

LAKEVIEW WATERWORKS DISTRICT OF THE PARISH OF CADDO
SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

December 31, 2023

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

LAKEVIEW WATERWORKS DISTRICT OF THE PARISH OF CADDO

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lakeview Waterworks District of the Parish of Caddo
Shreveport, Louisiana

Opinion

I have audited the accompanying financial statements of the business-type activities, and the major fund of Lakeview Waterworks District of the Parish of Caddo, a component unit of the Caddo Parish Commission, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Lakeview Waterworks District of the Parish of Caddo's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lakeview Waterworks District of the Parish of Caddo as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my 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 and *the Louisiana Governmental Audit Guide*. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Lakeview Waterworks District of the Parish of Caddo and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Lakeview Waterworks District of the Parish of Caddo'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 Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, intentional 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment 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 amounts 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 Lakeview Waterworks District of the Parish of Caddo'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lakeview Waterworks District of the Parish of Caddo's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

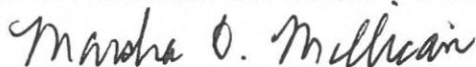
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Lakeview Waterworks District of the Parish of Caddo's basic financial statements. The Schedule of Compensation Paid to Commissioners and the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic 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 my opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated May 17, 2024 on my consideration of Lakeview Waterworks District of the Parish of Caddo's internal control over financial reporting and on my tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lakeview Waterworks District of the Parish of Caddo's internal control over financial reporting and compliance.



Certified Public Accountant
May 17, 2024

LAKEVIEW WATERWORKS DISTRICT OF THE PARISH OF CADDO

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2023

This section of Lakeview Waterworks District of the Parish of Caddo's annual financial report presents our discussion and analysis of the District's financial performance during the year ended December 31, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District had net position of \$701,518 at year end which represents an increase from the prior year of \$20,291.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consist of the following - Management's Discussion and Analysis (this section), the basic financial statements, and notes to financial statements. These components are described below:

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and Cash Flows provide information about the activities of the District as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless if when cash is received or paid.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report the District's net position and changes in net position. You can think of the District's Net Position, difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating.

FINANCIAL ANALYSIS OF THE ENTITY

Net Position

Net position may serve over time as a useful indicator of the District's financial position. The District's exceeded liabilities by \$701,518 as of December 31, 2023.

The District's major assets are its fixed assets of \$180,475 representing its investment in its water distribution system and water treatment plant. The District owed \$-0- at year end on the debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the citizens of the District; consequently, these assets are not available for future spending.

Lakeview Waterworks District of the Parish of Caddo Statement of Net Position December 31,

	<u>2023</u>	<u>2022</u>
Current assets	\$ 528,601	\$ 463,885
Other assets	160,110	157,270
Capital Assets, net of depreciation	180,475	198,858
Total Assets	<u>869,186</u>	<u>820,013</u>
Accounts payable and accrued expenses	20,683	24,641
Bonds payable	-	-
Customer deposits	146,985	144,145
Total Liabilities	<u>167,668</u>	<u>168,786</u>
Invested in capital assets, net of related debt	180,475	198,858
Unrestricted	521,043	482,369
Net Position	<u>\$ 701,518</u>	<u>\$681,227</u>

Lakeview Waterworks District of the Parish of Caddo
Statement of Changes in Net Position
December 31,

	2023	2022
Operating Revenues	\$ 455,608	\$ 480,192
Operating Expenses	435,317	421,171
Operating Income	20,291	59,021
Non-operating Income/Expense	-	-
Changes in Net Position	\$ 20,291	\$ 59,021

The District's total operating revenues decreased by \$24,584 from the previous year. The total operating expense increased by \$14,146 from the previous year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023 the District had \$180,475 net of depreciation, invested in its capital assets. This amount represents a net decrease of \$18,383 as a result of additions of \$-0- and depreciation expense of \$18,383.

Capital Assets at Year End
(Net of Depreciation)

	2023	2022
Machinery & Equipment	\$ 4,129	\$ 4,129
Office Building	131,367	131,367
Water System	442,932	442,932
Total	578,428	578,428
Less: Accumulated Depreciation	410,575	392,192
Land	167,853	186,236
	12,622	12,622
Net Fixed Assets	\$ 180,475	\$ 198,858

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Management of the District considers the following factors and indicators when setting next year's rates and fees. These factors and indicators include: long-term debt, cost of operations and number of customers.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Lakeview Waterworks District of the Parish of Caddo's finances and to show the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District at 3205 Lorraine Street, Shreveport, Louisiana, (318) 222-4871.

