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Note 3 - Accounts Receivable

As of December 31, 2019, accounts receivable from water sales for the month of December was \$37,835.

**INDIAN VILLAGE WATER SYSTEM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 4 - Notes Payable

Notes payable consists of a loan from the Louisiana Department of Health to finance a construction project. The debt is secured by company assets. At December 31, 2019, the System had notes payable of \$82,070. The loan is still in the process of being finalized and a repayment schedule will not be available until the loan is finalized.

Interest paid on the notes payable was \$1,232 for the 2019 year.

Note 5 - Subsequent Events

Subsequent events have been evaluated through March 31, 2022, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

# CAMERON, HINES & COMPANY

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*Certified Public Accountants*

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

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

Indian Village Water System, Inc.  
1401 North 7<sup>th</sup> Street  
West Monroe, Louisiana 71291

We have performed the procedures enumerated below, on the Indian Village Water System Inc.'s compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Indian Village Water System Inc.'s management is responsible for its financial records and compliance with applicable laws and regulations.

The Indian Village Water System, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Indian Village Water System Inc.'s compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2019. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 39:1551-2296 (the public bid law) or, whichever is applicable: and report whether the expenditures were made in accordance with these laws.

Expenditures made during the year for materials and supplies exceeding \$30,000 were made in accordance with the applicable Public Bid Law. There were no expenditures made during the year for public works exceeding \$157,700.

Code of Ethics for Public Officials and Public Employees

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

Management provided us the requested information.

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

Management provided us with the requested information.

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

One exception was noted where an employee was included on the list provided by management for agreed-upon Procedure 3 appeared on the list provided by management for agreed-upon Procedure 2.

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

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

Budgeting

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

Management provided us with a copy of the original budget. Management represented that there were no amendments to the budget during the year.

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

We traced adoption of the original budget to documentation in the minutes of the meeting of the board members held on November 12, 2018. Management represented that there were no amendments to the budget during the year.

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

We compared the revenues and expenditures of the budget to actual revenues and expenditures. We noted that actual expenditures exceeded budgeted amounts by more than 5%.

Accounting and Reporting

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

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

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

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

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

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

Inspection of documentation supporting each of the six selected disbursements indicated approval from the proper authorities. In addition, approval by the board members was traced to the minutes.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 – 13 (the open meetings law); and report whether there are any exceptions.

We examined copies of notices and agendas for all meetings held during the fiscal year.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We obtained the documentation from management. No exceptions were noted with respect to this procedure.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

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

State Audit Law

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

The Indian Village Water System, Inc.'s report was due on June 30, 2020, and was not submitted in a timely manner.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management represented that the Indian Village Water System, Inc. was not on the noncompliance list at any time during the fiscal year.

Prior Year Comments

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

Management represented that the Indian Village Water System, Inc. had no prior-year suggestions, exceptions, recommendations, and/or comments.

We were engaged by the Indian Village Water System, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's compliance with the foregoing matters. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
March 31, 2022

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

March 31, 2022

Cameron, Hines & Company, APAC  
Certified Public Accountants  
P.O. Box 2474  
West Monroe, LA 71294-2474

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2019 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes  No

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes  No

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

Yes  No

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

Yes  No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No



We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No

**Meetings**

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

Yes  No

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes  No

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes  No

**Prior-Year Comments**

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

Yes  No

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No

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

Yes  No

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

Yes  No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes  No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes  No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes  No

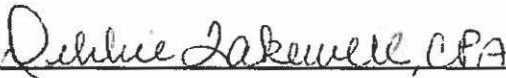


The previous responses have been made to the best of our belief and knowledge.

  
\_\_\_\_\_  
Keith Hernandez, President

PRESIDENT

~~Mayor~~ March 31, 2022 Date

  
\_\_\_\_\_  
Debbie Takewell, CPA

CPA

~~Village Clerk~~ March 31, 2022 Date