

CATAHOULA PARISH WATERWORKS DISTRICT - MAITLAND

Catahoula, Louisiana
(A Component Unit of the
Catahoula Parish Police Jury)
Clayton, Louisiana

Annual Financial Statements
and Accountant's Compilation Report
(Unaudited)

As of June 30, 2024
And for the Year then Ended

A. MICHELLE FERGUSON
Certified Public Accountant

CATAHOULA PARISH WATERWORKS DISTRICT - MAITLAND

Catahoula, Louisiana
(A Component Unit of the
Catahoula Parish Police Jury)
Clayton, Louisiana

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To the Board of Directors
Catahoula Parish Waterworks District - Maitland

Management is responsible for the accompanying financial statements of the governmental activities of the Catahoula Parish Waterworks District - Maitland, as of and for the year ended June 30, 2024, which collectively comprise the Catahoula Parish Waterworks District - Maitland'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 AICPA. 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. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has omitted management's discussion & analysis and budgetary comparison schedule 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

The accompanying schedule of compensation, benefits, and other payments to the agency head, political subdivision head, or chief executive officer 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 our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

I am not independent with regard to Catahoula Parish Waterworks District - Maitland.

December 2, 2024

CATAHOULA PARISH WATERWORKS DISTRICT - MAITLAND
(A Component Unit of the Catahoula Parish Police Jury)

Statement of Net Position

June 30, 2024

ASSETS

Current Assets	
Cash	\$ 13,129
Accounts receivable, water sales	15,829
Prepaid expenses	1,401
Total current assets	<u>\$ 30,359</u>
Restricted Assets	
Short-Lived Assets Depreciation Fund	\$ 16,519
Bond Sinking Fund	3,814
Bond Reserve Account	17,414
Depreciation Fund	8,912
Meter Deposits	11,372
Total restricted assets	<u>\$ 58,031</u>
Capital Assets	
Property, plant and equipment, net of accumulated depreciation	\$ 805,053
Land	22,076
Total net capital assets	<u>\$ 827,129</u>
Other Assets	
Utility deposits	\$ 700
Unamortized bond and organization costs	540
Total other assets	<u>\$ 1,240</u>
TOTAL ASSETS	<u><u>\$ 916,759</u></u>

LIABILITIES

Current Liabilities (Payable from current assets)	
Accounts payable	\$ 2,411
Payroll tax payable	1,726
Total current liabilities (Payable from current assets)	<u>\$ 4,137</u>
Current Liabilities (Payable from restricted assets)	
Customer deposits	\$ 32,226
Notes payable - due in 1 year	27,924
Accrued interest payable	1,317
Total current liabilities (Payable from restricted assets)	<u>\$ 61,467</u>
Long Term Liabilities	
Notes payable - due in more than 1 year	\$ 492,594
Total long term liabilities	<u>\$ 492,594</u>
TOTAL LIABILITIES	<u><u>\$ 558,198</u></u>

NET POSITION

Net investment in capital assets	\$ 306,611
Restricted	58,031
Unrestricted	(6,081)
TOTAL NET POSITION	<u><u>\$ 358,561</u></u>

See accountant's compilation report.

CATAHOULA PARISH WATERWORKS DISTRICT - MAITLAND
(A Component Unit of the Catahoula Parish Police Jury)

Statement of Revenues, Expenditures
and Changes in Net Position
Year Ended June 30, 2024

Operating Revenues	
Water sales and late fees	\$ 190,353
Total operating revenue	<u>\$ 190,353</u>
Operating Expenses	
Salaries	\$ 67,426
Payroll taxes	5,186
Water system operations	41,693
Utility expense	13,545
Office expense and operations	6,120
Professional fees	3,250
Insurance	10,752
Depreciation	50,750
Amortization	230
Total operating expense	<u>\$ 198,952</u>
Net Income (Loss) from Operations	\$ (8,599)
Non-operating revenues (expenses)	
Interest earnings	\$ 221
Interest expense	(19,396)
Total non-operating revenue (expense)	<u>\$ (19,175)</u>
Change in Net Position	\$ (27,774)
Total Net Position - Beginning	386,335
Total Net Position - Ending	<u><u>\$ 358,561</u></u>

See accountant's compilation report.

