

LEWISBURG – BELLEVUE WATER SYSTEM, INC.
LEWISBURG, LOUISIANA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Lewisburg-Bellevue Water System, Inc.
Lewisburg, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lewisburg-Bellevue Water System, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lewisburg-Bellevue Water System, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Lewisburg-Bellevue Water System, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Water System's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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 opinion. 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 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.

To the Board of Directors of
Lewisburg-Bellevue Water System, Inc.
Lewisburg, Louisiana

In performing an audit in accordance with generally accepted 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 Water System'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 Water System'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.

John S. Dowling & Company

Opelousas, Louisiana
March 25, 2025

LEWISBURG-BELLEVUE WATER SYSTEM, INC.
LEWISBURG, LOUISIANA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

| <u>ASSETS</u> | <u>2024</u> |
|---|------------------|
| Cash | \$ 347,792 |
| Cash - reserved | 2,503 |
| Accounts receivable | 204,804 |
| Prepaid insurance | 36,797 |
| Restricted assets | |
| Cash - renters and members deposits | 153,810 |
| Investments | 1,541,091 |
| Property and equipment (net) | 4,163,010 |
| <u>Total assets</u> | <u>6,449,807</u> |
| | |
| <u>LIABILITIES</u> | |
| Accounts payable | \$ 30,968 |
| Payroll taxes payable | 8,639 |
| Safe drinking water payable | 7,832 |
| Accrued interest payable | 1,307 |
| Restricted payables | |
| Restricted deposits | 153,810 |
| Line of credit - Washington State Bank | 160,369 |
| Note payable - Home Bank | 1,324,814 |
| <u>Total liabilities</u> | <u>1,687,739</u> |
| | |
| <u>NET ASSETS</u> | |
| Without donor restrictions | 4,762,068 |
| <u>Total net assets</u> | <u>4,762,068</u> |
| | |
| <u>Total liabilities and net assets</u> | <u>6,449,807</u> |

The accompanying notes are an integral part of these statements.

LEWISBURG-BELLEVUE WATER SYSTEM, INC.
LEWISBURG, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

| | Without Donor Restrictions 2024 |
|--|---------------------------------------|
| <u>REVENUES AND OTHER SUPPORT</u> | |
| Water sales | \$ 1,619,893 |
| Connection charges | 12,550 |
| Reconnection charges | 43,525 |
| Interest income | 78,633 |
| Late charges | 20,945 |
| Meter sales | 47,430 |
| Memberships | 1,850 |
| Grant income | 245,000 |
| Miscellaneous income | 63,077 |
| <u>Total revenues and other support</u> | <u>2,132,903</u> |
| <u>EXPENSES</u> | |
| Current | |
| Personal services | |
| Salaries | 374,739 |
| Payroll taxes and benefits | 33,265 |
| Supplies and repairs | |
| Office supplies and expense | 75,442 |
| Repairs and maintenance | 128,187 |
| Water supplies | 85,125 |
| Other | |
| Bank charges | 3,173 |
| Postage and freight | 2,619 |
| Legal and professional | 61,583 |
| Licenses and permits | 32,528 |
| Insurance | 95,118 |
| Utilities and telephone | 89,481 |
| Auto and gas | 14,341 |
| Advertising | 3,792 |
| Travel & education | 11,622 |
| Miscellaneous expense | 20,686 |
| Chemicals | 87,930 |
| Bad debt expense | 2,062 |
| Uniforms | 2,212 |
| Meter installation | 30,444 |
| Depreciation expense | 214,559 |
| Interest expense | 70,561 |
| <u>Total expenses</u> | <u>1,439,469</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</u> | <u>693,434</u> |
| <u>OTHER INCREASES (DECREASES)</u> | |
| Gain on disposal of assets | 2,000 |
| <u>Total other increases (decreases)</u> | <u>2,000</u> |
| Change in net assets | 695,434 |
| <u>NET ASSETS, beginning of year</u> | <u>4,066,634</u> |
| <u>NET ASSETS, end of year</u> | <u>4,762,068</u> |

The accompanying notes are an integral part of these statements.