Statement of Net Position

December 31, 2023

<u>Assets</u>	
<u>Current Assets</u>	
Cash	\$ 465,131
Accounts Receivable Water Customers (Net)	55,308
Prepaid Expenses	8,162
Total Current Assets	<u>528,601</u>
 <u>Other Assets</u>	
Restricted Assets	
Cash	146,985
Other Assets	13,125
Fixed Assets (Net)	180,475
Total Other Assets	<u>340,585</u>
 Total Assets	 <u>869,186</u>
 Deferred Outflows of Resources	 <u>-</u>
 <u>Liabilities</u>	
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts Payable and Accrued Expenses	<u>20,683</u>
Total Current Liabilities	<u>20,683</u>
 <u>Long-Term Liabilities</u>	
Customer Deposits Payable	<u>146,985</u>
Total Long-Term Liabilities	<u>146,985</u>
Total Liabilities	<u>167,668</u>
 Deferred Inflows of Resources	 <u>-</u>
 <u>Net Position</u>	
Invested in Capital Assets, Net of Related Debt	180,475
Unrestricted	521,043
Total Net Position	<u>\$ 701,518</u>

See accompanying notes to financial statements.

LAKEVIEW WATERWORKS DISTRICT OF THE PARISH OF CADDO

Statement of Activities

For the Year Ended December 31, 2023

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Business-Type Activities</u>
Business-Type Activities					
Utility Fund	435,317	455,608	-	-	20,291
Total Business-Type Activities	<u>435,317</u>	<u>952,468</u>	<u>-</u>	<u>-</u>	<u>20,291</u>
Change in Net Position					20,291
Net Position, Beginning of Year					<u>681,227</u>
Net Position, End of Year					<u>\$ 701,518</u>

See accompanying notes to financial statements.

Statement of Cash Flows

Year Ended December 31, 2023

Cash flows from operating activities:	
Cash received from customers	\$ 455,017
Cash payments to suppliers	(421,111)
Other operating income	-
Net cash provided by operating activities	33,906
Cash flows from capital and related financing activities:	
Fixed Asset Purchases	-
Net cash provided by capital and related financing activities	-
Net increase(decrease) in cash	33,906
Cash, beginning of year (including \$144,145 in restricted assets)	578,210
Cash, end of year (including \$146,985 in restricted assets)	\$ 612,116
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	20,291
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	18,383
Increase in accounts receivable	(591)
Increase in prepaid expenses	(3,059)
Increase in customer deposits	2,840
Decrease in accounts payable	(3,958)
Net cash provided by operating activities	\$ 33,906

See accompanying notes to financial statements.

LAKEVIEW WATERWORKS DISTRICT OF THE PARISH OF CADDO

Notes to Financial Statements

December 31, 2023

Lakeview Waterworks District of the Parish of Caddo, Louisiana, was created by Ordinance No. 4353, of the Caddo Parish Commission on March 17, 2005, and is a political subdivision of the Caddo Parish Commission. The ordinance states that the purpose of the District is to provide water services to the residents of the District. The District is located adjacent to and in proximity of Cross Lake and is domiciled at 3205 Lorraine Street, Shreveport, Louisiana. The affairs of the District are conducted and managed by a board of five (5) commissioners appointed by the Caddo Parish Commission.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Lakeview Waterworks District of the Parish of Caddo 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. The accompanying component unit financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments, issued in June, 1999. The following is a summary of the more significant accounting policies:

Basis of Accounting: The accrual basis of accounting is utilized by the District. Under method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Investments: Investments are stated at cost which approximates market.

Cash Flows: For purposes of the statement of cash flows, the District considers all highly debt instruments purchased with a maturity of three months or less to be cash equivalents.

Bad Debts: An allowance for doubtful accounts is maintained for accounts receivable. At December 31, 2023, the balance in this account was \$36,241.

Cash and Cash Equivalents: Cash and cash equivalents include cash on hand and amounts in demand deposits.

Capital Assets: Additions that significantly extend the useful life of an asset are recorded as capital improvements. The cost of normal maintenance and repairs that do not add to the value an asset are charged to expense when incurred. Useful depreciable lives of fixed assets range 7 to 15 years.

Prepaid Expenses: Prepaid Expenses consists of insurance premiums paid in advance at year

Restricted Assets: Restricted assets include cash that is legally restricted as to its use and is restricted for customer deposits.

(Continued)

LAKEVIEW WATERWORKS DISTRICT OF THE PARISH OF CADDO

Notes to Financial Statements

December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates: The preparation of financial statements in accordance 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Fund Equity: Equity is classified as net position and is reported in three components:

Invested in capital assets, net of related debt 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.

