

WATERWORKS DISTRICT NO. 6
OF THE PARISH OF BEAUREGARD
BEAUREGARD PARISH POLICE JURY
STATE OF LOUISIANA

ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Waterworks District No. 6
of the Parish of Beauregard
State of Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the major fund of the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana, a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana, as of December 31, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana'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 generally accepted auditing standards 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 generally accepted auditing standards 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 Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana'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 Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana'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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived

from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2025, on our consideration of the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana'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 Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana'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 Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "John A. Windham, CPA". The signature is written in a cursive, flowing style.

DeRidder, Louisiana
June 12, 2025

BASIC FINANCIAL STATEMENTS

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Statement A

Statement of Net Position
For the Year Ending December 31, 2024

	Business-type Activities - Enterprise Fund Water and Sewer
<hr/>	
Assets	
Cash and cash equivalents	\$ 41,550
Receivables:	
Accounts	8,093
Ad valorem taxes - maintenance	75,586
Restricted assets	
Cash and cash equivalents	99,407
Intergovernmental	
Federal grants receivable	33,215
Ad valorem taxes receivable - bond	74,967
Capital assets not being depreciated	13,501
Capital assets being depreciated - net	4,596,880
	<hr/>
Total assets	\$ 4,943,199
	<hr/> <hr/>
Liabilities	
Accounts payable	\$ 1,330
Payroll taxes payable	157
Pension payable - ad valorem tax - maintenance	2,588
Liabilities payable from restricted assets	
Accrued interest payable	1,389
Contracts payable	35,095
Pension payable - ad valorem tax - bond	2,566
Current portion bonds	32,930
Long term liabilities:	
Due in more than one year	1,305,487
Customer deposits	29,120
	<hr/>
Total liabilities	\$ 1,410,662
	<hr/>
Net Position	
Net investment in capital assets	\$ 3,234,303
Restricted for:	
Debt service	103,818
Capital additions and contingencies	31,791
Unrestricted	162,625
	<hr/>
Total net position	\$ 3,532,537
	<hr/>
Total liabilities and net position	\$ 4,943,199
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Statement B

Statement of Activities
For the Year Ending December 31, 2024

Program Activities	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Capital Grants and Contributions	Business-type Activities
Business-type activities:				
Water system	\$ 303,951	\$ 120,285	\$ 165,626	\$ (18,040)
General revenues:				
Investment earnings				\$ 1,722
Ad valorem tax receipts				150,381
Total general revenues				\$ 152,103
Change in net position				\$ 134,063
Net position at beginning of year				3,398,474
Net position at end of year				<u>\$ 3,532,537</u>

The accompanying notes are an integral part of the statement.

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Statement C

Statement of Net Position
Proprietary Fund
For the Year Ending December 31, 2024

	Business-type Activities Enterprise Fund Water and Sewer
<hr/>	
Assets	
Current assets	
Cash and cash equivalents	\$ 41,550
Receivables:	
Accounts	8,093
Ad valorem taxes - maintenance	75,586
Total current assets	<u>\$ 125,229</u>
Restricted assets	
Cash and cash equivalents	\$ 99,407
Intergovernmental	
Federal grants receivable	33,215
Ad valorem taxes receivable - bond	74,967
Total restricted assets	<u>\$ 207,589</u>
Noncurrent assets	
Capital assets not being depreciated	\$ 13,501
Capital assets being depreciated - net	4,596,880
Total noncurrent assets	<u>\$ 4,610,381</u>
Total assets	<u><u>\$ 4,943,199</u></u>
<hr/>	
Liabilities	
Current liabilities	
Accounts payable	\$ 1,331
Payroll taxes payable	157
Pension payable - ad valorem tax - maintenance	2,588
Total current liabilities	<u>\$ 4,076</u>
Liabilities payable from restricted assets	
Accrued interest payable	\$ 1,389
Contracts payable	35,095
Current portion G.O. bonds	13,000
Current portion revenue bonds	19,930
Pension payable - ad valorem tax - bond	2,566
Total liabilities payable from restricted assets	<u>\$ 71,980</u>
Noncurrent liabilities	
Customer deposits	\$ 29,120
Revenue bonds - due in more than one year	1,003,486
G.O. bonds - due in more than one year	302,000
Total noncurrent liabilities	<u>\$ 1,334,606</u>
Total liabilities	<u><u>\$ 1,410,662</u></u>
	(Continued)

The accompanying notes are an integral part of this statement.

