

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION,
STATE OF LOUISIANA
NAPOLEONVILLE, LOUISIANA**

Annual Financial Statements

July 31, 2025

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Independent Auditor's Report

The Board of Commissioners
Waterworks District No. 1 of the
Parish of Assumption, State of Louisiana
Napoleonville, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Waterworks District No. 1 of the Parish of Assumption, State of Louisiana (the District), a component unit of the Assumption Parish Police Jury, as of and for the year ended July 31, 2025, 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 our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of July 31, 2025, and the respective changes in its financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. The adoption of the Statement significantly affected the financial statements in that compensated absences are now accrued if it is considered more likely than not that the leave will be used or paid in future periods. The District recorded a cumulative effect of change in accounting principle which reduced beginning net position by \$172,477. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, 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 the District'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

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 in accordance 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, 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 GAAS and *Government Auditing Standards*, we:

- 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 District'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 District'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

Accounting principles generally accepted in the United States of America require that the schedule of the District's proportionate share of net pension liability (asset), the schedule of the District's contributions and the schedule of changes in net OPEB liability and related ratios on pages 34 - 36 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. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consists of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis information that U.S. GAAP requires 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 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head, the schedule of operating expenses, the schedule of changes in assets restricted for revenue bond debt service, and the schedule of compensation paid to board of commissioners 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 GAAS. In our opinion, the schedule of compensation, benefits, and other payments to agency head, the schedule of operating expenses, the schedule of changes in assets restricted for revenue bond debt service, and the schedule of compensation paid to board of commissioners 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 the *Government Auditing Standards*, we have also issued our report dated January 15, 2026 on our consideration of the District'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 District'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 the District's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Baton Rouge, LA
January 15, 2026

BASIC FINANCIAL STATEMENTS

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**
Statement of Net Position
July 31, 2025

Assets

Current Assets

Cash and Cash Equivalents	\$ 80,485
Investments	8,290,100
Receivables	
Billed Water Charges, Net of Allowance for Doubtful Accounts of \$533,635	628,183
Unbilled Water Charges	558,037
Other Receivables	8,973
Inventory of Supplies	97,607
Prepaid Expenses	81,764

Total Current Assets	<u>9,745,149</u>
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Restricted Assets

Cash and Cash Equivalents	175,952
Investments	9,769,173

Total Restricted Assets	<u>9,945,125</u>
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Capital Assets, Net

<u>25,587,269</u>

Other Asset

Net Pension Asset	163,206
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Total Assets	<u>45,440,749</u>
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Deferred Outflows of Resources

Other Postemployment Benefits	2,588,139
Pension	116,178

Total Deferred Outflows of Resources	<u>2,704,317</u>
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The accompanying notes are an integral part of these financial statements.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA
Statement of Net Position (Continued)
July 31, 2025**

Liabilities

Current Liabilities

Accounts Payable	601,042
Accrued Expenses	351,116
Revenue Bonds Payable - Current	<u>885,000</u>

Total Current Liabilities 1,837,158

Payable from Restricted Assets

Customer Deposits	<u>384,999</u>
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Non-Current Liabilities

Arbitrage Rebate Liability	809,288
Other Postemployment Benefit Liability	2,632,156
Revenue Bonds Payable	<u>12,440,000</u>

Total Non-Current Liabilities 15,881,444

Total Liabilities 18,103,601

Deferred Inflows of Resources

Other Postemployment Benefits	3,194,211
Pension	<u>78,674</u>

Total Deferred Inflows of Resources 3,272,885

Net Position

Net Investment in Capital Assets	21,070,625
Restricted for Revenue Bond Debt Service	747,025
Unrestricted	<u>4,950,930</u>

Total Net Position \$ 26,768,580

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

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended July 31, 2025**

Operating Revenue	
Water Sales	\$ 6,477,875
Other Water Service Charges	200,493
Delinquent Charges	107,591
Solid Waste, Garbage, and Sewerage Collection Fees	<u>143,284</u>
Total Operating Revenues	<u>6,929,243</u>
Operating Expenses	
Waterworks System Expenses	3,417,081
Office, General, and Administrative Expense	1,611,875
Depreciation	<u>1,284,397</u>
Total Operating Expenses	<u>6,313,353</u>
Net Operating Income	<u>615,890</u>
Nonoperating Revenue (Expense)	
Capital Grant	125,000
Interest Income	916,061
Other Income	27,923
Arbitrage Rebate	(171,575)
Interest Expense	<u>(327,638)</u>
Total Nonoperating Revenue (Expense)	<u>569,771</u>
Change in Net Position	1,185,661
Net Position, Beginning of Year, as Previously Reported	<u>25,755,396</u>
Cumulative Effect of Change in Accounting Principle	<u>(172,477)</u>
Net Position, Beginning of Year, Restated	<u>25,582,919</u>
Net Position, End of Year	<u>\$ 26,768,580</u>

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

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA
Statement of Cash Flows
For the Year Ended July 31, 2025**

