

WATERWORKS DISTRICT NO. 1
OF ALLEN PARISH
Annual Financial Statements
As of and for the Year Ended June 30, 2024

WATERWORKS DISTRICT NO. 1 OF ALLEN PARISH
Annual Financial Statements
As of and for the Year Ended June 30, 2024

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STEVEN M. DEROUEN & ASSOCIATES, LLC

Certified Public Accountants
2720 RUE DE JARDIN, STE. 300
P. O. BOX 4265
LAKE CHARLES, LA 70606
(337) 513-4915 OFFICE/ (337) 205-6927 FAX
steve@sderouencpa.com

Member American Institute of
Certified Public Accountants

Member Louisiana Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Waterworks District No. 1 of Allen Parish
Oakdale, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Waterworks District No. 1 of Allen Parish, component unit of Allen Parish Police Jury, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Waterworks District No. 1 of Allen Parish's basic financial statements as listed in the table of contents.

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 the Waterworks District No. 1 of Allen Parish as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Waterworks District No. 1 of Allen Parish and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Waterworks District No. 1 of Allen Parish's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the accounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Waterworks District No. 1 of Allen Parish's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Waterworks District No. 1 of Allen Parish's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Board of Commissioners
Waterworks District No. 1 of Allen Parish

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Waterworks District No. 1 of Allen Parish's basic financial statements. The Schedule of Compensation, Benefits and Other Payments is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2024 on our consideration of the Waterworks District No. 1 of Allen Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Waterworks District No. 1 of Allen Parish's 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 Waterworks District No. 1 of Allen Parish's internal control over financial reporting and compliance.

Steven M. DeRouen & Associates LLC

Lake Charles, Louisiana
November 11, 2024

FINANCIAL STATEMENTS

WATERWORKS DISTRICT NO. 1 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
Oakdale, Louisiana
STATEMENT OF NET POSITION
June 30, 2024

ASSETS

Current assets:

Cash and cash equivalents	\$	180,812
Certificate of deposit		121,486
Investment LAMP		251,737
Accounts receivables		25,161
Interest receivable		6
Prepaid assets		15,418
Restricted assets:		
Customer deposits:		
Cash and cash equivalents		36,489
Debt service:		
Cash and cash equivalents		117,695
		<u>748,804</u>
Total current assets		<u>748,804</u>

Non-current assets:

Capital assets, at cost, net of accumulated depreciation		2,217,640
		<u>2,217,640</u>
Total non-current assets		<u>2,217,640</u>

TOTAL ASSETS		<u>2,966,444</u>
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LIABILITIES AND NET POSITION

Current liabilities:

Accounts payable		6,389
Accrued expenses and payroll taxes payable		7,830
Payable from restricted assets:		
Loans payable, current portion		18,157
Customer deposits		36,489
		<u>68,865</u>
Total current liabilities		<u>68,865</u>

Long-term liabilities:

Loans payable, net of current portion		976,557
		<u>976,557</u>
Total long-term liabilities		<u>976,557</u>

TOTAL LIABILITIES		<u>1,045,422</u>
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Net Position:

Net investment in capital assets		1,222,926
Restricted for debt service		117,695
Unrestricted		580,401
		<u>1,921,022</u>
TOTAL NET POSITION \$		<u>1,921,022</u>

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

WATERWORKS DISTRICT NO. 1 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
Oakdale, Louisiana
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2024

OPERATING REVENUES

Charges for services	\$ 262,604
Total operating revenues	<u>262,604</u>

OPERATING EXPENSES

Advertising	1,601
Bad debt expense	1,668
Bank fees	1,452
Depreciation	70,306
Insurance	19,915
Interest expense	27,593
Legal & professional	16,120
Licenses & permits	2,314
Computer expense	1,500
Meter readings	4,283
Office	4,271
Operating supplies	6,344
Payroll taxes	4,994
Per diem	4,200
Postage	987
Repairs & maintenance	5,895
Salaries	64,560
Sales taxes	329
Telephone	1,826
Truck	1,027
Utilities	14,550
Well Expenses	29,287
Total operating expenses	<u>285,397</u>

OPERATING INCOME (LOSS) (22,793)

NON-OPERATING REVENUES (Expenses)

Interest income	2,069
Insurance claim reimbursement	52,916
Total non-operating revenues (expenses)	<u>54,985</u>

Change in net position 32,192

Total net position - beginning 1,888,830

Total net position - ending \$ 1,921,022

The accompany notes are an integral part of the financial statements.