LEWISBURG-BELLEVUE WATER SYSTEM, INC.
LEWISBURG, LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

| | 2024 | | |
|----------------------------------|-----------------------------|-----------------------------------|------------------|
| | <u>Program Services</u> | <u>Management and General</u> | <u>Total</u> |
| Personal services | | | |
| Salaries | \$ 326,459 | \$ 48,280 | \$ 374,739 |
| Payroll taxes and benefits | 28,275 | 4,990 | 33,265 |
| Supplies and repairs | | | |
| Office supplies and expense | 58,845 | 16,597 | 75,442 |
| Repairs and maintenance | 128,187 | - | 128,187 |
| Water supplies | 85,125 | - | 85,125 |
| Other | | | |
| Bank charges | 3,173 | - | 3,173 |
| Postage and freight | 2,619 | - | 2,619 |
| Legal and professional | - | 61,583 | 61,583 |
| Licenses and permits | 32,528 | - | 32,528 |
| Insurance | 90,362 | 4,756 | 95,118 |
| Utilities and telephone | 9,843 | 79,638 | 89,481 |
| Auto and gas | 14,341 | - | 14,341 |
| Advertising | 3,792 | - | 3,792 |
| Travel & education | 3,835 | 7,787 | 11,622 |
| Miscellaneous expense | 20,686 | - | 20,686 |
| Chemicals | 87,930 | - | 87,930 |
| Bad debt expense | 2,062 | - | 2,062 |
| Uniforms | 885 | 1,327 | 2,212 |
| Meter installation | 30,444 | - | 30,444 |
| Depreciation expense | 212,413 | 2,146 | 214,559 |
| Interest expense | 70,561 | - | 70,561 |
| <u>Total functional expenses</u> | <u>1,212,365</u> | <u>227,104</u> | <u>1,439,469</u> |

The accompanying notes are an integral part of these statements.

LEWISBURG-BELLEVUE WATER SYSTEM, INC.
LEWISBURG, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

| | <u>2024</u> |
|--|--------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | |
| Cash received from customers | \$2,074,164 |
| Interest earned on investments | 78,633 |
| Cash paid to suppliers | (771,717) |
| Cash paid to employees | (374,996) |
| Interest paid on loans | (70,098) |
| <u>Net cash provided by operating activities</u> | <u>935,986</u> |
| <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u> | |
| Proceeds from loan and line of credit | 218,400 |
| Principal payments on loan | (116,929) |
| <u>Net cash provided (used) by capital and related financing activities</u> | <u>101,471</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | |
| Proceeds from sale of fixed assets | 2,000 |
| Purchase of fixed assets | (315,170) |
| Purchase of investments | (840,172) |
| <u>Net cash provided (used) by investing activities</u> | <u>(1,153,342)</u> |
| <u>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</u> | <u>(115,885)</u> |
| <u>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year</u> | <u>619,990</u> |
| <u>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year</u> | <u>504,105</u> |
| <u>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u> | |
| Change in net assets | \$ 695,434 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | |
| Depreciation | 214,559 |
| Loss(gain) on disposition of assets | (2,000) |
| Changes in assets and liabilities | |
| (Increase) decrease in accounts receivable | 11,559 |
| (Increase) decrease in prepaid insurance | (3,759) |
| Increase (decrease) in accounts payable | 11,652 |
| Increase (decrease) in safe drinking water payable | 80 |
| Increase (decrease) in settlement payable | (4,000) |
| Increase (decrease) in accrued interest payable | 463 |
| Increase (decrease) in payroll taxes payable | 3,743 |
| Increase (decrease) in tenant deposits | 8,255 |
| <u>Net cash provided (used) by operating activities</u> | <u>935,986</u> |

The accompanying notes are an integral part of these statements.

LEWISBURG-BELLEVUE WATER SYSTEM, INC.
LEWISBURG, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

The Lewisburg-Bellevue Water System, Inc. is a nonprofit corporation. The Lewisburg-Bellevue Water System, Inc. was issued a charter by the state of Louisiana and a franchise from the St. Landry Police Jury on February 5, 1968. The Water System's purpose is to provide a water system for the Village of Lewisburg and the surrounding territory.

The Lewisburg-Bellevue Water System, Inc. is not considered to be a part of any other reporting entity because it is a nonprofit corporation and is financially independent.

A. Basis of Presentation

Lewisburg-Bellevue Water System, Inc. is a nonprofit organization which is accounted for using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Their revenues are recognized when they are earned (as performance obligations are satisfied), and their expenses are recognized when they are incurred. Grant income, if any, is recognized when earned.

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of year-end, unless material.

B. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Depreciation is considered an estimate.

C. Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and compensation, utilities and telephone, insurance, office supplies and expense, legal and professional fees, travel and education, and uniforms which are allocated on the basis of estimates of time and effort as well as depreciation.