Cash Flows from Operating Activities	
Cash from Customers	\$ 6,961,133
Cash Paid to Suppliers for Goods and Services	(2,685,534)
Cash Paid to Employees	(1,931,800)
Cash from Deposits	<u>43,390</u>
Net Cash Provided by Operating Activities	<u>2,387,189</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition and Construction of Capital Assets	(5,239,509)
Principal Paid on Revenue Bonds	(855,000)
Interest Paid on Revenue Bonds	(327,638)
Capital Grant Received	125,000
Other Nonoperating Revenues	<u>27,923</u>
Net Cash Used in Capital and Related Financing Activities	<u>(6,269,224)</u>
Cash Flows from Investing Activities	
Interest on Investments	916,061
Sale of Investments, Net	<u>3,070,980</u>
Net Cash Provided by Investing Activities	<u>3,987,041</u>
Net Increase in Cash and Cash Equivalents	105,006
Cash and Cash Equivalents, Beginning of Year	<u>151,431</u>
Cash and Cash Equivalents, End of Year	<u>\$ 256,437</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position	
Cash and Cash Equivalents, Unrestricted	\$ 80,485
Cash and Cash Equivalents, Restricted	<u>175,952</u>
Total Cash and Cash Equivalents	<u>\$ 256,437</u>

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

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA
Statement of Cash Flows (Continued)
For the Year Ended July 31, 2025**

**Reconciliation of Net Operating Income to Net Cash
Provided by Operating Activities**

Net Operating Income	\$ 615,890
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities	
Depreciation	1,284,397
Bad Debt Expense	126,348
(Increase) Decrease in:	
Accounts Receivable	(94,458)
Prepaid Expenses	(43,149)
Inventory	(36,356)
Increase (Decrease) in:	
Accounts Payable	373,452
Net Pension Liability and Deferred Inflows and Outflows	(2,532)
OPEB Liability and Related Deferred Inflows and Outflows	115,218
Other Accrued Expenses	4,989
Customer Deposits	43,390
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Net Cash Provided by Operating Activities	<u><u>\$ 2,387,189</u></u>

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

NOTES TO FINANCIAL STATEMENTS

WATERWORKS DISTRICT NO. 1 OF THE PARISH OF ASSUMPTION, STATE OF LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

On July 10, 1956, in accordance with the provisions of Chapter 8 of Title 33 of the Louisiana Revised Statutes of 1950, the Police Jury of the Parish of Assumption (the Police Jury) created Waterworks District No. 1 of the Parish of Assumption, State of Louisiana (hereinafter referred to as the District). The District, as created by the Police Jury, encompasses the identical area as the Parish of Assumption (the Parish).

Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Assumption Parish Police Jury is the financial reporting entity for Assumption Parish. The financial reporting entity consists of (a) the primary government (Assumption Parish Police Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Assumption Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

- Appointing a voting majority of an organization's governing body, and the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Police Jury.
- Organizations for which the Police Jury does not appoint a voting majority but which are fiscally dependent on the Police Jury.
- Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Even though the District is legally separate from the Police Jury, the Police Jury appoints a majority of the District's governing body, and the Police Jury has the ability to impose its will on the District. The District also has the potential to provide specific benefits to, or impose specific financial burdens on, the Police Jury. Because of these reasons, the management of the District's office has determined that the District is a component unit of the Assumption Parish Police Jury.

Measurement Focus/Basis of Accounting

The enterprise fund statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenues of the District are water sales, connections and reconnection fees, late charges, and other miscellaneous operating revenues. Operating expenses for enterprise funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents

All highly liquid investments (including restricted assets) with a maturity of three months or less are considered to be cash and cash equivalents for purposes of reporting cash flows.

Inventory

The District values its inventory of supplies at the lower of cost or market using the first-in, first-out method.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

All capital assets are capitalized in the enterprise fund and stated at historical cost less accumulated depreciation. Additions, improvements, or other capital outlays that with an expected useful life of more than one year and with a cost over \$2,500 are capitalized.

Depreciation of all exhaustible capital assets used by the enterprise fund is charged as an expense against the District's operations. Depreciation has been provided over the estimated useful lives (five to forty-four years) using the straight-line method. (See Note 5).

Long-Term Liabilities

Long-term debt such as revenue bonds payable is reported as liabilities on the statement of net position.

Contributions for Meters

Contributions received from customers for new meter services are treated as income. The cost of installing new meter services is expensed in the year incurred.

Compensated Absences

The District's employees earn one to five weeks of vacation annually based on number of years of employment. Employees can accumulate a maximum of 40 hours of unused vacation which can be carried forward and taken in subsequent periods. Upon termination, employees are paid for any unused current year and any accumulated vacation hours. Employees are allowed ten days of sick leave annually that may be used for sickness only. The sick leave plan is coupled with a disability insurance policy. Employees can carry over unused sick leave remaining at the end of the year; however, no payment is made for sick leave not used upon termination or retirement. The District records compensated absences liability for vacation and sick leave that is considered more than likely than not to be used or paid in future periods. At July 31, 2025, the compensated absences liability recorded was \$230,584, which is included in accrued expenses on the statement of net position. During the year ended July 31, 2025, the compensated absences liability increase attributable to current-year leave benefits earned by employees exceeding the amount of leave used or paid out was \$11,747.

Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 and expenses during the reporting period. Actual results could differ from those estimates.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Equity Classifications

In the enterprise fund, equity is classified as net position and displayed in three components:

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.

Restricted Net Position - Consists of net position with constraints placed on its 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.

Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Pension Plan

The District is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 9. For purposes of measuring the net position asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The District has two items that qualify for this category: pension and other postemployment benefits (OPEB), which are reported in the basic financial statements.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District has two items that qualify for this category: pension and other postemployment benefits, which are reported in the basic financial statements. The amounts deferred are recognized as an inflow of resources in the period that the amounts become available.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements - Adopted

The GASB issued Statement No. 101, *Compensated Absences*. The Statement updated the recognition and measurement guidance for compensated absences. The District recorded a cumulative effect of change in accounting principle in the amount of \$172,477, which reduced beginning net position as the result of the adoption of the Statement.

The GASB issued Statement No. 102, *Certain Risk Disclosures* which provides users of government financial statements with essential information about risks related to government's vulnerabilities due to certain concentrations or constraints. The adoption of the Statement did not have any effect on the District's financial statements.

Recently Issued Accounting Pronouncements - Not Yet Adopted

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of the Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement is effective for fiscal years beginning after June 15, 2025.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of the Statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement is effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for the fiscal year ending June 30, 2026.

Note 2. Cash and Cash Equivalents

Cash includes demand deposits and interest-bearing demand deposits. Under state laws, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any state in the union, or the laws of the United States. Further, the District may deposit funds in time deposits or certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Also, state law requires that 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.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 2. Cash and Cash Equivalents (Continued)

Custodial credit risk is the risk that, in the event of a financial institution failure, the District's deposits may not be recovered. 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 financial institution. At year-end, the carrying amount of the District's deposits was \$256,437 and the bank balance was \$849,832. Of the bank balance, \$250,000 was covered by federal deposit insurance and \$599,832 was covered by collateral held by the pledging bank's agent in the bank's name (Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute (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.

Note 3. Investments

As of July 31, 2025, the District had \$18,059,273 invested in the Louisiana Asset Management Pool, Inc. (LAMP) which is included in the total investments balance. The LAMP portfolio includes only securities and other obligations in which local governments are authorized to invest in accordance with R.S. 33:2955.

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.

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, invests 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.

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.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 3. Investments (Continued)

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 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 Securities and Exchange Commission (SEC) as an investment company.

Note 4. Receivables

The following is a summary of receivables at July 31, 2025:

	Amount	%
Accounts Receivable		
Billed		
Current	\$ 603,345	52%
31 - 60 Days Past Due	24,838	2%
61 - 90 Days Past Due	19,792	2%
Over 90 Days Past Due	513,843	44%
Subtotal	<u>1,161,818</u>	
Allowance for Uncollectible Accounts	<u>(533,635)</u>	
Net Accounts Receivable	<u>628,183</u>	
Other Receivables		
Unbilled Water Charges	558,037	
Other	<u>8,973</u>	
Total Other Receivables	<u>567,010</u>	
Total Receivables, Net	<u><u>\$ 1,195,193</u></u>	

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 5. Capital Assets

A summary of capital assets at July 31, 2025 follows:

	Balance July 31, 2024	Increases	Decreases	Balance July 31, 2025
Non-Depreciable Assets				
Land	\$ 298,710	\$ -	\$ -	\$ 298,710
Construction in Progress	5,457,094	3,296,494	(2,187,633)	6,565,955
Total Non-Depreciable Assets	5,755,804	3,296,494	(2,187,633)	6,864,665
Depreciable Assets				
Power, Pumping, and Purification Structures and Equipment, Including Main Plant Building	17,580,099	157,528	-	17,737,627
Transmission and Distribution Mains and Accessories	24,104,593	3,747,937	-	27,852,530
Transportation, Office, and Other Equipment	1,327,663	225,183	-	1,552,846
Total Depreciable Assets	43,012,355	4,130,648	-	47,143,003
Less: Accumulated Depreciation	(27,136,002)	(1,284,397)	-	(28,420,399)
Total Depreciable Assets, Net	15,876,353	2,846,251	-	18,722,604
Total Capital Assets, Net	\$ 21,632,157	\$ 6,142,745	\$ (2,187,633)	\$ 25,587,269

For the year ended July 31, 2025, depreciation expense was \$1,284,397.