**WATERWORKS DISTRICT NO. 1 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024**

Cash Flows from Operating Activities:	
Received from customers and users	\$ 257,760
Payments for supplies and services	(144,115)
Payments to employees	(69,327)
Net Cash Provided by Operating Activities	<u>44,318</u>
Cash Flows from Capital and Related Financing Activities:	
Miscellaneous revenue	52,916
Other	737
Principal payments on loan	(18,484)
Net Cash Provided (Used) from (for) Capital and Related Financing Activities	<u>35,169</u>
Cash Flows from Investing Activities:	
Certificate of deposit	(61)
Investment in LAMP	(250,000)
Net Cash Provided (Used) from (for) Investing Activities	<u>(250,061)</u>
Net Increase (Decrease) in Cash and Equivalents	(170,574)
Cash and Cash Equivalents at Beginning of Year	505,570
Cash and Cash Equivalents at End of Year	<u>\$ 334,996</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income (loss)	\$ (22,793)
Depreciation	70,306
(Increase) decrease in:	
Receivables - customers	(4,844)
Prepaid expenses	(2,671)
Increase (decrease) in:	
Accounts payable	4,547
Accrued liabilities	(227)
Net Cash Provided by Operating Activities	<u>\$ 44,318</u>
Reconciliation of Total Cash:	
Current assets-cash	\$ 180,812
Restricted assets-cash	154,184
Total Cash	<u>\$ 334,996</u>

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

NOTES TO FINANCIAL STATEMENTS

WATERWORKS DISTRICT NO. 1 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2024

INTRODUCTION

The Waterworks District No. 1 of Allen Parish is a political subdivision of the State of Louisiana. It was created under the provisions of Louisiana Revised Statute 33:3811, for the purpose of providing water to the rural area of Northeast Allen Parish. The District is governed by a compensated board of commissioners composed of five members appointed by the Allen Parish Police Jury. The District has five part-time employees.

Financial Reporting Entity

This report includes all funds which are controlled by or dependent on the Commissioners. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, ability to impose a financial benefit/burden, fiscal dependency, and other general oversight responsibility.

Based on the foregoing criteria, Waterworks District No.1 of Allen Parish has no other fiscal or significant managerial responsibility over any other governmental unit that is not included in the financial statements of Waterworks District No. 1 of Allen Parish, Louisiana. The District is a component unit of the Allen Parish Police Jury.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the Waterworks District No. 1 of Allen Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of these notes.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidance set forth in the industry audit guide, Audits of State and Local Governments, issued by the American Institute of Certified Public Accountants and the Louisiana Government Audit Guide.

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. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

WATERWORKS DISTRICT NO. 1 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The accounts of the District are organized on the basis of a proprietary fund, which is considered a separate accounting entity or enterprise fund. Enterprise funds are 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.

Basis of Accounting

The District has implemented GASB Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- For State and Local Governments*.

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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

B. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Waterworks District No. 1 of Allen Parish's investment policy allow the District to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

C. Prepaid Items

The District records as prepaid expenses amounts paid in the current year that benefit future periods.

WATERWORKS DISTRICT NO. 1 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management’s assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

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 disaster or other calamity in this one concentrated geographic location.

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. As of June 30, 2024, all assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Waterworks District No. 1 of Allen Parish maintains a threshold level of \$500 or more for capitalizing capital assets.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of each class of depreciable property is computed using the straight-line method. Estimated useful lives are as follows:

Building	30 years
Distribution system.....	20-40 years
Machinery & equipment.....	5-10 years
Furniture & fixtures.....	5-7 years

F. Estimates

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

WATERWORKS DISTRICT NO. 1 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Compensated Absences

The District's leave policy does not provide for the accumulation and vesting of leave.