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Statement C

Statement of Net Position
Proprietary Fund
For the Year Ending December 31, 2024

	Business-type Activities Enterprise Fund Water and Sewer
Net Position	
Net investment in capital assets	\$ 3,234,303
Restricted for:	
Debt service	103,818
Capital assets and contingencies	31,791
Unrestricted	162,625
Total net position	\$ 3,532,537
Total liabilities and net position	\$ 4,943,199
	(Concluded)

The accompanying notes are an integral part of this statement.

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Statement D

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ending December 31, 2024

	Business-type Activities - Enterprise Fund <u>Water and Sewer</u>
Operating revenues	
Charges for services	<u>\$ 120,285</u>
Operating expenses	
Personal services and related benefits	\$ 48,458
Supplies	24,498
Contractual services	104,349
Depreciation	94,772
Total operating expenses	<u>\$ 272,077</u>
Income (loss) from operations	<u>\$ (151,792)</u>
Nonoperating revenues (expenses)	
Investment income	\$ 1,722
Interest expense	(26,720)
Ad valorem taxes	150,381
Ad valorem taxes - pension expense	(5,154)
Total nonoperating revenue (expenses)	<u>\$ 120,229</u>
Income (loss) before contributions	\$ (31,563)
Capital contributions	<u>165,626</u>
Change in net position	\$ 134,063
Net position at beginning of year	<u>\$ 3,398,474</u>
Net position at end of year	<u><u>\$ 3,532,537</u></u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Statement E

Statement of Cash Flows
Proprietary Fund
For the Year Ending December 31, 2024

	Business-type Activities - Enterprise Funds
	<u>Water and Sewer</u>
Cash flows from operating activities:	
Cash received from customers	\$ 116,407
Cash payments to suppliers for goods and services	(130,255)
Cash payments to employees for services	(50,194)
Net cash used by operating activities	<u>\$ (64,042)</u>
Cash flows from capital and related financing activities:	
Acquisition of fixed assets	\$ (255,245)
Contributed capital received	249,579
Ad valorem tax collections - bond	47,799
Principal paid on bonds	(32,584)
Pension paid on ad valorem taxes - bond	(1,728)
Interest paid on long term debt	(45,154)
Net cash used for capital and related financing activities	<u>\$ (37,333)</u>
Cash flows from non-capital and related financing activities:	
Ad valorem tax collections - maintenance	\$ 64,660
Pension paid on ad valorem taxes - maintenance	(2,357)
Net cash provided by non-capital and related financing activities	<u>\$ 62,303</u>
Cash flow from investing activities:	
Investment income	<u>\$ 1,722</u>
Net increase (decrease) in cash and cash investments	\$ (37,350)
Cash and cash equivalents, beginning	<u>178,307</u>
Cash and cash equivalents, ending	<u>\$ 140,957</u>

(Continued)

The accompanying notes are an integral part of this statement.

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Statement E

Statement of Cash Flows
Proprietary Fund
For the Year Ending December 31, 2024

	<u>Business-type Activities - Enterprise Funds</u>
	<u>Water and Sewer</u>
Reconciliation of loss from operations to net cash used by operating activities:	
Loss from operations	<u>\$ (151,792)</u>
Adjustments to reconcile loss from operations to net cash used by operating activities:	
Depreciation	\$ 94,772
Change in assets and liabilities:	
Decrease in accounts payable	(1,408)
Decrease in customer deposits payable	(3,796)
Increase in accounts receivable	(82)
Decrease in payroll taxes payable	(1,736)
Net cash used by operating activities	<u>\$ (64,042)</u>
	(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements
As of and for the Year Ending December 31, 2024

INTRODUCTION

Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana was created by the Beauregard Parish Police Jury under Louisiana Revised Statute 33:3811. The purpose of the water district is to provide water service to rural residents of the district. The governing body is composed of five board members appointed by the Beauregard Parish Police Jury which are not compensated for their services. The district is located in southwestern Beauregard Parish in the southwestern region of the State of Louisiana.