Note 6. Long-Term Obligations

The following is a summary of bond transactions for the year ended July 31, 2025:

	Balance July 31, 2024	Additions	Deletions	Balance July 31, 2025	Due Within One Year
Long-Term Debt					
Revenue Bonds Payable	\$ 14,180,000	\$ -	\$ (855,000)	\$ 13,325,000	\$ 885,000
Total Long-Term Debt	\$ 14,180,000	\$ -	\$ (855,000)	\$ 13,325,000	\$ 885,000

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 6. Long-Term Obligations (Continued)

Revenue bonds payable at July 31, 2025 are comprised of the following individual issues:

\$15,000,000 Revenue Bonds, Series 2022, dated March 11, 2022 due in annual installments of \$820,000 to \$1,365,000, excluding interest, through November 1, 2036, interest at 2.42%	<u>\$ 13,325,000</u>
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The annual requirements to amortize all debt outstanding at July 31, 2025 are as follows:

Year Ending July 31,	Principal	Interest	Total
2026	\$ 885,000	\$ 311,757	\$ 1,196,757
2027	920,000	289,916	1,209,916
2028	960,000	267,168	1,227,168
2029	1,000,000	243,452	1,243,452
2030	1,040,000	218,768	1,258,768
2031 - 2035	5,840,000	688,611	6,528,611
2036 - 2037	2,680,000	65,461	2,745,461
Total	<u>\$ 13,325,000</u>	<u>\$ 2,085,133</u>	<u>\$ 15,410,133</u>

Note 7. Arbitrage

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the District must rebate to the Federal government “arbitrage profits” earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At July 31, 2025 the District estimated that an arbitrage is likely to be due on November 1, 2026 in the amount of \$809,288. During the year ended July 31, 2025, arbitrage rebate liability increased by \$171,575.

Note 8. Flow of Funds - Restrictions on Use

Under the terms of the Revenue Bonds, Series 2022 (see Note 6), dated March 11, 2022, the bonds shall be secured by and payable solely from a pledge and dedication of the net revenues of Assumption Parish Waterworks District No. 1 above statutory, necessary, and usual charges in each of the fiscal years. The agreement also requires that until the bonds have been paid in full in principal and interest, the District must budget annually a sum of money sufficient to pay the principal and interest on the bonds.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 8. Flow of Funds - Restrictions on Use (Continued)

For the payment of the principal and the interest on the bonds and any additional parity bonds, there is hereby created a special fund known as "Waterworks District No. 1 of the Parish of Assumption, State of Louisiana, Revenue Bond and Interest Sinking" Fund (Sinking Fund) being maintained with the designated fiscal agent bank of the Issuer. The District shall deposit in the Sinking Fund monthly on or before the 20th day of each month of each year, a sum equal to one-sixth of the interest falling due on the next interest payment date and one-twelfth of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due. Said fiscal agent bank shall transfer from the Sinking Fund to the Paying Agent funds fully sufficient to pay promptly the principal and/or interest falling due on such date.

On July 17, 1989, the Board of Commissioners (the Board) of the District created the "Waterworks Utility Revenue Fund - Capital Improvements". Said fund was to receive monies in excess of \$50,000 shown in the annual audit report remaining in the Waterworks Utility Revenue Fund at July 31st of each year after making all required payments into the Sinking, Reserve, and Depreciation and Contingency Funds. The excess shall be considered surplus and shall be deposited in this fund. Said fund is to be used by the District for the purpose of retiring outstanding bonds in advance of their maturities, or any other legal purpose determined by the Board to be in the best interest of the District and not in violation of the 2006 Certificate of Indebtedness issue requirements. On October 25, 2004, a resolution was passed by the Board to increase the reserve in the Waterworks Utility Revenue Fund - Capital Improvements from \$50,000 to \$150,000. The required transfers to the Waterworks Utility Revenue Fund - Capital Improvements through the year ended July 31, 2025 were \$1,751,327.

Note 9. Pension Plan

Assumption Parish Waterworks District No. 1 is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan. This plan is administered by the Parochial Employees' Retirement System of Louisiana (PERS or the System). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. The System is administered by a separate board of trustees.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. This report may be obtained by writing, calling, or downloading the reports as follows:

PERS
7905 Wrenwood Blvd.
Baton Rouge, LA 70809
(225) 928-1361
www.persla.org

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 9. Pension Plan (Continued)

The District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB 68*. These standards require the District to record its proportional share of the pension plan's net pension asset and report the following disclosures:

Plan Description

The Parochial Employees' Retirement System of Louisiana is the administrator of a cost-sharing, multiple-employer defined benefit pension plan. The System was originally established by R.S. 11:1901.

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have its own retirement system and which elects to become a member of the System. Assumption Parish Waterworks District No. 1 is a participant in Plan B.

The following is a description of the plan and its benefits and is provided for general information purposes only.

Eligibility Requirements

All permanent District employees who work at least 28 hours per week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Retirement Benefits

Any member of Plan B who was hired before January 1, 2007 can retire providing the member meets one of the following criteria:

1. Age 55 with thirty (30) years of creditable service
2. Age 60 with a minimum of ten (10) years of creditable service
3. Age 65 with a minimum of seven (7) years of creditable service

For employees hired after January 1, 2007:

1. Age 55 with thirty (30) years of creditable service
2. Age 62 with ten (10) years of creditable service
3. Age 67 with seven (7) years of creditable service

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's final average compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 9. Pension Plan (Continued)

Plan Description (Continued)

Survivor Benefits

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50, and until remarriage, if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan B who is eligible to retire may elect to participate in DROP for up to three years and defer the receipt of benefits. During participation in DROP, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to the self-directed subaccounts. The participant in the self-directed portion of the plan must agree that the benefits payable to the participant are not the obligations of the State or the System, and that any returns and other rights of the plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 9. Pension Plan (Continued)

Plan Description (Continued)

Disability Benefits

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007 and has at least five years of creditable service or, if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to 2% of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

Cost-of-Living Increases

The board of trustees is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the board may provide an additional cost-of-living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977 (or the member's retirement date, if later). Also, the board may provide a cost-of-living increase up to 2.5% for retirees 62 and older (R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost-of-living adjustment commencing at age 55.