H. Statement of Cash Flows

For purposes 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.

I. 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. 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.”

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

In accordance with a fiscal agency agreement that is approved by the Board of Commissioners, the District maintains demand and time deposits through local depository banks that are members of the Federal Reserve System.

Interest rate risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk. The District places no limit on the amount the District may invest in any one issuer.

WATERWORKS DISTRICT NO. 1 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

At June 30, 2024, the District has cash and cash equivalents (book balances) totaling as follows:

Demand deposits	\$ 334,996
Time deposits	121,486
Other	-
Total	<u>\$456,482</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2024, the District has \$458,639 in deposits (collected bank balances). These deposits are secured from risk by \$744,660 of federal deposit insurance and pledged collateral.

Under Louisiana Revised Statutes 33:2955, the District may deposit funds in demand deposit accounts, interest bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks, organized under Louisiana Law and National Banks having principal offices in Louisiana. Additionally, Louisiana statutes allow the District to invest in United States Treasury obligations, obligations issued or guaranteed by the United States government or federal agencies, highly rated investment grade commercial paper, and mutual or trust funds registered with the Securities and Exchange Commission which have underlying investments consisting solely of and limited to the United States government or its agencies.

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP). The carrying amount of the District’s investment in LAMP was \$251,737 as of June 30, 2024.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAAM by Standard & Poor’s. The District does not have credit risk policies for investments.

WATERWORKS DISTRICT NO. 1 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 52 days as of June 30, 2024. The District does not have interest rate risk policies for investments.

Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

NOTE 3 - FIXED ASSETS

A summary of fixed assets at June 30, 2024 follows:

Land	\$ 6,407	\$ -	\$ 6,407
Construction in progress	-	-	-
Total capital assets not being depreciated	<u>\$ 6,407</u>	<u>\$ -</u>	<u>\$ 6,407</u>
Capital assets being depreciated:			
Building	\$ 80,000	\$ -	\$ 80,000
Distribution system	2,809,505	-	2,809,505
Furniture & fixtures	1,108	-	1,108
Machinery & equipment	67,390	-	67,390
Total capital assets being depreciated	<u>\$ 2,958,003</u>	<u>\$ -</u>	<u>\$ 2,958,003</u>
Less accumulated depreciation for:			
Building	\$ 10,140	\$ 2,667	\$ 12,807
Distribution system	597,846	67,639	665,485
Furniture & fixtures	1,108	-	1,108
Machinery & equipment	67,370	-	67,370
Total accumulated depreciation	<u>\$ 676,464</u>	<u>\$ 70,306</u>	<u>\$ 746,770</u>
Total capital assets being depreciated, net	<u>\$ 2,281,539</u>	<u>\$ (70,306)</u>	<u>\$ 2,211,233</u>

Depreciation expense was \$70,306 for the year ended June 30, 2024.

WATERWORKS DISTRICT NO. 1 OF ALLEN PARISH
 A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
 NOTES TO FINANCIAL STATEMENTS

NOTE 4 - COMPONENTS OF RESTRICTED ASSETS

The customer deposit account had a balance of \$36,489 at June 30, 2024. The account is restricted to refunding the deposits as needed. The balance owed from this account was \$36,489 at June 30, 2024.

NOTE 5 - 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. The District did not reduce insurance coverage during the year ended June 30, 2024.

NOTE 6 - PER DIEM

LA. Rev. Stat. 33:3819 allows for each commissioner to be paid up to \$60 for each meeting attended up to 24 meetings in each year, and for each special meeting not to exceed 12 special meetings in each year. Commissioners are paid \$60 for each meeting attended.

	<u>Per Diem</u>
John Strother II, President	\$ 840
Caleb Hussong.....	360
Randy Welch	840
Bruce Wheat	840
Bill Randolph	840
Adam Hussong	<u>480</u>
	<u>\$ 4,200</u>

NOTE 7 - SUBSEQUENT EVENT REVIEW

The District’s management has evaluated subsequent events through the date which the financial statements were available to be issued.

