

TREMONT WATER DISTRICT
Choudrant, Louisiana

Annual Financial Statements

As of and for the Year Ended
June 30, 2024

TREMONT WATER DISTRICT
Choudrant, Louisiana

Annual Financial Statements

As of and for the Year Ended June 30, 2024

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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Accountant's Compilation Report

BOARD OF COMMISSIONERS
TREMONT WATER DISTRICT
Choudrant, Louisiana

Management is responsible for the accompanying financial statements of Tremont Water District (the "District"), a component unit of Lincoln 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 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. I 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 American Institute of Certified Public Accountants. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head and board of commissioners is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to my compilation engagement, but I have not audited or reviewed the supplementary information, and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such 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.

I am not independent with respect to Tremont Water District for the year ended June 30, 2024.

Carleen Dumas

Calhoun, Louisiana
October 4, 2024

BASIC FINANCIAL STATEMENTS

Statement A

TREMONT WATER DISTRICT
Choudrant, Louisiana

STATEMENT OF NET POSITION
June 30, 2024

ASSETS

Current assets:

Cash	\$257,107
Investment - certificate of deposit	8,002
Accounts receivable - water sales	<u>16,153</u>
Total current assets	281,262
Property, plant and equipment (net of accumulated depreciation)	<u>4,454</u>
Total assets	<u>285,716</u>

LIABILITIES

Current liabilities:

Accounts payable	7,684
Refundable customer deposits	<u>18,413</u>
Total liabilities	<u>26,097</u>

NET POSITION

Net investment in capital assets	4,454
Unrestricted	<u>255,165</u>
Total net position	<u>\$259,619</u>

See accompanying notes and accountant's compilation report.

TREMONT WATER DISTRICT
Choudrant, Louisiana

STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended June 30, 2024

OPERATING REVENUE

Water sales	\$140,899
Membership fees	375
Reconnect fees	120
Meter installations	4,300
Other fees	35
Total operating revenue	145,729

OPERATING EXPENSES

Office expense	3,579
Bank charges	30
Advertising	229
Accounting	816
Contract labor	24,775
Materials and supplies	3,316
Water purchase	60,997
Depreciation	495
Safe drinking water fee	2,123
Sales tax	120
Repairs	2,375
Insurance	100
Other	816
Total operating expenses	99,771

OPERATING INCOME

45,958

NON-OPERATING REVENUE - interest earned on deposits

1,190

CHANGE IN NET POSITION

47,148

NET POSITION - BEGINNING

212,471

NET POSITION - ENDING
\$259,619

See accompanying notes and accountant's compilation report.

TREMONT WATER DISTRICT
Choudrant, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$144,303
Customer deposit receipts, net	100
Payments to suppliers	<u>(99,838)</u>
Net cash provided by operating activities	<u>44,565</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings on bank deposits	1,190
Increase in investments	<u>(2)</u>
Net cash provided by investing activities	<u>1,188</u>

NET INCREASE IN CASH 45,751

CASH AT BEGINNING OF YEAR 211,356

CASH AT END OF YEAR \$257,107

Reconciliation of Operating Income to Net Cash

Provided by Operating Activities	
Operating Income	<u>\$45,958</u>
Adjustments:	
Depreciation	495
Increase in accounts receivable	(1,425)
Decrease in accounts payable	(563)
Increase in refundable customer deposits	<u>100</u>
Total adjustments	<u>(1,393)</u>
Net cash provided by operating activities	<u><u>\$44,565</u></u>

See accountant's compilation report and accompanying notes.

TREMONT WATER DISTRICT
Choudrant, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2024

INTRODUCTION

Tremont Water District (the "District") was created by the Lincoln Parish Police Jury on October 8, 1991, as authorized by Louisiana Revised Statute 33:3811 for the purpose of supplying safe drinking water to the population of the District. The District was altered and enlarged by the Lincoln Parish Police Jury on August 22, 1995. All existing water distribution lines in the service area were abandoned and efforts to officially organize the Tremont Waterworks District were begun in April 1996. On August 5, 1997 the construction of the water system was substantially completed and the water system began providing water service to residents in the District. The District is governed by a five member board appointed by the police jury to serve indefinite terms of office. The District has no employees and serves approximately 189 customers.

GASB Statement No. 14, *The Financial Reporting Entity* and No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Statements, the District is considered a component unit of the Lincoln Parish Police Jury. As a component unit, the accompanying financial statements maybe included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Statements

Governmental 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 enterprise funds. 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 position
- (3) Statement of revenue, expenses, and changes in net position
- (4) Statement of cash flows
- (5) Notes to the financial statements
- (6) RSI other than MD&A, if applicable

See accountant's compilation report.