The accounting and reporting policies of Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana is considered a component unit of the Beauregard Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana. Business-type activities, which rely to a significant extent on fees and charges for support are the only activities reported in the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

The government-wide 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana reports the following proprietary fund:

The Proprietary Fund accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise general revenues include all taxes.

Proprietary 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. Charges for services of providing water services to residents comprise the operating revenue of the District's enterprise fund. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

C. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. Receivables and Payables

A customer deposit fee is collected at the time a customer's account is established. Due to the policy of the District concerning delinquent accounts, this fee covers the majority of the delinquent accounts, and any allowance account would be immaterial, therefore one has not been established.

E. Restricted Assets

Certain proceeds of the Enterprise Fund bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the business-type activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

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

	<u>Estimated Lives</u>
Distribution system	40-50 years
Buildings and building improvements	40-50 years
Furniture and fixtures	5-15 years
Equipment	3-15 years
Vehicles	5-10 years

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements (Continued)

G. Compensated Absences

The District has the following policy relating to annual leave:

The District has no formal leave policy and does not provide for the accumulation and vesting of unused leave.

H. Long Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

I. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the district, which are either unusual in nature or infrequent in occurrence. As of December 31, 2024 the District had no extraordinary or special items.

J. 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 and expenses during the reporting period. Actual results could differ from those estimates.

K. Net Position

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 resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position – all other net resources that do not meet the definition of “restricted” or “net investment in capital assets”.

L. Receivables and Payables

The District levies taxes on real and business personal property located within the boundaries of the District. Property taxes are levied by the district on property values assessed by the Beauregard Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The Beauregard Parish Sheriff and Ex-Officio Tax Collector bills and collects property taxes for the District. Collections are remitted to the district monthly. The District recognizes property tax revenues when levied.

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements (Continued)

Property Tax Calendar	
Assessment date	January 1, 2024
Levy date	June 30, 2024
Tax bills mailed	October 15, 2024
Total taxes are due	December 31, 2024
Penalties & interest due	January 31, 2025
Lien date	January 31, 2025
Tax sale	May 15, 2025

Property tax receivables are shown net of an allowance for uncollectibles. Property taxes are collected and remitted by the local sheriff, if taxes are not paid, a sheriff's sale is held and the property is sold to satisfy the taxes due on that property. Due to this, the majority, if not all property taxes are collected, therefore no allowance account for uncollectibles has been established.

For the year ended December 31, 2024, taxes of 21.91 mills were levied on property with an assessed valuation totaling \$6,887,962 and were dedicated as follows:

	Authorized Millage	Levied Millage	Expiration Date
Taxes due for:			
General maintenance	11.00	11.00	12/31/2029
Debt service	10.91	10.91	12/31/2029

The following are principal taxpayers and related property tax revenue for the district:

Taxpayer	Type of Business	Assessed Valuation	% of Total Assessed Valuation	Ad Valorem Tax Revenue for District
Performance Proppants, L.L.C.	Oil & Gas	\$ 1,648,463	23.93%	\$ 36,118
Arcosa Materials	Land	755,948	10.97%	16,563
Gulf Run Transmission LLC	Oil & Gas	1,215,450	17.65%	26,631
Totals		<u>\$ 3,619,861</u>	<u>52.55%</u>	<u>\$ 79,312</u>

2. CASH AND CASH EQUIVALENTS

At December 31, 2024, the District has cash (book balances) totaling \$140,957 as follows:

NOW accounts	<u>\$ 140,957</u>
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At December 31, 2024, the District has \$148,695 in deposits (collected bank balances). These deposits are secured from risk by \$148,695 of federal deposit insurance.

