

**SPRING BAYOU WATER WORKS DISTRICT  
MARKSVILLE, LOUISIANA**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**DUCOTE & COMPANY  
Certified Public Accountants  
P. O. Box 309  
219 North Washington St.  
Marksville, LA71351**

**SPRING BAYOU WATER WORKS DISTRICT  
MARKSVILLE, LOUISIANA  
As of and for the Year Ended December 31, 2023**

**Table of Contents**

	<b>Page No.</b>
<b>Independent Accountants' Compilation Report</b>	1
<b>Basic Financial Statements:</b>	
<b>Statement of Net Assets</b>	3
<b>Statement of Revenues, Expenses,     And Changes in Net Assets</b>	4
<b>Statement of Cash Flows</b>	5
<b>Notes to the Financial Statements</b>	6-13
<b>Supplementary Information:</b>	
<b>Schedule of Compensation, Other Benefits Paid     To Agency Head</b>	15
<b>Supplemental Data Required by USDA</b>	16

**INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

Board of Directors  
Spring Bayou Water Works District  
Marksville, Louisiana  
Avoyelles Parish, Louisiana

Management is responsible for the accompanying financial statements of the business-type activities of the Spring Bayou Water Works District, as of and for the year ended December 31, 2023, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

*Supplementary Information*

The accompanying schedule of compensation, benefits and other payments to the agency head and supplementary data required by USDA are presented for purposes of additional analysis and are not required parts of the basic financial statements. This information is the representation of management. This information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information, and accordingly, do not express an opinion, a conclusion, nor provided any assurance on such information.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement basic financial statements. The Management Discussion and Analysis, 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 content.

**Ducote & Company**  
Certified Public Accountants  
Marksville, Louisiana  
June 10, 2024

## **BASIC FINANCIAL STATEMENTS**

**SPRING BAYOU WATER WORKS DISTRICT**  
**Marksville, Louisiana**  
**Statement of Net Assets**  
**December 31, 2023**

**ASSETS**

Cash and cash equivalents	\$ 2,214
Accounts receivables	6,461
Restricted assets - cash and cash equivalents	32,610
Capital assets:	
Land	500
Machinery and equipment, net of accum depr	<u>358,847</u>
<b>TOTAL ASSETS</b>	<u><b>400,632</b></u>

**LIABILITIES**

Accounts payable	3,612
Accrued interest payable	77
Notes payable, due within one year	5,058
Long term liabilities:	
Notes payable, due in more than one year	<u>166,424</u>
<b>TOTAL LIABILITIES</b>	<u><b>175,171</b></u>

**NET ASSETS**

Invested in capital assets, net of related debt	192,844
Restricted for:	
Debt service	27,553
Unrestricted	<u>5,064</u>
<b>TOTAL NET ASSETS</b>	<u><b>\$225,461</b></u>

See accompanying notes and accountants' compilation report.

**SPRING BAYOU WATER WORKS DISTRICT**  
**Marksville, Louisiana**  
**Statement of Revenues, Expenses,**  
**And Changes in Fund Net Assets**  
**Year Ended December 31, 2023**

**OPERATING REVENUES**

Charges for services	\$98,125
Membership dues	3,700
	101,825
Total operating revenues	101,825

**OPERATING EXPENSES**

Water purchased	53,801
Billing and professional fees	13,522
Casual labor	6,800
Depreciation	14,555
Insurance	2,609
Repairs and maintenance	6,215
Supplies	10,744
Utilities	794
Other costs	2,993
	112,033
Total operating expenses	112,033

**OPERATING INCOME (LOSS)** (10,208)

**NON-OPERATING REVENUES (EXPENSES)**

Interest earned	1,450
Interest expense	(8,136)
	(6,686)
Total non-operating revenues (expenses)	(6,686)
Change in net assets	(16,894)
Net assets, beginning of year	242,355
Net assets, end of year	\$225,461

See accompanying notes and accountants' compilation report.