CATAHOULA PARISH WATERWORKS DISTRICT - MAITLAND
(A Component Unit of the Catahoula Parish Police Jury)

Statement of Cash Flows
Year Ended June 30, 2024

Cash flows from operating activities	
Cash received from water sales and customer deposits	\$ 190,321
Cash paid to suppliers and employees	(147,747)
Net cash provided by operating activities	<u>\$ 42,574</u>
Cash flow from capital and related financing activities	
Principal paid on capital debt	\$ (26,675)
Interest paid on capital debt	(19,396)
Grant income received	-
Net cash used by capital and related financing activities	<u>\$ (46,071)</u>
Cash flows from investing activities	
Purchase and construction of fixed assets	\$ -
Interest income received	221
Net cash provided by financing activities	<u>\$ 221</u>
Net increase (decrease) in cash	\$ (3,276)
Cash and cash equivalents at beginning of year	74,436
Cash and cash equivalents at end of year	<u><u>\$ 71,160</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ (8,599)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	50,750
Amortization	230
Adjustments:	
Accounts receivable	(33)
Prepaid expenses	1
Accounts payable	(687)
Payroll tax payable	37
Customer deposits	875
TOTAL ADJUSTMENTS	<u>\$ 51,173</u>
Net cash provided by operating activities	<u><u>\$ 42,574</u></u>

See accountant's compilation report.

MAITLAND WATERWORKS DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - INTRODUCTION

The Maitland Waterworks District is a component unit of the Catahoula Parish Police Jury. It was created by the Police Jury by Ordinance in 1981 to serve the rural areas of eastern Catahoula Parish, under R.S. 33:3811. The Waterworks District is governed by a Board of Commissioners who are appointed by the members of the Police Jury. The Board consists of five members, each serving five year terms. The Board of Commissioners receives no compensation.

The Waterworks District serves approximately 250 consumers with a staff of two part-time employees. They maintain 99 miles of water lines, supplying over 15,000,000 gallons of water annually from one well.

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*. The following is a summary of the District’s significant policies.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity - As the governing authority of the parish, for reporting purposes, the Catahoula Parish Police Jury is the financial reporting entity for Catahoula Parish. The financial reporting entity consists of (a) the primary government (Catahoula Parish Police Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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, The Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. 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. This criterion includes:

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 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.

Even though the District is legally separate from the police jury, the Catahoula Parish 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 Maitland Waterworks District is considered a component unit of the Catahoula Parish Police Jury.

B. Government-Wide and Fund Financial Statements - Maitland Waterworks District is a special-purpose government engaged in only business-type activities and, as such, is only required to present enterprise fund statements (government-wide).

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Maitland Waterworks District reports the following enterprise funds:

Waterworks - to account for the revenues from customers and expenses of the operation of the water plant

Amounts reported as program revenues include:

1. Charges to customers for goods, services, or privileges provided.
2. Operating grants and contributions.
3. Capital grants and contributions, including special assessments.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Waterworks District include charges for water use, penalties for late payment of water bills and charges for connection. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Certificates of Deposit - Cash includes amounts in demand deposits. The District conducts all its banking transactions with one state-chartered institution in Catahoula Parish.

At June 30, 2024, the Maitland Waterworks District had \$75,624 (bank's balance) on deposit at this financial institution.

All cash and certificates of deposit are deposited in financial institutions insured by an agency of the United States Government.

E. Accounts Receivable – Accounts receivable consists of water charges for Maitland Waterworks District.

An allowance for doubtful accounts is not maintained by Maitland Waterworks District. Bills not paid by the 20th of the following month receive a five percent penalty plus late charges. Customer services are cut off and their consumer deposit is surrendered once two months of nonpayment occurs. A final bill is then prepared for services in excess of the consumer deposit and submitted for collection.

F. Inventories - Inventories of materials and supplies are considered to be expenditures at the time of purchase. Amounts on hand at the financial statement date are immaterial and, therefore, are not included in the balance sheet.