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements (Continued)

3. RECEIVABLES

The receivables of \$191,861 at December 31, 2024, are as follows:

Class of receivable	Proprietary Fund
Accounts	\$ 8,093
Ad valorem taxes - maintenance	75,586
Ad valorem taxes - bond	74,967
Federal grants	33,215
Total receivables	<u>\$ 191,861</u>

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2024, for the primary government is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 13,501	\$ -	\$ -	\$ 13,501
Work in progress	117,168	117,506	234,674	-
Total capital assets, not being depreciated	<u>\$ 130,669</u>	<u>\$ 117,506</u>	<u>\$ 234,674</u>	<u>\$ 13,501</u>
Capital assets being depreciated				
Vehicles	\$ 7,331	\$ -	\$ -	\$ 7,331
Buildings	-	48,716	-	48,716
Machinery and equipment	6,429	-	-	6,429
Improvements	4,512,931	241,624	-	4,754,555
Total capital assets being depreciated	<u>\$ 4,526,691</u>	<u>\$ 290,340</u>	<u>\$ -</u>	<u>\$ 4,817,031</u>
Less accumulated depreciation for:				
Vehicles	\$ 2,566	\$ 1,466	\$ -	\$ 4,032
Buildings	-	710	-	710
Machinery and equipment	2,743	1,107	-	3,850
Improvements	120,070	91,489	-	211,559
Total accumulated depreciation	<u>\$ 125,379</u>	<u>\$ 94,772</u>	<u>\$ -</u>	<u>\$ 220,151</u>
Total business-type assets being depreciated, net	<u>\$ 4,401,312</u>	<u>\$ 195,568</u>	<u>\$ -</u>	<u>\$ 4,596,880</u>

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements (Continued)

5. INVESTED IN CAPITAL ASSETS – NET

	Business-type Activities
Capital assets not being depreciated	\$ 13,501
Capital assets being depreciated	4,817,031
Total capital assets	<u>\$ 4,830,532</u>
Less:	
Accumulated depreciation	\$ (220,151)
Contracts payable	(35,095)
Bonds payable	(1,338,417)
Pension payable - ad valorem tax - bond	(2,566)
Total	<u>\$ (1,596,229)</u>
Net investment in capital assets	<u>\$ 3,234,303</u>

6. ACCOUNTS AND OTHER PAYABLES

The payables of \$69,679 at December 31, 2024, are as follows:

	Proprietary Fund
Accounts payable	\$ 1,330
Contracts payable	35,095
Pension - ad valorem tax	2,588
Payroll taxes	157
Accrued interest payable	1,389
Customer deposits	29,120
Total	<u>\$ 69,679</u>

7. LONG-TERM DEBT OBLIGATIONS

The following is a summary of the long-term debt obligations transactions for the year ended December 31, 2024:

	G.O. Bonds	Water Revenue Bonds	Total
Long-term obligations at beginning of year	\$ 328,000	\$ 1,043,000	\$ 1,371,000
Bond proceeds	-	-	-
Principal payments	<u>(13,000)</u>	<u>(19,583)</u>	<u>(32,583)</u>
Long-term obligations at end of year	<u>\$ 315,000</u>	<u>\$ 1,023,417</u>	<u>\$ 1,338,417</u>

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements (Continued)

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2024:

	G.O. Bonds	Water Revenue Bonds	Total
Current portion	\$ 13,000	\$ 19,930	\$ 32,930
Long-term portion	302,000	1,003,487	1,305,487
Total	<u>\$ 315,000</u>	<u>\$ 1,023,417</u>	<u>\$ 1,338,417</u>

Bonded debt is comprised of the following issue at December 31, 2024:

G.O. Bonds:

\$347,000 Series 2021 General Obligation Bonds
Due in annual installments of \$6,000 to \$25,000,
March 1, 2022 through March 1, 2041;
Interest at the variable rate of .3% to 4.00% \$315,000