**SPRING BAYOU WATER WORKS DISTRICT**  
**Marksville, Louisiana**  
**Statement of Cash Flows**  
**Year Ended December 31, 2023**

<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$101,020
Payments to suppliers for goods and services	<u>(100,319)</u>
Net cash provided (used) in operating activities	<u>701</u>
 <b>Cash Flows from Capital and Related Financing Activities:</b>	
Principal payment on bonds	(61,807)
Interest paid on bonds	<u>(8,166)</u>
Net cash provided (used) in capital and related financing activities	<u>(69,973)</u>
 <b>Cash flows from Investing Activities:</b>	
Interest received	<u>1,450</u>
Net cash provided (used) in investing activities	<u>1,450</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (67,822)
 Cash and cash equivalents, beginning of year	 <u>102,646</u>
 Cash and cash equivalents, end of year	 <u>\$34,824</u>
 <b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>	
Operating income (loss)	(10,208)
Adjustments to reconcile net earnings to net cash provided (used) by operating activities	
Depreciation	14,555
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(804)
Increase (decrease) in accounts payable	<u>(2,842)</u>
 Net cash provided by operating activities	 <u>\$701</u>

See accompanying notes and accountants' compilation report.

**SPRING BAYOU WATER WORKS DISTRICT  
MARKSVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

**INTRODUCTION**

The Spring Bayou Water Works District, Marksville, Louisiana was incorporated on October 9, 1990, under the provision of the Louisiana Revised Statutes 33:3814, by the Avoyelles Parish Police Jury. The District operates under a President-Board form of government, whose appointments are made by the Avoyelles Parish Police Jury. The members of the board receive \$15 per meeting attended. The District is responsible for maintaining and operating a water system within the boundaries of the district.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of this Statement, the Spring Bayou Water Works District is considered a component unit of the Avoyelles Parish Police Jury. As a component unit, the accompanying financial statements may be included within the reporting entity of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

**A. FINANCIAL STATEMENTS**

Government Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for the enterprise fund. For these governments, basic financial statements and required supplemental information (RSI) consist of:

1. Management’s discussion and analysis (MD&A)
2. Statement of net assets
3. Statement of revenues, expenses and changes in net assets
4. Statement of cash flows
5. Notes to the financial statements
6. RSI other than MD&A, if applicable

The Spring Bayou Water Works District is a special-purpose government engaged only in business-type activities.



**SPRING BAYOU WATER WORKS DISTRICT  
MARKSVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)**

**B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

Enterprise fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related to cash flows.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating expenses of the Spring Bayou Water Works District include the costs of the services, administrative expenses, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**C. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the department 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.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**D. RECEIVABLES**

All receivables are generally shown net of an allowance for uncollectible accounts. These statements contain no provision for uncollectible accounts. The District is of the opinion that such an allowance would be immaterial to the financial statements taken as a whole.

**SPRING BAYOU WATER WORKS DISTRICT  
MARKSVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED**

**E. NET ASSETS**

In the financial statements, equity is classified as net assets and displayed in three components:

***Invested in capital assets, net of related debt*** – consist 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.

***Restricted net assets*** – consist of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, laws, or regulation of other governments; or (2) laws through constitutional provisions or enabling legislation.

***Unrestricted net assets*** – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

**F. CAPITAL ASSETS**

Capital assets, which include land, the water system, buildings, and equipment are reported in the enterprise fund financial statements. All of the District’s capital assets are capitalized at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure – water system	25 - 40 years
Buildings	25 years
Equipment	5 – 10 years

**G. LONG-TERM OBLIGATIONS**

Long-term debt such as revenue bonds payable are reported as liabilities in the statement of net assets.

**SPRING BAYOU WATER WORKS DISTRICT  
MARKSVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED**

**H. 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 of assets and liabilities, disclosures, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

**NOTE 2. CASH AND CASH EQUIVALENTS**

At December 31, 2023 the District has cash and cash equivalents (book balances) as follows:

Demand Deposits                      \$34,824

These deposits are stated at cost, which approximates market. *Custodial Credit Risk*: is the risk that in the event of a bank failure, the District's deposits may not be returned to it. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent institution. The District had no custodial credit risk at December 31, 2023.

