

WATERWORKS DISTRICT NO. 3 OF
ST. LANDRY PARISH
PORT BARRE, LOUISIANA
FINANCIAL REPORT
December 31, 2024

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VIGE, TUJAGUE  NOEL

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INDEPENDENT AUDITOR'S REPORT

Board of Directors,
Waterworks District No. 3
of St. Landry Parish,
State of Louisiana
Port Barre, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Waterworks District No. 3 of St. Landry Parish, Louisiana, 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. 3 of St. Landry Parish, 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 of the Waterworks District No. 3 of St. Landry Parish, Louisiana, as of December 31, 2024, and the respective changes in financial position, thereof and 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. 3 of St. Landry Parish, 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. 3 of St. Landry Parish, 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. 3 of St. Landry Parish, 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. 3 of St. Landry Parish, 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

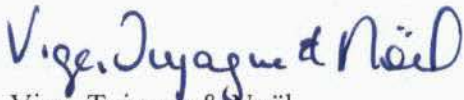
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Waterworks District No. 3 of St. Landry Parish, Louisiana's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head, as required by the State of Louisiana, and other schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head, and other schedules, as listed in the table of contents, are 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 13, 2025, on our consideration of the Waterworks District No. 3 of St. Landry Parish, 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. 3 of St. Landry Parish, 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. 3 of St. Landry Parish, Louisiana's internal control over financial reporting and compliance.

The prior year comparative information has been derived from the Waterworks District No. 3 of St. Landry Parish, State of Louisiana's 2023 financial statements and, in our report dated June 7, 2024, we expressed unmodified opinions on the respective financial statements of the business-type activities.



Vige, Tujague & Noël
Eunice, Louisiana
June 13, 2025

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
STATEMENT OF NET POSITION
December 31, 2024
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023

ASSETS

	<u>2024</u>	<u>2023</u>
<u>Current Assets</u>		
Cash	\$ 139,386	\$ 101,600
Certificate of deposit	214,059	196,000
Accounts Receivable	52,770	59,074
Prepaid Insurance	6,383	7,703
Total Current Assets	<u>412,598</u>	<u>364,377</u>
<u>Restricted Assets - Cash</u>		
Reserve Account	69,530	63,388
Sinking Fund Account	4,140	64,935
Depreciation and Contingency Account	18,471	17,258
Asset Replacement Account	111,679	97,077
Total Restricted Assets	<u>203,820</u>	<u>242,658</u>
<u>Capital Assets</u>		
Land, Nondepreciable	13,210	13,210
Equipment	458,905	388,390
Water Works System	4,476,763	4,476,763
	4,948,878	4,878,363
Less Accumulated Depreciation	<u>(1,505,506)</u>	<u>(1,370,691)</u>
Total Capital Assets	<u>3,443,372</u>	<u>3,507,672</u>
 TOTAL ASSETS	 <u>\$ 4,059,790</u>	 <u>\$ 4,114,707</u>

The accompanying notes are an integral part of the basic financial statements.

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
STATEMENT OF NET POSITION
December 31, 2024
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023

LIABILITIES AND NET POSITION

	<u>2024</u>	<u>2023</u>
<u>Current Liabilities</u>		
Accounts Payable	\$ 28,599	\$ 32,880
Payroll Liabilities	1,443	1,432
Interest Payable	2,540	2,607
Current Portion of Long-term Debt	27,499	26,878
Total Current Liabilities	<u>60,081</u>	<u>63,797</u>
<u>Current Liabilities Payable</u>		
<u>From Restricted Assets</u>		
Meter Deposits	<u>54,131</u>	<u>51,381</u>
<u>Long-Term Liabilities</u>		
Notes Payable	<u>1,147,463</u>	<u>1,237,321</u>
Total Liabilities	<u>1,261,675</u>	<u>1,352,499</u>
<u>Net Position</u>		
Investment in Capital Assets,		
Net of Related Debt	2,268,410	2,243,473
Restricted	203,820	242,658
Unrestricted	325,885	276,077
Total Net Position	<u>2,798,115</u>	<u>2,762,208</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 4,059,790</u>	<u>\$ 4,114,707</u>

The accompanying notes are an integral part of the basic financial statements.