Retracted net position consists of net position with constraints placed on the use by external groups, such as creditors, grantors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation.

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 carries commercial insurance for the risk of loss including automobile liability, generally liability, property damage, and workers compensation.

2. CASH:

At year end, the carrying amount of the District's carrying amount of cash totaled \$612,116. Bank balances were \$615,282 at year end. The difference is due to outstanding checks at year end. Bank balances of \$250,000 were insured by FDIC insurance. Balances of \$365,282 were collateralized by securities pledged in the name of the District.

3. ACCOUNTS RECEIVABLE:

Accounts receivable for customer water bills at December 31 2023, totaled \$91,549 less an allowance for doubtful accounts of \$36,241.

4. FIXED ASSETS:

Building and Improvements	\$ 131,367
Distribution System	442,932
Equipment	4,129
Total Fixed Assets	<u>578,428</u>
Less: Accumulated Depreciation	<u>(410,575)</u>
	167,853
Land	12,622
Net Fixed Assets	<u><u>\$ 180,475</u></u>

(Continued)

LAKEVIEW WATERWORKS DISTRICT OF THE PARISH OF CADDO

Notes to Financial Statements

December 31, 2023

4. FIXED ASSETS : (CONTINUED)

Fixed assets additions for the year ended December 31, 2023 totaled \$-0-. Depreciation expense charged to operations for the year ended December 31, 2023 totaled \$18,383.

5. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through May 17, 2024, the date the financial statements were available to be issued, and determined no additional disclosures are warranted.

LAKEVIEW WATERWORKS DISTRICT OF THE PARISH OF CADDO

Schedule of Compensation Paid to Commissioners

For the Year Ended December 31, 2023

Mary Kay Tallant	\$	720
Robert Brown		660
Robert Fowler		720
Tiffany Hyde		540
		<hr/>
Total	\$	<u>2,640</u>

LAKEVIEW WATERWORKS DISTRICT OF THE PARISH OF CADDO

Schedule of Compensation, Reimbursements, Benefits, and Other Payments
to Agency Head

For the Year Ended December 31, 2023

Agency Head: Mary K Tallant

Per Diem

\$ 720

LAKEVIEW WATERWORKS DISTRICT OF THE PARISH OF CADDO

Corrective Action Taken on Prior Year Findings

December 31, 2023

FINDING #2022 -1:

The segregation of duties is inadequate to provide effective internal control.

STATUS: Unresolved.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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
Lakeview Waterworks District of the Parish of Caddo
Shreveport, Louisiana

I 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 governmental activities of Lakeview Waterworks District of the Parish (the District) of Caddo as of December 31, 2023, and related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated May 17, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Lakeview Waterworks District of the Parish of Caddo's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District'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 District'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.

My consideration of internal control was for the limited purpose described in the preceding paragraph 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. I identified a certain deficiency in internal control described in the accompanying Schedule of Findings as Finding #2023-1 that I consider to be a material weakness.

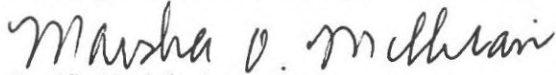
810 WILKINSON
SHREVEPORT, LA 71104-3036
(318) 221-3881
FAX: (318) 221-4641

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lakeview Waterworks District of the Parish of Caddo's financial statements are free of material misstatement, I 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, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.



Certified Public Accountant

May 17, 2024

LAKEVIEW WATERWORKS DISTRICT OF THE PARISH OF CADDO

Schedule of Findings

December 31, 2023

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. One deficiency which is considered to be a material weakness in internal control over financial reporting was disclosed during the audit.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.

FINDING #2023-1

Criteria: Effective internal control requires segregation of duties.

Condition: The segregation of duties is inadequate to provide effective internal control. The District's water clerk performs substantially all daily accounting duties. These duties include but are not limited to: entering monthly customer usage into the billing software, preparing and mailing monthly customer bills, preparing billing adjustments and non-cash credits, collecting payments for services, recording customer payments into the billing system, preparing and posting customer late payment charges, making bank deposits, preparing disbursement checks, and mailing disbursement checks.

Cause: The condition is due to economic and space limitations.

Effect: Unknown.

Recommendation: Whether or not it would be cost effective to correct a deficiency is not a factor in reporting requirements under accounting standards generally accepted in the United States of America. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all deficiencies reported under accounting standards generally accepted in the United States of America. In this case, both management and the auditor do not believe that correcting the material weakness described above is cost effective or practical, and, accordingly, do not believe that any corrective action is necessary.

Management's Response and Corrective Action Plan: We concur with the finding. We will make every effort to segregate duties as allowed by space and economic limitations.