At December 31, 2023, the District has \$37,337 in deposits (collected bank balances):

**Depository Account**

Insured	\$	37,337
Collateralized		
Collateral held by the pledging bank's trust department, not in the District's name		0
Uninsured and uncollateralized		0
	<u>\$</u>	<u>37,337</u>

**SPRING BAYOU WATER WORKS DISTRICT  
MARKSVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2. CASH AND CASH EQUIVALENTS (continued)**

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement 3, LA R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. The funds on deposit shall be collateralized an amount at all times equal to 100% by pledged "approved securities" as specified by LA R.S. 39:1225, as amended, to protect the funds of the District. The District does not have a formal written policy for custodial credit risk.

**NOTE 3. ACCOUNTS RECEIVABLE**

At December 31, 2023, the District has net receivables of \$6,461 as follows:

Water user fees	\$6,461
Allowance for uncollectible accounts	<u>0</u>
Net Receivables	<u><u>\$6,461</u></u>

**NOTE 4. LONG-TERM NOTES PAYABLE**

The following is a summary of long-term debt (revenue bonds payable) activity for the year ended December 31, 2023:

Revenue bonds payable at January 1, 2023	\$233,289
Additions	0
Reductions	<u>(61,807)</u>
Revenue bonds payable at December 31, 2023	<u><u>\$171,482</u></u>

The 1994 debt issue was paid out during the year ended December 31, 2023.

**SPRING BAYOU WATER WORKS DISTRICT  
MARKSVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 4. LONG-TERM NOTES PAYABLE (continued)**

Outstanding debt at December 31, 2023, in the amount of \$171,482, is a revenue bond payable with maturities from 2024 until 2045 and an interest rate 4.25%. Loan principal and interest payable in the next fiscal year are \$5,058 and \$7,188, respectively. The bond issue is as follows:

	<b>\$233,000</b>
	<b>Bond</b>
Original Issue Date	5/24/2005
Interest Rate	4.25%
Final Payment Date	2045
Interest to Maturity	\$ 89,465
Principal Outstanding	\$ 171,482
Funding Source	Water Fees

The loan is due as follows:

<b>Year Ending December 31</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$5,058	\$7,188	\$12,246
2025	\$5,277	\$6,969	\$12,246
2026	\$5,505	\$6,741	\$12,246
2027	\$5,744	\$6,502	\$12,246
2028	\$5,993	\$6,253	\$12,246
2029-2045	\$143,905	\$55,812	\$199,717
	<b>\$171,482</b>	<b>\$89,465</b>	<b>\$260,947</b>

**SPRING BAYOU WATER WORKS DISTRICT  
MARKSVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5. RESTRICTED ASSETS**

The bond covenant for the 2005 water revenue bond issues, as discussed in Note 4 above, require the district to establish the following reserve accounts:

Water Reserve Fund - The District must transfer \$56 each month to the Reserve Fund until the account reaches a balance of \$18,856. In July 2045, when the 2005 Bond issue is fully retired, the funds on deposit in the Reserve Fund are to be reduced to \$12,246.

Contingency Fund – The District must transfer \$58 each month to the contingency fund, until the account reaches a balance of \$18,856. As of December 31, 2023, the Contingency Fund balance was in excess of the required balance.

As of December 31, 2023, the District was in compliance with the reserve requirements for the bond issues.

**NOTE 6. CAPITAL ASSETS**

A summary of changes in general fixed assets for 2023 as follows:

	<u>Balance 12/31/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2023</u>
Land	\$500	\$0	\$0	\$500
Building	15,000	0	0	15,000
Water System	632,792	0	0	632,792
Total Capital Assets	<u>648,292</u>	<u>0</u>	<u>0</u>	<u>648,292</u>
Less Accum Depr	<u>(274,390)</u>	<u>(\$14,555)</u>	<u>\$0</u>	<u>(288,945)</u>
Net Capital Assets	<u>\$373,902</u>			<u>\$359,347</u>

**SPRING BAYOU WATER WORKS DISTRICT  
MARKSVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7. BOARD MEMBER PER DIEM**