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2024</u>	<u>2023</u>
<u>Operating Revenues</u>		
Water Revenue	\$ 616,736	\$ 471,182
Connection Charges	20,937	21,734
Total Operating Revenues	<u>637,673</u>	<u>492,916</u>
<u>Operating Expenses</u>		
Advertising Expense	114	-
Payroll and Employee Benefits	26,331	25,714
Depreciation	134,815	131,616
Repairs and Maintenance	47,784	20,932
Utilities	6,031	6,520
Meter Reading	97,168	97,073
Water Purchases	233,692	176,534
Professional Fees	12,604	11,510
Insurance	10,446	9,168
Office Supplies	2,855	5,892
Rent Expense	2,400	2,994
Postage	7,631	5,153
Miscellaneous	8,221	8,700
Total Operating Expenses	<u>590,092</u>	<u>501,806</u>
Income (Loss) from Operations	<u>47,581</u>	<u>(8,890)</u>
<u>Non Operating Revenues (Expenses)</u>		
Interest Expense	(38,607)	(41,062)
Interest Earned	26,933	342
Total Non Operating Revenues (Expenses)	<u>(11,674)</u>	<u>(40,720)</u>
Change in net position	35,907	(49,610)
Net Position, Beginning	2,762,208	2,811,818
Net Position, Ending	<u>\$2,798,115</u>	<u>\$2,762,208</u>

The accompanying notes are an integral part of the basic financial statements.

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities:		
Receipts from customers and users	\$646,727	\$463,055
Payments to suppliers for goods and services	(431,907)	(339,637)
Payments to employees for services	(26,320)	(26,712)
Net cash provided (used) in operating activities	<u>188,500</u>	<u>96,706</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(70,515)	(62,819)
Principle paid on note	(89,237)	(25,990)
Net cash flows used by capital and related financing activities	<u>(159,752)</u>	<u>(88,809)</u>
Cash Flows From Investing Activities:		
Interest earned on operating funds	26,933	342
Interest paid on note payable	(38,674)	(41,118)
Net cash provided by investing activities	<u>(11,741)</u>	<u>(40,776)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	17,007	(32,879)
Cash and cash equivalents at beginning of year	<u>540,258</u>	<u>573,137</u>
Cash and cash equivalents at end of year	<u><u>\$557,265</u></u>	<u><u>\$540,258</u></u>

The accompanying notes are an integral part of the basic financial statements.

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2024</u>	<u>2023</u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ 47,581	\$ (8,890)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	134,815	131,616
(Increase) decrease in accounts receivable	6,304	(30,219)
(Increase) decrease in prepaid expenses	1,320	(1,823)
Increase (decrease) in accounts payable	(4,281)	6,662
Increase (decrease) in accrued liabilities	11	(998)
Increase (decrease) in restricted water meter deposits	<u>2,750</u>	<u>358</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 188,500</u>	<u>\$ 96,706</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheets:		
Cash – beginning of period		
Cash- unrestricted	\$ 297,600	\$ 340,082
Cash- restricted	<u>242,658</u>	<u>233,055</u>
Total cash - beginning of period	<u>540,258</u>	<u>573,137</u>
Cash – end of period		
Cash- unrestricted	353,445	297,600
Cash- restricted	<u>203,820</u>	<u>242,658</u>
Total cash - end of period	<u>557,265</u>	<u>540,258</u>
Net increase (decrease)	<u>\$ 17,007</u>	<u>\$ (32,879)</u>

The accompanying notes are an integral part of the basic financial statements.

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District was created by the St. Landry Parish Government as authorized by Louisiana Revised Statute 38:1751. The District is governed by a Board of Commissioners, which consists of five commissioners appointed by the St. Landry Parish Government.

The District was established for the purpose of providing safe drinking water for the residents of District No. 3 of St. Landry Parish.

A. BASIS OF PRESENTATION

The accompanying financial statements of the Waterworks District No. 3 of St. Landry Parish have been prepared in conformity with accounting principles generally accepted in the United States of America 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. If GASB is not applicable, FASB pronouncements will be utilized. The Water District is a business –type activity.

B. REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the District 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. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. 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. 3 OF ST. LANDRY PARISH
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

The entity being reported on, Waterworks District No. 3 of St. Landry Parish is a component unit of the St. Landry Parish Government. The financial report includes all funds over which the District exercises oversight responsibility. This responsibility includes financial interdependency selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

C. FUND ACCOUNTING

The Waterworks District No. 3 of St. Landry Parish is organized and operated on a fund basis whereby a self-balancing set of accounts (proprietary fund type) is maintained that comprises its assets, liabilities, net position, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Proprietary fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net position. The Proprietary fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income, property taxes and interest income that are not a result of the direct operations of the activity. When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the District's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

E. CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Waterworks District No. 3 of St. Landry Parish are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits. Under state law, bank deposit 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 or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

At December 31, 2024, the District had bank account balances totaling \$570,050, and of this amount \$255,381 was secured by FDIC Insurance. The remaining amount of \$314,669 was fully secured with pledged securities from St. Landry Homestead totaling \$366,229.

F. PREPAID ITEMS

Payments made to insurance companies for insurance that will benefit future periods beyond December 31, 2024 are recorded as prepaid insurance.

G. RESTRICTED ASSETS

Certain proprietary fund assets are legally restricted for the payment of notes as well as for the maintaining of reserve accounts, as required by the debt agreement. All reservation requirements have been met as of December 31, 2024.

H. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Depreciation expense totaled \$134,814 for the year ended December 31, 2024. The cost of maintenance and repairs is charged to operations as incurred. Major renewals, betterments, and additions are capitalized.

Interest costs during construction periods are capitalized. When capital assets are retired or disposed of, the cost of the asset and accumulated depreciation is eliminated from the accounts and the resulting gain or loss from such disposition is credited or charged to income, except that the gain or loss on assets traded in for new equipment is applied as an adjustment to the cost of the asset acquired. The capitalization limit is \$500. The estimated useful lives of these assets are as follows:

Equipment	10-20 years
Water Works System	40 years

I. ALLOWANCE FOR DOUBTFUL ACCOUNTS

No allowance for doubtful accounts has been established because management believes all accounts receivable will be collected.

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

J. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the Enterprise Fund.

K. NET POSITION

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net positions are classified in the following three components:

Invested in capital assets, net of related debt- This component of net position consists of 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. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted net position – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net positions that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The district’s policy is first to apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Note 2: ACCOUNTS RECEIVABLE

Accounts receivable for water services at December 31, 2024 was as follows:

Accounts receivable	<u>\$ 52,770</u>
	<u><u>\$ 52,770</u></u>

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 3: LONG TERM DEBT

The District has a note payable to the USDA, dated March 2, 2010. The note is payable over a forty year period, at a rate of 4.00% interest, with the final payment due on February 2, 2050. Estimated debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principle</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>
2025	\$ 18,489	\$ 30,799	\$ 49,288
2026	19,243	30,045	49,288
2027	20,027	29,261	49,288
2028	20,842	28,446	49,288
2029	21,692	27,596	49,288
2030-2034	122,457	123,983	246,440
2035-2039	149,519	96,921	246,440
2040-2044	182,562	63,878	246,440
2045-2049	222,908	23,532	246,440
2050	2,345	17	2,362
	<u>\$ 780,084</u>	<u>\$ 454,478</u>	<u>\$ 1,234,562</u>

In accordance with the loan agreement with the USDA, the District is required to make certain monthly deposits into specific reserve bank accounts. The District must fund monthly a debt service reserve fund equal to 10% of the monthly payment over the life of the loan or until one annual installment has accumulated. This reserve is required to establish an emergency fund for maintenance and repairs and debt payment, if necessary. Ten percent of the loan installment is equal to \$441 per month. The District should also deposit \$4,108 each month into the sinking fund account for payment of the monthly note. An operation and maintenance reserve account should be funded in the amount of \$1,187 per month, until an amount of \$17,222 is achieved. In addition, the District must fund a depreciation reserve for short-lived assets by depositing a sum of \$644 monthly in addition to that required for the debt service reserve.