Water Revenue Bonds:

\$1,043,000 Series 2022 Water Revenue Bonds
Due in annual installments of \$1,619 to \$3,133,
January 17, 2024 through November 17, 2061;
Interest at the rate of 1.75% \$1,023,417

The annual requirements to amortize all bonds outstanding at December 31, 2024, for the District, including interest payments of \$467,320, are as follows:

Year Ending December 31,	Principal Payments	Interest Payments	Total
2025	\$ 32,930	\$ 26,479	\$ 59,409
2026	34,281	26,026	60,307
2027	35,639	25,530	61,169
2028	36,003	25,008	61,011
2029	37,374	24,458	61,832
2030 - 2034	199,658	111,889	311,547
2035 - 2039	228,952	86,043	314,995
2040 - 2044	183,187	56,194	239,381
2045 - 2049	146,448	41,952	188,400
2050 - 2054	159,829	28,571	188,400
2055 - 2059	174,433	13,967	188,400
2060 - 2061	69,683	1,203	70,886
Total	<u>\$ 1,338,417</u>	<u>\$ 467,320</u>	<u>\$ 1,805,737</u>

In accordance with R.S. 39:562, the District is legally restricted from incurring long-term general obligation bonded debt in excess of 35% of the assessed value of taxable property. At December 31, 2024, the statutory limit is \$2,410,787 and outstanding general obligation bonded debt totals \$315,000.

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Notes to the Financial Statements (Concluded)

8. RESTRICTED NET POSITION

	Proprietary Fund
Restricted assets:	
Cash	\$ 99,407
Federal grants receivable	33,215
Ad valorem tax receivable - bond	74,967
Total restricted assets	<u>\$ 207,589</u>
Less:	
Liabilities payable from restricted assets:	
Accrued interest payable	\$ (1,389)
Contracts payable	(35,095)
Current portion of bonds	(32,930)
Pension payable - ad valorem tax - bond	<u>(2,566)</u>
Total liabilities payable from restricted assets	<u>\$ (71,980)</u>
Restricted net position	<u>\$ 135,609</u>

OTHER SUPPLEMENTAL SCHEDULES

Waterworks District No. 6 of the Parish of Beauregard
State of Louisiana

Schedule 1

Schedule of Compensation, Benefits and
Other Payments to Agency Head
For the Year Ended December 31, 2024

Agency Head Name - Andy Whiddon

Purpose	Amount
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Deferred compensation	-
Benefits - other	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-

There was no compensation, benefits or other payments to agency head.

OTHER REPORTS

Schedule of Prior Year Audit Findings
For the Year Ending December 31, 2024

Findings – Financial Statement Audit

Audit Finding No. 2023-1

Water Revenue Bond Debt Service Interest Payment Made Late

Condition:	According to the bond resolution debt service schedule, the debt service interest payment of \$18,252 was due on December 17, 2023. This payment was not made until the District received their 2023 tax roll in 2024.
Criteria:	The bond resolution has an amortization schedule that shows all principal and interest due dates. When signing this bond resolution the District agrees to timely make these payments as spelled out in the bond resolution.
Cause and Condition:	The District had this same comment from the prior year. Management was to monitor this situation for timely payment of the interest payment. The District waited on their tax payment in January of 2024 to pay the interest payment due on December 17, 2023.
Effect of Condition:	This is a violation of the bond resolution that was signed by both the District and the United States Department of Agriculture.
Recommendation:	We recommend that upcoming principal and interest payments due to the United States Department of Agriculture be timely made according to the bond resolution amortization schedule and that the office manager monitor these payments.