Funding Policy

Contributions to PERS are required and determined by state statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended July 31, 2025 for the District and covered employees were as follows:

Parochial Employees' Retirement System Plan B	Employer	Employee
For the period August 1, 2024 to December 31, 2024	7.50%	3.00%
For the period January 1, 2025 to July 31, 2025	7.00%	3.00%

The contributions made to the System for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	2025	2024	2023
Parochial Employees' Retirement System Plan B	\$ 94,731	\$ 95,566	\$ 76,183

During the year ended July 31, 2025, non-employer contributions were \$17,291.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 9. Pension Plan (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The following schedule lists the District's proportionate share of the Net Pension Asset allocated by the pension plan based on the December 31, 2024 measurement date. The District used this measurement to record its Net Pension Asset and associated amounts as of July 31, 2025 in accordance with GASB Statement No. 68. The schedule also includes the proportionate share allocation rate used at December 31, 2024, along with the change compared to the December 31, 2023 rate.

The District's proportion of the Net Pension Asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Asset July 31, 2025	Rate at July 31, 2025	Increase over July 31, 2024 Rate
Parochial Employees' Retirement System Plan B	\$ 163,206	0.95613%	0.0456%

During the year ended July 31, 2025, the District recognized a pension expense of \$109,424.

At July 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 52,036	\$ 2,604
Changes of Assumptions	11,165	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	70,470
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	613	5,600
District Contributions Subsequent to the Measurement Date	52,364	-
Total	\$ 116,178	\$ 78,674

The District reported a total of \$52,364 as deferred outflows of resources related to pension contributions made subsequent to the measurement date of December 31, 2024, which will be recognized as a reduction in Net Pension Asset in the year ended July 31, 2026.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 9. Pension Plan (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending July 31,	PERS (Plan B)
2025	\$ 42,010
2026	81,354
2027	(92,400)
2028	<u>(45,824)</u>
Total	<u>\$ (14,860)</u>

Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for the pension plan as of December 31, 2024 is as follows:

	PERS (Plan B)
Valuation Date	December 31, 2024
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.40%, Net of Investment Expense, Including Inflation
Expected Remaining Service Lives	4 Years
Projected Salary Increases	4.25% (1.95% Merit/2.30% Inflation)
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the board of trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for health retirees multiplied by 130% for males and 125% for females. For employees, the Pub-2010 Public Retirement Plans Mortality Table for general employees multiplied by 130% for males and 125% for females. Pub-2010 Public Retirement Plans Mortality Table for Disabled Retirees multiplied by 130% for males and 125% for females
Inflation Rate	2.30%

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 9. Pension Plan (Continued)

Actuarial Methods and Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.13% for the year ended December 31, 2024.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	37%	1.08%
Equity	47%	2.82%
Alternatives	15%	0.76%
Real Assets	1%	0.07%
	100%	4.73%
Inflation		2.40%
Expected Arithmetic Nominal Return		7.13%

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset. The discount rate used to measure the total pension asset was 6.40% for the year ended December 31, 2024.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 9. Pension Plan (Continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following table presents the District's proportionate share of the Net Pension Liability (Asset) using the discount rate of the System as well as what the District's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is one percentage point lower (5.40%) or one percentage point higher (7.40%) than the current rate used by the System:

	1.0% Decrease (5.40%)	Current Discount (6.40%)	1.0% Increase (7.40%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 406,807	\$ (163,206)	\$ (640,508)

Payables to the Pension Plan

The District recorded accrued liabilities to the System for the year ended July 31, 2025. The amounts due are included in liabilities under the amounts reported as accrued expenses. The balance due to the System at July 31, 2025 was \$1,884.

Note 10. Postemployment Health Care and Life Insurance Benefits

Plan Description

The District provides certain continuing health care and life insurance benefits for its retired employees. The District's OPEB Plan (the OPEB Plan) is a single employer defined benefit OPEB plan administered by the District. The authority to establish and/or amend the obligation of the employer, employees, and retirees rests with the District. No assets are accumulated in a trust that meets the criteria in GASB Codification Section P52, *Postemployment Benefits Other Than Pensions - Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit*.

Benefits Provided

Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement providing they have at least 15 years of service. Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (DROP entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or age 65 and 7 years of service. For employees hired on and after January 1, 2007, retirement eligibility (DROP entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or age 67 and 7 years of service.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 10. Postemployment Health Care and Life Insurance Benefits (Continued)

Employees Covered by Benefit Terms

At July 31, 2025, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	8
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Active Employees	<u>28</u>
Total	<u><u>36</u></u>

Total OPEB Liability

The District's total OPEB liability of \$2,632,156 was measured as of July 31, 2025 and was determined by an actuarial valuation as of July 31, 2025.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	4.25%, Including Inflation
Prior Discount Rate	3.90%
Discount Rate	5.29% Annually
Healthcare Cost Trend Rates	Getzen model, initial trend of 5.5%

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of July 31, 2025, the end of the applicable measurement period.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Table for General Employees.