The District has a note payable to the USDA, dated September 28, 2020. The current balance on the note is payable over a 40 year period, at a rate of 1.875% interest. This note is for the construction of the North Wilderness Project, which totaled \$500,000 upon completion. The loan will be secured by a Revenue bond with first lien position in the amount of \$500,000, registered to the USDA. Current debt service requirements to maturity on the \$500,000 proceeds, as of December 31, 2024, are as follows:

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

<u>Year Ending</u> <u>December 31,</u>	<u>Principle</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>
2025	\$ 9,010	\$ 8,810	\$ 17,820
2026	9,181	8,639	17,820
2027	9,354	8,466	17,820
2028	9,531	8,289	17,820
2029	9,712	8,108	17,820
2030-2034	51,384	37,716	89,100
2035-2039	56,430	32,670	89,100
2040-2044	61,971	27,129	89,100
2045-2049	68,057	21,043	89,100
2050-2054	74,741	14,359	89,100
2055-2059	35,507	7,019	42,526
	<u>\$ 394,878</u>	<u>\$ 182,248</u>	<u>\$ 577,126</u>

In accordance with the loan agreement with the USDA, the District is required to establish a debt service reserve fund equal to at least one annual loan installment that accumulates at the rate of 10% of one annual payment per year for ten years or until the balance is equal to one annual loan payment. Ten percent of the proposed loan installment would equal \$205.50 per month; this amount should be deposited monthly until a total of \$24,660 has accumulated. Prior written concurrence from the Agency must be obtained before funds may be withdrawn from this account during the life of the loan. When funds are withdrawn during the life of the loan, deposits will continue as designated above until the fully-funded amount is reached.

Total long term debt activity during the year is as follows:

<u>Balance</u> <u>1/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2024</u>
<u>\$ 1,264,199</u>	<u>\$ -</u>	<u>\$ 89,237</u>	<u>\$ 1,174,962</u>
Balance	\$ 1,174,962		
Less Current Maturities	(27,499)		
Net Long Term Debt	<u>\$ 1,147,463</u>		

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 4: COMPENSATION OF BOARD OF COMMISSIONERS

The following is a list of board members at December 31, 2024. All board members serve without pay. No term limit has been imposed.

Ricky Broussard, President
 Robert Atkins
 Garrett Hurd
 Julie Dupuis

Note 5: CAPITAL ASSETS

The changes in capital assets for the year-end December 31, 2024 are as follows:

	<u>Balance</u> <u>12/31/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2024</u>
Capital Assets:				
Land				
Nondepreciable	\$ 13,210	\$ -	\$ -	\$ 13,210
Equipment	388,391	70,515	-	458,906
Water Works System	4,476,762	-	-	4,476,762
Total Capital Assets	<u>4,878,363</u>	<u>70,515</u>	<u>-</u>	<u>4,948,878</u>
Less Accumulated				
Depreciation				
Equipment	118,241	22,896	-	141,137
Water Works System	1,252,450	111,919	-	1,364,369
Total Accumulated				
Depreciation	<u>1,370,691</u>	<u>134,815</u>	<u>-</u>	<u>1,505,506</u>
Total Capital Assets, Net	<u>\$3,507,672</u>	<u>\$ (64,300)</u>	<u>\$ -</u>	<u>\$3,443,372</u>

Note 6: LITIGATION AND CLAIMS

At December 31, 2024, the district had no impending litigation.

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 7: CONCENTRATION OF RISK

The Water System serves customers in and around District 3 of St. Landry Parish, Louisiana.

Note 8: ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

Note 9: EVALUATION OF SUBSEQUENT EVENTS

The Water System has evaluated subsequent events through June 13, 2025, the date which the financial statements were available to be issued.

Note 10: BUDGET

The Water System is not required by the State of Louisiana to present a budget.

Note 11: DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

In some instances, the GASB required a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Note 12: ACCOUNTING PRONOUNCEMENTS

The Government Accounting Standards Board (GASB) has issued the following Statements which will become effective in future years as shown below:

Statement No. 101, Compensated Absences – This Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. This statement did not affect the current fiscal year.