Date of Initial Occurrence - December 31, 2023

Corrective Action Taken - Yes

Audit Finding No. 2023-2

Bank Accounts Not Timely Reconciled

Condition:	Bank accounts of the District were not reconciled within two months of the statement date and no written evidence exist on the reconciled statement that they were reviewed by an independent member of management.
Criteria:	According to procedures, bank accounts should be reconciled within two months of the statement date and written evidence should exist on the reconciliation that it was reviewed by independent management.
Cause and Condition:	Management did not timely reconcile the bank accounts and no one checked to see that they were being reconciled. Also, these statements were not reviewed by management after they were reconciled.
Effect of Condition:	Bank accounts not being timely reconciled could lead to errors in reporting and misappropriation of cash in the bank account.
Recommendation:	We recommend that bank accounts be timely reconciled within two months of the statement date and written evidence appears on the reconciliation by an independent management personnel of review of the reconciliation. Also, management's oversight of this should be checked monthly to see that reconciliations are timely completed.

Schedule of Prior Year Audit Findings
For the Year Ending December 31, 2024

Date of Initial Occurrence - December 31, 2023

Corrective Action Taken -Yes

Findings – Financial Statement Audit

Audit Finding No. 2023-3

Audit Report Not Timely Submitted to the Louisiana Legislative Auditor

Condition: The December 31, 2023 audit report of Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana was not submitted to the Louisiana Legislative Auditor's office by the statutory deadline of June 30, 2024.

Criteria: Louisiana Revised Statute R.S. 24:513(A)(5)(a)(i) states that the audits of local governments must be completed within six months of the entity's year end and timely submitted to the Louisiana Legislative Auditor by the six month deadline.

Cause and Condition: The documents submitted to the auditor were not financial statements that could be audited. The district was told by the auditor to have the CPA that prepared these statements the year before to help get them in order to be audited. The District hired another CPA that after some time told the District he could not get to them with his schedule. The District then hired the CPA from the prior year to prepare their financial statements. Therefore, the auditor did not receive proper financial statements to audit until late in September of 2023.

Effect of Condition: Violation of R.S. 24:513(A)(5)(a)(i).

Recommendation: We recommend that the District submit the financial records to their CPA who prepares their financial statements as soon as possible after the District's year end. Also, we recommend that the District monitor the preparation in order to have them available for audit with sufficient time to complete the audit by the statutory deadline.

Date of Initial Occurrence - December 31, 2023

Corrective Action Taken -Yes

Audit Finding No. 2023-4

Documents Prepared by Management for Audit Were Not Financial Statements

Condition: The documents that management gave to the auditor for audit were not in proper order and could not be audited.

Criteria: Proper financial statements, balance sheet, profit and loss statement and general ledger with supporting documents are to be timely presented to the auditor in order to complete the required annual audit.

Cause and Condition: In the past years, the District has hired an outside CPA to prepare their financial statements at year end for the auditor to audit. In an effort to save money, the clerk of the District tried to prepare these and print them out using their software, but what was received by the auditor was not a set of financial statements that could be audited.

Schedule of Prior Year Audit Findings
For the Year Ending December 31, 2024

Effect of Condition: The financial statements could not be audited and were given back to the District to have them hire a CPA to correct these statements. By the time these statements were received back by the auditor, the statutory deadline for submission of the audited financial statements to the Louisiana Legislative Auditor had passed.

Recommendation: We recommend that the District hire a CPA during the year to help with preparation of financial statements and to have these timely prepared to allow time for the annual audit to be completed.

Date of Initial Occurrence - December 31, 2023

Corrective Action Taken -Yes

Schedule of Current Year Audit Findings and Management's Response
For the Year Ending December 31, 2024

There were no current year audit findings reported as of December 31, 2024.

Windham & Reed, L.L.C.

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Governmental Audit Quality Center

Members of AICPA
Members of Society of Louisiana CPAs

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Waterworks District No.6
of the Parish of Beauregard
State of Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the major fund of Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana, a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's basic financial statements, and have issued our report thereon dated June 12, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana'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 Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 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 and deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Commissioners
Waterworks District No. 6
of the Parish of Beauregard
State of Louisiana

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana'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 entity'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.

A handwritten signature in black ink that reads "John A. Windham, CPA". The signature is written in a cursive, flowing style.

DeRidder, Louisiana
June 12, 2025