The actuarial assumptions used in the July 31, 2025 valuation were based on the results of ongoing evaluations of the assumptions from August 1, 2024 to July 31, 2025.

Changes in the Total OPEB Liability

Balance at July 31, 2024	\$ 3,014,095
Changes for the Year	
Service Cost	153,397
Interest	121,479
Changes in Assumptions	(550,498)
Benefit Payments	<u>(106,317)</u>
Balance at July 31, 2025	<u><u>\$ 2,632,156</u></u>

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 10. Postemployment Health Care and Life Insurance Benefits (Continued)

Changes in the Total OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.29%) or one percentage point higher (6.29%) than the current discount rate:

	1.0% Decrease (4.29%)	Discount Rate (5.29%)	1.0% Increase (6.29%)
Total OPEB Liability	\$ 3,013,602	\$ 2,632,156	\$ 2,319,113

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (4.50%) or one percentage point higher (6.50%) than the current healthcare cost trend rates:

	1.0% Decrease (4.50%)	Current Trend (5.50%)	1.0% Increase (6.50%)
Total OPEB Liability	\$ 2,256,959	\$ 2,632,156	\$ 3,111,322

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended July 31, 2025, the District recognized OPEB expense of \$221,536. At July 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 896,892	\$ 2,051,387
Changes in Assumptions	1,691,247	1,142,824
Total	\$ 2,588,139	\$ 3,194,211

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 10. Postemployment Health Care and Life Insurance Benefits (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending July 31,	Amount
2026	\$ (53,340)
2027	(53,340)
2028	(53,340)
2029	(53,340)
2030	(53,340)
Thereafter	(339,372)

Note 11. Deferred Compensation Plan

Employees of the District may participate in the deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457, *Deferred Compensation Plans with Respect to Service for State and Local Governments*.

The deferred compensation plan is available to all employees of the District. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by the Public Employees Benefit Services Corporation (PEBSCO), an independent entity. All assets of the plan are reported at fair market value and are administered by an independent entity. As part of its fiduciary role, the District has an obligation of due care in selecting the third-party administrator.

The deferred compensation plan laws and related plan provisions were amended so that the plan assets are no longer subject to the claims of the Police Jury creditors. The plan assets belong only to the employees and are held in trust for the employees' exclusive benefit. Therefore, GASB Statement No. 32 no longer requires the assets of the plan to be reported in the combined balance sheet as a fiduciary fund.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements

Note 12. Additional Billing and Collection

The District has entered into formal contracts with the Assumption Parish Police Jury, the Village of Napoleonville, and St. Martin, Back Marais, Aysenne, RDG Developers, Worldwide Environmental Solutions, Ridgeway Waste, and Cypress Village whereby the District, as an agent, bills and collects for solid wastes services rendered by the Police Jury and the Village of Napoleonville and the sewerage services rendered by the Village of Napoleonville and the sewerage districts. The Police Jury, the Village of Napoleonville, and St. Martin, Back Marais, Aysenne, RDG Developers, Worldwide Environmental Solutions, Ridgeway Waste, and Cypress Village pay 5% of collections of charges to its residents.

Note 13. Self-Insurance Health Program

The District participates in a self-insurance health program for employees of the District. A third-party administrator processes the claims and maintains records of the allowable costs, deductible costs, etc., with the activity of this program being reported in the District's waterworks system expenses. Under the program, the District maintains a specific stop loss policy which pays all claims exceeding \$30,000 per year per person with an aggregate deductible of \$290,957 for all employees. There are no lifetime or annual maximum dollar amounts on the plan. Claims liabilities at July 31, 2025 were \$16,992.

Note 14. Supplemental Cash Flows Disclosure

During the year ended July 31, 2025, the enterprise fund paid \$332,811 in interest on certificates of indebtedness outstanding. No amounts were paid for income taxes as the District is a component unit of the Assumption Parish Police Jury and governmental agencies are exempt from federal and Louisiana income taxes.

Note 15. Related-Party Transactions

The District is a component unit of the Assumption Parish Police Jury. As described in Note 12, the District, as an agent, bills and collects for solid wastes services rendered by the Police Jury. In exchange for the service, the Police Jury pays the District 5% of collections of charges to its residents.

At July 31, 2025, the amount paid from the District to the Police Jury and collections paid from the Police Jury to the District totaled \$3,044,869 and \$123,426, respectively.