WATERWORKS DISTRICT NO. 1 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - LONG-TERM DEBT

The following is a summary of bond payable transactions of the District for the year ended June 30, 2024:

	<u>Revenue</u>
Outstanding at July 1, 2023	\$ 1,013,198
Loans issued	-
Principal retired	<u>18,484</u>
Outstanding at June 30, 2024	<u>\$ 994,714</u>

Long-term debt at June 30, 2024 consists of the following:

Loan payable:

\$1,101,000 Rural Development Loan;
amended March 3, 2016; Due in monthly installments including interest at
2.75% of 3,843
through the year 2057 \$994,714

The annual requirements to amortize all debt outstanding as of June 30, 2024, are as follows:

Revenue Bonds

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 18,157	27,959	\$ 46,116
2026	18,663	27,453	46,116
2027	19,183	26,933	46,116
2028	19,717	26,399	46,116
2029	20,266	25,850	46,116
Thereafter	<u>898,728</u>	<u>310,570</u>	<u>1,209,298</u>
Total	<u>\$ 994,714</u>	<u>\$ 445,164</u>	<u>\$ 1,439,878</u>

OTHER SUPPLEMENTARY INFORMATION

WATERWORKS DISTRICT NO. 1 OF ALLEN PARISH
A Component Unit of the Allen Parish Police Jury
Schedule of Compensation, Benefits and Other Payments to Agency Head
or Chief Executive Officer
For the Year Ended June 30, 2024

Agency Head Name:

John Strother II

Purpose	Amount
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	720
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

See independent auditors report.

INDEPENDENT AUDITOR'S REPORT SECTION

STEVEN M. DEROUEN & ASSOCIATES, LLC

Certified Public Accountants
2720 RUE DE JARDIN, STE. 300
P. O. BOX 4265
LAKE CHARLES, LA 70606
(337) 513-4915 OFFICE/ (337) 205-6927 FAX
steve@sderouencpa.com

Member American Institute of
Certified Public Accountants

Member Louisiana Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S 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*

Board of Commissioners
Waterworks District No. 1 of Allen Parish
Oakdale, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Waterworks District No. 1 of Allen Parish, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Waterworks District No. 1's basic financial statements and have issued our report thereon dated November 11, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Waterworks District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Waterworks District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of the Waterworks District No. 1's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. See item 2024-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Waterworks District No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my 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*.

Management Response to Findings

The Waterworks District No. 1's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. The Waterworks District No. 1's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion of 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.

Steven M. DeRouen & Associates LLC

Lake Charles, Louisiana
November 11, 2024

WATER DISTRICT NO. 1 OF ALLEN PARISH
 Oakdale, Louisiana
 Schedule of Findings and Responses
 For the Year Ended June 30, 2024

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditor’s report issued					Unmodified
Internal control over financial reporting:					
Material weaknesses identified?	<u> </u>	Yes	<u> X </u>	No	
Significant deficiencies identified not considered to be material weaknesses?	<u> X </u>	Yes	<u> </u>	No	
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No	

SECTION II – GAGAS Findings:

2024 - 001 Segregation of Duties

Condition:	There is an inadequate segregation of duties at the District to provide effective internal control. The District employs a small number of people involved in day-to-day operations.
Criteria:	Effective internal control requires adequate segregation of duties among client personnel.
Effect:	Without proper segregation of duties, errors within the financial records or fraud could go undetected.
Recommendation:	None
Response:	Management has considered this weakness and determined that it would not be cost effective to employ sufficient personnel to obtain adequate segregation of duties.

WATER DISTRICT NO. 1 OF ALLEN PARISH
Oakdale, Louisiana Status of Prior Year Findings
For the Year Ended June 30, 2023

2023-001 Segregation of duties:

Corrective action taken – Due to lack of sufficient financial resources, this finding cannot be resolved.