G. Restricted Assets - Certain assets of the Maitland Waterworks District are restricted by provisions of bond covenants associated with notes payable to the Farmer's Home Administration.

H. Property, Plant and Equipment - Additions to the utility plant in service are recognized at cost, or if contributed property, at their estimated fair market value at the time of contribution. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

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

Depreciation of fixed assets used by the Waterworks District is charged as an expense against their operations. Depreciation is calculated over the estimated useful life of the assets using the straight-line method as follows:

Buildings	40 years
Distribution System	40 years
Equipment	5-15 years

I. Amortization of Bond Expense and Organization Costs - The cost of issuance of bonds and the cost of organizing and legal advice during the creation of the District are being amortized using the straight-line method, over a 40 year period.

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

K. Equity Classifications Government-wide Statements - In the government wide statements, equity is classified as net position and displayed in three components:

a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

The District would typically use Restricted fund balances first, as appropriate opportunities arise, but reserves the right to selectively spend Unrestricted resources first to defer the use of these other classified funds.

L. Vacation and Sick Leave - The District does not have a formal leave policy for accumulation and vesting of vacation and sick leave. All vacation and sick days accumulated are forfeited upon resignation or dismissal. The days that are granted are included in salaries annually.

M. Pension Plans - The District does not have a retirement program for its employees and the employees are not members of the State of Louisiana Retirement System. The employees are included in the federal Social Security System.

N. Income Taxes - Maitland Waterworks District is a special government district, and, as such, is not subject to federal or state income taxes.

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

NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT

At June 30, 2024, the Waterworks District has cash and certificates of deposit totaling \$71,160 as follows:

Demand deposits and savings	\$ 65,997
Certificates of deposit	5,063
Cash on hand	100
	<u>\$ 71,160</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. At June 30, 2024, the Waterworks District had \$75,624 in collected bank balances. These deposits are secured from risk by federal deposit insurance.

Cash and cash investments are categorized to give an indication of the level of risk assumed by the District at June 30, 2024. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. The District has cash and cash equivalents that are covered by \$75,624 of federal depository insurance.

NOTE 3 - RESTRICTED ASSETS

Certain assets were restricted for debt service and construction. These assets consisted of and are restricted to the following:

Short-lived assets fund	\$ 16,519
Bond debt service	17,414
Bond sinking fund	3,814
Bond depreciation fund	8,912
Customer deposits	11,372
	<u>\$ 58,031</u>

NOTE 4 - CHANGES IN FIXED ASSETS

A summary of the Waterworks District's property, plant and equipment and changes thereto follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Land and right of way easements	\$ 22,076	\$ -	\$ -	\$ 22,076
Distributions system, wells, tanks, and fixtures	1,837,013	-	-	1,837,013
Office building, furniture, fixtures and equipment	119,330	-	-	119,330
	<u>\$ 1,978,419</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,978,419</u>
Less accumulated depreciation	1,100,540	50,750	-	1,151,290
	<u>\$ 877,879</u>	<u>\$ (50,750)</u>	<u>\$ -</u>	<u>\$ 827,129</u>

NOTE 5 - CHANGES IN LONG-TERM DEBT

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

	Note 1986	Note 2012	Total
Notes payable at July 1, 2023	\$ 59,951	\$ 487,242	\$ 547,193
Less principal paid	16,052	10,623	26,675
Notes payable at June 30, 2024	<u>\$ 43,899</u>	<u>\$ 476,619</u>	<u>\$ 520,518</u>

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

Notes Payable R-1(1986) - Water Revenue Bonds due to Farmers Home Administration issued December 15, 1986 in the original amount of \$201,700 due in annual installments of \$13,587 thru December 14, 2026 including interest at a rate of 6%. Revenues and the water plant and distribution system are pledged as collateral for this loan.

\$ 36,170

Notes Payable R-2(1986) - Water Revenue Bond due to Farmers Home Administration issued December 15, 1986 in the original amount of \$90,000 at an interest rate of 6% due in annual installments of \$6,062 or more plus interest thru December 14, 2026. This loan is secured by a pledge of revenues from the sale of water by the District and the water plant and distribution system.