Note 16. Commitments

At July 31, 2025, the District had active construction projects in the amount of \$14,128,368, of which \$4,778,308 has been incurred and \$9,350,060 is remaining at July 31, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA
Schedule of the District's Proportionate Share of Net Pension Liability (Asset)
For the Year Ended July 31, 2025**

Schedule 1

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	PERS (Plan B)									
District's Proportion of the Net Pension Liability (Asset)	0.9561%	0.9105%	0.9020%	0.9166%	0.8986%	0.9247%	0.9223%	0.9370%	0.9427%	0.9042%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ (163,206)	\$ 9,134	\$ 214,765	\$ (512,211)	\$ (230,685)	\$ (66,902)	\$ 249,186	\$ (117,889)	\$ 122,459	\$ 160,989
District's Covered Payroll	\$ 1,369,758	\$ 1,089,844	\$ 1,009,552	\$ 1,046,938	\$ 1,030,902	\$ 995,804	\$ 963,969	\$ 952,706	\$ 936,756	\$ 918,971
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	-11.9150%	0.8381%	21.2733%	-48.9247%	-22.3770%	-6.7184%	25.8500%	-12.3741%	13.0727%	17.5184%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.6259%	99.7731%	94.2565%	114.2000%	106.7562%	102.0457%	91.9310%	104.0192%	99.8906%	99.8906%

Notes:

PERS (Plan B) - Parochial Employees' Retirement System of Louisiana

The amounts presented were determined as of the calendar year-end that occurred within the fiscal year.

Benefit Changes. There were no changes of benefit terms for the year ended July 31, 2025.

See independent auditor's report.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA
Schedule of the District's Contributions
For the Year Ended July 31, 2025**

Schedule 2

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	PERS (Plan B)									
Contractually Required Contribution	\$ 94,731	\$ 95,566	\$ 76,183	\$ 75,967	\$ 81,597	\$ 78,144	\$ 74,174	\$ 75,627	\$ 74,901	\$ 77,139
Contributions in Relation to Contractually Required Contribution	94,731	95,566	76,183	75,967	81,597	78,144	74,174	75,627	74,901	77,139
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 1,312,945	\$ 1,274,209	\$ 1,015,773	\$ 1,012,889	\$ 1,087,952	\$ 1,041,925	\$ 947,294	\$ 941,700	\$ 936,256	\$ 806,578
Contributions as a Percentage of Covered Payroll	7.22%	7.50%	7.50%	7.50%	7.50%	7.50%	7.83%	8.03%	8.00%	9.56%

Notes:

PERS (Plan B) - Parochial Employees' Retirement System of Louisiana

The amounts presented have a measurement date of the previous fiscal year-end.

Benefit Changes. There were no changes of benefit terms for the year ended July 31, 2025.

See independent auditor's report.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended July 31, 2025**

Schedule 3

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	\$ 153,397	\$ 62,240	\$ 36,548	\$ 64,108	\$ 62,241	\$ 187,145	\$ 104,454	\$ 106,989
Interest	121,479	90,707	81,977	40,918	39,996	111,673	102,442	100,962
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Differences between Expected and Actual Experience	-	(326,765)	64,733	949,180	27,260	(2,749,492)	92,762	177,939
Changes of Assumptions	(550,498)	854,199	(133,894)	(567,772)	19,166	1,198,452	312,168	(257,302)
Benefit Payments	(106,317)	(71,104)	(58,821)	(55,754)	(38,523)	(36,515)	(37,661)	(35,698)
Net Change in Total OPEB Liability	(381,939)	609,277	(9,457)	430,680	110,140	(1,288,737)	574,165	92,890
Total OPEB Liability - Beginning	3,014,095	2,404,818	2,414,275	1,983,595	1,873,455	3,162,192	2,588,027	2,495,137
Total OPEB Liability - Ending	\$ 2,632,156	\$ 3,014,095	\$ 2,404,818	\$ 2,414,275	\$ 1,983,595	\$ 1,873,455	\$ 3,162,192	\$ 2,588,027
Covered-Employee Payroll	\$ 1,178,618	\$ 1,130,569	\$ 946,722	\$ 919,148	\$ 1,252,120	\$ 1,215,650	\$ 925,283	\$ 898,333
Net OPEB Liability as a Percentage of Covered-Employee Payroll	223.33%	266.60%	254.02%	262.66%	158.42%	154.11%	341.75%	288.09%

Notes:

Benefit Changes. There were no changes of benefit terms for the year ended July 31, 2025.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

**WATERWORKS DISTRICT NO. 1 OF THE
 PARISH OF ASSUMPTION, STATE OF LOUISIANA
 Schedule of Compensation, Benefits, and Other Payments
 to Agency Head
 For the Year Ended July 31, 2025**

Schedule 4

Agency Head
 Bernard Francis Jr.