VIGE, TUJAGUE  NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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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 Directors,
Waterworks District No. 3
of St. Landry Parish,
State of Louisiana
Port Barre, 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 of Waterworks District No. 3 of St. Landry Parish, Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Waterworks District No. 3 of St. Landry Parish, Louisiana's basic financial statements, and have issued our report thereon dated June 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Waterworks District No. 3 of St. Landry Parish, 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. 3 of St. Landry Parish, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Waterworks District No. 3 of St. Landry Parish, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Waterworks District No. 3 of St. Landry Parish, 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 determination of financial statement amounts. 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs, as item 2024-001.

Waterworks District No. 3 of St. Landry Parish, Louisiana's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Waterworks District No. 3 of St. Landry Parish, Louisiana's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Waterworks District No. 3 of St. Landry Parish, Louisiana's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Vige, Tujague & Noël, CPA's
Eunice, Louisiana
June 13, 2025

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED December 31, 2024

We have audited the financial statements of Waterworks District No. 3 of St. Landry Parish as of and for the year ended December 31, 2024, and have issued our report thereon dated June 13, 2025. We conducted our audit in accordance with United States generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2024, resulted in an unmodified opinion.

Section I. Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Significant Deficiencies ☒ Yes ☐ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

b. Federal Awards

None

Section II. Financial Statement Findings

#2024-001 - Segregation of Duties

Condition: In reviewing the internal control structure, we noted inadequate segregation of duties existed in all areas of the financial cycle.

Criteria: Segregation of duties is required in all areas of the financial cycle.

Cause: Inadequate segregation of duties exists due to the limited number of personnel performing the administrative functions. Due to the lack of resources, the District is unable to implement a segregated system of internal control.

Effect: Due to the cost-benefit analysis, there was improper segregation of functions within the accounting system.

Views of Responsible Officials and Planned Corrective Action: Management is aware of and has evaluated this inadequacy and concluded that the related cost versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation. We are in agreement with the District that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment.

Section III. Federal Award Findings and Questioned Costs

This section is not applicable for the year ended December 31, 2024.

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED December 31, 2024

Section I. Internal Control and Compliance Material to the Financial Statements

#2023-001 - Segregation of Duties

Condition: In reviewing the internal control structure, we noted inadequate segregation of duties existed in all areas of the financial cycle.

Criteria: Segregation of duties is required in all areas of the financial cycle.

Cause: Inadequate segregation of duties exists due to the limited number of personnel performing the administrative functions. Due to the lack of resources, the District is unable to implement a segregated system of internal control.

Effect: Due to the cost-benefit analysis, there was improper segregation of functions within the accounting system.

Recommendation and response: Management is aware of and has evaluated this inadequacy and concluded that the related cost versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation. We are in agreement with the District that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment.

Status: This finding is repeated as item #2024-001.

Section II. Internal Control and Compliance Material to Federal Awards

None

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
SCHEDULE OF INSURANCE
YEAR ENDED December 31, 2024

Property and General Liability Dupre Carriere Godchaux	09/20/24 – 09/20/25	\$3,000,000 limit
Surety Bond Liberty Mutual	07/24/24 – 07/24/25	\$250,000 limit
Louisiana Workers' Compensation Workers' Compensation	07/30/24 – 07/30/25	Statutory

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
SCHEDULE OF METERS AND RATES AND ACCOUNTS RECEIVABLE
YEAR ENDED December 31, 2024

Accounts Receivables are Aged as follows:

0 - 30 days	\$ 47,127
31 - 60 days	3,696
Over 60 days	<u>1,947</u>
	<u>\$ 52,770</u>

The District's monthly water rates at December 31, 2024 were as follows:

Effective December 1, 2023

Residential/Commercial - \$32.00 for the first 2,000 gallons
\$9.50 for each 1,000 gallons thereafter

Effective January through November 30, 2023

Residential/Commercial - \$27.00 for the first 2,500 gallons
\$4.50 for each 1,000 gallons thereafter

As of December 31, 2024, District had 1014 customers. 1004 are residential customers and 10 are commercial customers.