TREMONT WATER DISTRICT
Notes to the Financial Statements

The District is a special-purpose government engaged only in business-type activities.

**B. Measurement Focus, Basis of Accounting, and
Financial Statement Presentation**

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

Enterprise funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenue of the District is water sales, membership fees, reconnect fees, and meter installations. Operating expenses include the costs of the services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

C. Deposits and Investments

Cash includes amounts in interest-bearing demand deposits. State law limits the District's credit risk by restricting the District's investments to collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 2024, the District's investments consist of a nonnegotiable certificate of deposit with an original maturity that exceeds 90 days that is reported in the accompanying financial statements at cost.

D. Accounts Receivable

Amounts due from private individuals, organizations, or other governments for water sales are reported as accounts receivable. Receivables are generally shown net of an allowance for uncollectible accounts. These financial statements contain no provision for uncollectible accounts. The District is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole. Past due accounts are written off when they are considered uncollectible by management.

See accountant's compilation report.

TREMONT WATER DISTRICT
Notes to the Financial Statements

E. Property, Plant, and Equipment

Property, plant, and equipment, which includes the original water system and improvements is reported in the financial statements at historical cost. Donated assets are recorded at the estimated fair market value on the date of donation. The District maintains a threshold level of \$500 or more for capitalizing property, plant, and equipment. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Property, plant, and equipment is depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - water system	25 years

F. 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS IN FINANCIAL INSTITUTIONS

At June 30, 2024, the District has cash and investment - certificate of deposit (book balances) as follows. The deposits are stated at cost, which approximates fair market value:

Interest bearing checking accounts	\$247,306
Interest bearing savings account	9,801
Investment - certificates of deposit	<u>8,002</u>
Total	<u><u>\$265,109</u></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. At June 30, 2024, the District has \$265,109 in deposits (collected bank balances). These balances are secured from risk by \$250,000 in federal deposit insurance. The remaining balance of \$15,109 was unsecured at June 30, 2024, due to the bank failing to classify the

See accountant's compilation report.

TREMONT WATER DISTRICT
Notes to the Financial Statements

District's deposits as public funds. On September 12, 2024, the bank reclassified the District's funds as public funds and entered into a pledged securities control agreement with the District.

3. ACCOUNTS RECEIVABLE

At June 30, 2024, the District has net receivables as follows:

Water sales	\$16,153
Allowance for uncollectible accounts	<u>NONE</u>
Net receivables	<u>\$16,153</u>

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2024, is as follows:

	Balance at July 1, 2023	Increases	Decreases	Balance at June 30, 2024
Capital assets being depreciated:				
Water system	\$364,239			\$364,239
Less accumulated depreciation for:				
Water system	<u>359,290</u>	<u>\$495</u>		<u>359,785</u>
Total assets being depreciated, net	<u>\$4,949</u>	<u>(\$495)</u>	<u>NONE</u>	<u>\$4,454</u>

Depreciation expense of \$495 for the year ended June 30, 2024, is reported in the statement of revenue, expenses, and changes in net position.

5. RISK MANAGEMENT

The District purchases a surety bond to reduce the risk of loss resulting from the loss of public funds. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

6. AGREEMENT WITH THE VILLAGE OF CHOUDRANT

On September 17, 1996, the District entered into a water purchase contract with the Village of Choudrant. The contract provides that the District will purchase treated water from the Village of Choudrant. See accountant's compilation report.

TREMONT WATER DISTRICT
Notes to the Financial Statements

Choudrant at a cost of \$1 per 1000 gallons of water. The contract is for a period of forty years. The water rate to be paid by the District is subject to modification at the end of each year. During the year ended June 30, 2008, the Village of Choudrant imposed a \$10 per meter fee plus an increase to \$3 per 1000 gallons of water after the first 2000 gallons used. During the year ended June 30, 2024, the District paid the Village of Choudrant \$60,997 for water purchases.

7. SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 4, 2024, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION SCHEDULE

See accountant's compilation report.

TREMONT WATER DISTRICT
Choudrant, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year Ended June 30, 2024

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

The Schedule of Compensation, Benefits, and Other Payments to Agency Head and Board of Commissioners is presented in compliance with Louisiana Revised Statute 24:513 A (3) and House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The board of commissioners serve without benefit of compensation.

TREMONT WATER DISTRICT
Choudrant, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD AND
BOARD OF COMMISSIONERS

For the Year Ended June 30, 2024

BOARD COMPENSATION

Agency Head - Wayne McNabb - President	NONE
Paul Brazzel	NONE
John McLain, Sr.	NONE
Brenda Dubose	NONE
Jack Walters	<u>NONE</u>
Total	<u>NONE</u>