Purpose	Amount
Salary	\$113,568
Benefits - Insurance	\$18,898
Benefits - Retirement	\$8,188
Benefits - Other (HSA)	\$2,400
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$115
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA
Schedule of Operating Expenses
For the Year Ended July 31, 2025**

Schedule 5

Waterworks System Expenses

Purification and Plant Expenses

Chemicals and Purification Supplies	\$ 1,064,324
Salaries - Plant Personnel	572,978
Utilities	345,014
Repairs and Maintenance	210,619
Regulatory Fees	129,325
Retirement Plan	46,121
Professional Services	43,104
Payroll Taxes	40,518
Janitorial	13,600
Disability Insurance	6,347
Communication	5,449
Travel and Education	634

Total Purification and Plant Expenses	2,478,033
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Distribution, Operation, and Maintenance Expenses

Salaries	424,835
Repairs and Maintenance	135,832
Other Expenses (Income)	128,420
Utilities	54,936
Supplies	53,352
Transportation Expenses	41,539
Retirement Plan	35,139
Payroll Taxes	30,257
Water Use Fees	29,654
Disability Insurance	4,814
Travel and Education	270

Total Distribution, Operation, and Maintenance Expenses	939,048
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Total Waterworks System Expenses	\$ 3,417,081
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See independent auditor's report.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA
Schedule of Operating Expenses (Continued)
For the Year Ended July 31, 2025**

Schedule 5

Office, General, and Administrative Expenses	
Group Insurance	\$ 506,211
Salaries	336,289
Insurance	247,795
Bad Debt	126,348
Stationary and Office Supplies	105,121
Software Subscription	48,360
Professional Services, Legal, and Accounting	81,710
Retirement Plan	28,164
Payroll Taxes	23,974
Uniform Reimbursements	20,600
Other	18,055
Bank Charges	15,398
Communications	13,812
Disability Insurance	11,675
Deposit Delivery Charge	9,560
Per Diem Paid to Board Members	6,960
Repairs and Maintenance	5,437
Dues and Fees	3,931
Collections	1,260
Unemployment Compensation Insurance	734
Substance Abuse Testing	372
Travel and Education	109
	<hr/>
Total Office, General, and Administrative Expenses	\$ 1,611,875

See independent auditor's report.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA
Schedule of Changes in Assets Restricted for
Revenue Bond Debt Service
For the Year Ended July 31, 2025**

Schedule 6

	Waterworks Utility Revenue Bond and Interest Sinking Fund - 2022
Cash and Investments, Beginning of Year	\$ 730,161
Increase in Cash and Investments	
Interest Earned	25,370
Transfers from Other Accounts	<u>1,205,138</u>
Total Cash Available	<u>1,960,669</u>
Decrease in Cash and Investments	
Principal Payment	855,000
Interest Payments	332,811
Transfers to Other Accounts	<u>25,833</u>
Total Decreases	<u>1,213,644</u>
Cash and Investments, End of Year	<u><u>\$ 747,025</u></u>

See independent auditor's report.

**WATERWORKS DISTRICT NO. 1 OF THE
 PARISH OF ASSUMPTION, STATE OF LOUISIANA
 Schedule of Compensation Paid to Board of Commissioners
 For the Year Ended July 31, 2025**

Schedule 7

Board Members	Number of Meetings	Per Diem
Adam Mayon	9	\$ 540
Scott Sternfels	11	660
Jerome Bougere	12	720
Travis Daigle	11	660
Wayne Arboneaux	12	720
Calvin Steward	12	720
Kenneth Dupaty	6	360
Jamie Boudreaux	11	660
Blaine Mabile	11	660
Paul J. Lewis	10	600
Charles Brown, Jr.	11	660
Total		\$ 6,960

See independent auditor's report.



**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**

Independent Auditor's Report

The Board of Commissioners
Waterworks District No. 1 of the
Parish of Assumption, State of Louisiana
Napoleonville, Louisiana

We have audited, 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, the accompanying financial statements of the business-type activities of Waterworks District No. 1 of the Parish of Assumption, State of Louisiana (the District), a component unit of the Assumption Parish Police Jury, as of and for the year ended July 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated January 15, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we 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 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 over financial reporting 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our 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*.

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 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Baton Rouge, LA
January 15, 2026

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA
Schedule of Findings and Responses
For the Year Ended July 31, 2025**

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report | Unmodified |
| 2. Internal control over financial reporting | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None |
| c. Noncompliance material to the financial statements noted? | None |

Federal Awards

Not applicable.

Part II - Findings Related to the Financial Statements

None.

Part III - Compliance and Other Matters

None.

**WATERWORKS DISTRICT NO. 1 OF THE
PARISH OF ASSUMPTION, STATE OF LOUISIANA
Summary Schedule of Prior Year Findings
For the Year Ended July 31, 2025**

Part IV - Prior Year Findings

None.



AGREED-UPON PROCEDURES REPORT

Waterworks District No. 1 of the
Parish of Assumption, State of Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period August 1, 2024 - July 31, 2025

To the Board of Commissioners of
Waterworks District No.1 of the
Parish of Assumption, State of Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period August 1, 2024 through July 31, 2025. Waterworks District No.1 of the Parish of Assumption, State of Louisiana (the District) management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period August 1, 2024 through July 31, 2025. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Bank Reconciliations*

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

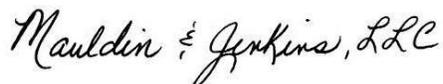
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were noted in the performance of these procedures.

We were engaged by Waterworks District No.1 of the Parish of Assumption, State of Louisiana to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Waterworks District No.1 of the Parish of Assumption, State of Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Baton Rouge, LA
January 15, 2026