7,730

Notes Payable R-04(2012) - Water Revenue Bonds due to Farmers Home Administration issued August 12, 2011 in the original amount of \$509,000 due in monthly installments of \$1,960 thru August 12, 2051 including interest at a rate of 3.375%. Revenues and the water plant and distribution system are pledged as collateral for this loan.

416,973

Notes Payable R-06(2012) - Water Revenue Bond due to Farmers Home Administration issued August 12, 2011 in the original amount of \$73,000 at an interest rate of 3.375% due in monthly installments of \$282 plus interest thru August 12, 2051. This loan is secured by a pledge of revenues from the sale of water by the District and the water plant and distribution system.

59,645

Total notes payable

\$ 520,518

The District's proprietary fund bonds are governed by bond indenture, the terms of which are summarized as follows:

Notes 1986

Waterworks Operations and Maintenance Fund

Funds are to be transferred to this fund from the Waterworks Revenue Fund on the first day of each month in sufficient amounts to pay all operating expenses and to make a reasonable provision for the repair and maintenance of the system.

Waterworks Bond Reserve Funds (Debt Service and Sinking: All Notes)

The minimum amount to be transferred to this fund each month from the Waterworks Revenue fund shall be not less than one-twelfth of the amount of principal and interest coming due on the next succeeding note payment date.

Waterworks Bond Reserve Funds (Debt Service and Sinking: Both Notes)

An amount of 5% of the required minimum monthly debt service is to be transferred from the Waterworks Revenue Fund to the Bond Reserve Fund until \$19,649 has been accumulated.

Waterworks Depreciation Fund

An amount equal to \$100 per month is to be transferred to this fund on the first day of each month from the Waterworks Revenue Fund. Monies in this fund shall be used solely for the purpose of paying the cost for major repairs or damages caused by unforeseen catastrophe and for the replacements made necessary by the depreciation of the system. Money in this fund may also be used to pay principal or interest on the Bonds falling due at any time there is not sufficient money for payment in the other bond funds.

The District is in compliance with these covenants.

Notes 2012

The payment of all reasonable and necessary expenses of operating and maintaining the system.

Sufficient funds available to provide for the monthly electronic debit of principal and interest due.

A debt service reserve to be funded with a monthly amount of \$123 to be transferred until such fund reaches a balance of one monthly payment amount.

A depreciation/contingency fund to be established and funded with a monthly amount of \$123 to provide for the depreciation, extensions, additions, improvements and replacements necessary to properly operate the system. When the debt service reserve reaches its targeted balance, the monthly deposits to this fund will increase to \$246.

The establishment and maintenance of a short-lived asset fund to provide for the maintenance and replacement of short lived assets of the system. A sum of \$394 per month will be transferred to this fund until a balance of \$75,685 is reached

The District is in compliance with these covenants.

The annual requirements to retire general long-term debt as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Totals
2025	27,924	17,608	45,532
2026	25,514	16,558	42,072
2027	24,316	15,239	39,555
2028	12,062	14,842	26,904
2029	12,472	14,432	26,904
Thereafter	418,230	179,638	597,868
	<u>\$ 520,518</u>	<u>\$ 258,317</u>	<u>\$ 778,835</u>

NOTE 6 - BAD DEBTS EXPENSE

The District uses the direct write-off method to account for bad debts.

NOTE 7 - LITIGATION

The District was not involved in any litigation at June 30, 2024.

NOTE 8 - COMPENSATION OF BOARD OF COMMISSIONERS

There was no compensation or per diem paid to any member of the Board of Commissioners during the year ended June 30, 2024. There were no expenses paid on behalf of the president of the board.

CATAHOULA PARISH WATERWORKS DISTRICT - MAITLAND
(A Component Unit of the Catahoula Parish Police Jury)
Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
Year Ended June 30, 2024

Agency Head: Harold Cowan

Purpose	Amount
Salary	-
Benefits - Insurance	-
Benefits - Retirement	-
Benefits - All Other	-
Car Allowance	-
Vehicle Provided by Government	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Continuing Professional Education Fees	-
Housing	-
Un-vouchered Expenses*	-
Special Meals	-
Total	-

See accountant's compilation report.