<b>Name</b>	<b>Address</b>	<b>Telephone</b>	<b>Position</b>	<b>Per Diem</b>
Donna Desoto	172 Fins & Feathers, Marksville, LA 71351	318-253-8709	President	\$ 180
James Desoto	172 Fins & Feathers, Marksville, LA 71351	318-253-8709	Vice President	180
Michael Kelly	304 Dr Michel Rd, Marksville, LA 71351	318-308-5317	Sec/Treas	180
Dale Lambert	760 Boggy Bayou Rd., Marksville, LA 71351	318-253-0564	Board Member	180

**NOTE 8. LITIGATION AND CONTINGENCIES**

At December 31, 2023, the Spring Bayou Water Works District, Marksville, Louisiana was not involved in any litigation that would materially affect the financial statements.

**NOTE 10. SUBSEQUENT EVENTS**

Subsequent events were evaluated through June 10, 2024, which is the date the financial statements were available to be issued. In April 2024, the City of Marksville, Louisiana passed Resolution 2004-62 approving the City to proceed with the legal processes necessary for the City to take over the Spring Bayou Water Works District and for the City to assume the USDA loan. As of the date of the report, the transaction is still in the legal planning stages and no effective date of transfer has been determined.

## **SUPPLEMENTAL INFORMATION**



**SPRING BAYOU WATER WORKS DISTRICT  
MARKSVILLE, LOUISIANA  
SCHEDULE 1**

**SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD**

**December 31, 2023  
(Without Audit)**

**Agency Head:** Donna Desoto, President

	<u>Purpose</u>	<u>Amount</u>
Per Diem		<u>\$180</u>
		<u>\$180</u>

**SPRING BAYOU WATER WORKS DISTRICT  
MARKSVILLE, LOUISIANA  
Schedule 2 - Supplemental Data Required by USDA  
(Without Audit)  
December 31, 2023**

**1. All Borrowers**

- a. Are deposited funds in institutions insured by the Federal Government? Yes
- b. Are you exempt from Federal Income Tax? Yes
- c. Are Local, State, and Federal taxes paid current? Yes
- d. Is corporate status in good standing with the State? Yes
- e. List kinds and amounts of insurance and fidelity bonds:

Insurance Coverage	Policy No	Company	Amount Of Coverage	Expiration Date of Policy
Property Ins	2AA366177	First Insurance	\$ 100,000	July 2024
Liability Ins	2AA366177	First Insurance	\$ 2,000,000	July 2024
Fidelity Bond	66457392	Universal Surety	\$ 40,000	November 2024
	66457392	Universal Surety	\$ 40,000	November 2024
	66457392	Universal Surety	\$ 40,000	November 2024

**2. Recreation and Grazing Association Borrowers Only**

Not applicable

**3. Water and/or Sewer Utility Borrowers Only**

Water Utility:

- a. Water purchased or produced (CU FT – GAL) 9,539,160 GAL
- b. Water Sold (CU FT – GAL) 9,062,202 GAL
- d. Number of users – water 288

**4. Water Rates**

Commercial and Residential Rates as of December 31, 2023:  
 \$20.00 Monthly Minimum for first 1,000 gallons  
 \$6.75 Per each additional 1,000 gallons

**5. Other Utilities**

Not applicable

**6. Health Care Borrowers Only**

Not applicable

**7. Distribution of All Cash and Investments**

	Construction	Revenue	Debt Svc	Contingency	Reserve	All Others	Total
Cash Accts	\$0	\$2,214	\$0	\$0	\$0	\$0	\$2,214
Savings	0	0	0	19,364	13,246	0	32,610
	<u>\$0</u>	<u>\$2,214</u>	<u>\$0</u>	<u>\$19,364</u>	<u>\$13,246</u>	<u>\$0</u>	<u>\$34,824</u>

**8. Aged Accounts Receivable**

	0-30	31-60	61-90	91 & Older	Total
Dollar Values	\$6,461	\$0	\$0	\$0	6,461
Number of Accts	288	0	0	0	288