Meters: $\frac{3}{4}$ inch

Gender:

Male	761
Female	<u>253</u>
	1014

Race:

Black	34
White	953
Other	<u>27</u>
	1014

Ethnicity:

Hispanic	8
Non-Hispanic	<u>1006</u>
	1014

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
SCHEDULE OF BOARD OF COMMISSIONERS
YEAR ENDED December 31, 2024

<u>Members</u>	<u>Address/Telephone</u>
Ricky Broussard, President	119 Magnolia Street Port Barre, LA 70577 337-308-4545
Robert Atkins	686 North Wilderness Road Port Barre, LA 70577 318-286-6871
Garrett Hurd	131 Magnolia Street Port Barre, LA 70577 301-514-3130
Julie Dupuis	P.O. Box 1210 Port Barre, LA 70577 225-572-2959

Board members serve without pay for unlimited terms.

WATERWORKS DISTRICT NO. 3 OF ST. LANDRY PARISH
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
YEAR ENDED December 31, 2024

Agency Head Name: Ricky Broussard
Service Period: 12 months

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 0

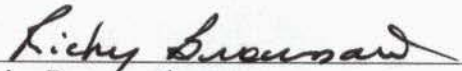
Vige, Tujague & Noel, CPA's
P.O. Box 1006
Eunice, LA 70535

RE: Management Response

The following are our responses to your recommendations we received in the District's Audited Financial Statements as of December 31, 2024.

2024-001 Segregation of Duties

Management is aware of and has evaluated this inadequacy and concluded that the related cost versus benefits achieved does not justify the additional personnel it would require to establish an adequate segregation.



Ricky Broussard

WATERWORKS DISTRICT NO. 3 OF
ST. LANDRY PARISH
STATEWIDE AGREED-UPON PROCEDURES REPORT
YEAR ENDED DECEMBER 31, 2024

VIGE, TUJAGUE NOEL

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management and Board of Commissioners of the Waterworks District No. 3 of St. Landry Parish 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's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. Waterworks District No. 3 of St. Landry Parish's management is responsible for those C/C areas identified in the SAUPs.

Waterworks District No. 3 of St. Landry Parish 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 LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, 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) Written Policies and Procedures

No exceptions in year one of the testing cycle. Not required to test in the current year.

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
- ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
- iii. **Disbursements**, including processing, reviewing, and approving.
- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data

backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes do include quarterly budget-to-actual comparisons.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
Obtained the prior year audit report and observed that the unassigned fund balance was a positive balance.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

There were no audit findings requiring status updates in the prior year.

3) Bank Reconciliations

No exceptions in year one of the testing cycle. Not required to test in the current year.

- 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 (e.g., initialed and dated, 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.

4) Collections (excluding electronic funds transfers)

No exceptions in year one of the testing cycle. Not required to test in the current year.

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

No exceptions in year one of the testing cycle. Not required to test in the current year.

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy,

and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

No exceptions in year one of the testing cycle. Not required to test in the current year.

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

No exceptions in year one of the testing cycle. Not required to test in the current year.

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
 - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

No exceptions in year one of the testing cycle. Not required to test in the current year.

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

No exceptions in year one of the testing cycle. Not required to test in the current year.

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

All employees selected for testing have documentation to demonstrate that the required hour of ethics training was completed during the calendar year.

- b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

There were no changes made to the entity's ethics policy during the fiscal period.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

An ethics designee has been appointed.

11) Debt Service

No exceptions in year one of the testing cycle. Not required to test in the current year.

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and

payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12) Fraud Notice

No exceptions in year one of the testing cycle. Not required to test in the current year.

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is

complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.
-

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

All employees selected for testing have documentation demonstrating the completion of required sexual harassment training during the calendar year.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Observed that the entity has posted its sexual harassment policy and complaint procedure.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

The entity prepared the annual sexual harassment report for the current fiscal year, including all of the applicable requirements.

Management's Response

Management of the Waterworks District No. 3 of St. Landry Parish concurs with the exceptions and is working to address the deficiencies identified.

We were engaged by Waterworks District No. 3 of St. Landry Parish 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. 3 of St. Landry Parish 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.

Vige, Tujague & Noel

Vige, Tujague & Noel
Eunice, Louisiana
June 13, 2025