D. Property, Plant and Equipment

Fixed assets purchased are recorded at cost. Depreciation is computed using the straight-line method and the modified accelerated cost recovery method based on the estimated useful life of each asset. The water distribution system is depreciated over a forty-five (45) year period. Average lives for office furniture, fixtures and equipment are estimated to be three (3) to ten (10) years. Vehicle are depreciated over a seven (7) year period. Average lives for building and fence are estimated to be ten (10) to forty (40) years. Maintenance and repairs are charged to operations when incurred.

Interest during construction is not capitalized.

LEWISBURG-BELLEVUE WATER SYSTEM, INC.
LEWISBURG, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Income Taxes

Lewisburg-Bellevue Water System, Inc. is a nonprofit organization exempt from income taxes under the Internal Revenue Code Section 501(c)(12) and similar provisions of the State Code. Therefore, no provisions for income taxes have been made.

Lewisburg-Bellevue Water System, Inc. is required to file a Form 990 with the Internal Revenue Service annually. The years open to examination by the Internal Revenue Service are fiscal years after December 31, 2020.

F. Statement of Cash Flows

For the purposes of reporting the statements of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

| | <u>2024</u> |
|-----------------------------|----------------|
| Cash on hand | \$ 245,500 |
| Operating accounts | 106,002 |
| Payroll account | 1,003 |
| Renter's deposit account | 597 |
| Renter's & member's account | 100,622 |
| Grant | 2,503 |
| Money market | <u>47,878</u> |
| | <u>504,105</u> |

G. Allowance for Credit Losses

An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of customers, forecasts of future operating results based upon current trends and economic factors. Lewisburg-Bellevue Water System, Inc. has a policy of recognizing uncollectible amounts of water billings at the time information becomes available which would indicate the uncollectibility of the receivable. Lewisburg-Bellevue's uncollectable accounts are not material to the financial statements; therefore, no allowance for credit losses has been established.

H. Compensated Absences

Employees of the Lewisburg-Bellevue Water System, Inc. earn annual vacation leave of 40 hours per year for one to five years of service, 80 hours per year for six to fifteen years of service, and 120 hours per year for greater than fifteen years of service. Unused vacation leave can be carried forward to the next year. Unused vacation pay was immaterial at December 31, 2024.

I. Retirement

Eligible employees of the Water System participate in a Section 408(p) SIMPLE plan.

LEWISBURG-BELLEVUE WATER SYSTEM, INC.
LEWISBURG, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

J. Liquidity and Availability of Financial Assets

The following represents the Water System's financial assets as of the balance sheet date. There are no donor-imposed restrictions.

| | <u>2024</u> |
|--|----------------|
| Financial assets at year-end | \$ 552,596 |
| Less those unavailable for general expenditures within one year - donor imposed restrictions | <u>-</u> |
| Financial assets available to meet cash needs for general expenditure within one year | <u>552,596</u> |

As part of the Water System's liquidity management, it invests excess cash in certificates of deposits.

NOTE (2) - CASH AND INVESTMENTS

The bank balances of cash were \$276,000 and the carrying amounts of cash were \$504,105, respectively. The carrying amount and the bank balance of certificates of deposit at year-end were \$1,541,091. Of the cash and certificates of deposits bank balance at December 31, 2024, \$624,997 was covered by federal deposit insurance and \$1,192,094 was not insured.

Deposits: The bank balances for the year ended December 31, 2024, were as follows:

| | <u>2024</u> |
|------------------------------|------------------|
| <u>Home Bank</u> | |
| Bank Balance | \$ 124,997 |
| Federal deposit insurance | <u>(124,997)</u> |
| Total not insured | <u>-</u> |
| <u>Washington State Bank</u> | |
| Bank Balance | \$ 1,362,094 |
| Federal deposit insurance | <u>(250,000)</u> |
| Total not insured | <u>1,112,094</u> |
| <u>Evangeline Bank</u> | |
| Bank Balance | \$ 330,000 |
| Federal deposit insurance | <u>(250,000)</u> |
| Total not insured | <u>80,000</u> |

LEWISBURG-BELLEVUE WATER SYSTEM, INC.
LEWISBURG, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE (2) - CASH AND INVESTMENTS - Continued

Investments: Investments are stated at cost or amortized cost, which approximates market. These investments, which are time deposits, are included in the above schedule.

NOTE (3) - UTILITY ACCOUNTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

Lewisburg-Bellevue Water System, Inc.'s accounts receivable consists of uncollected billed and unbilled water sales. Accounts receivable aging schedule at December 31, 2024, are as follows:

| <u>Days</u> | <u>2024</u> |
|-----------------------------|-----------------------|
| Unbilled receivables | \$ 95,410 |
| 0-30 | 172,512 |
| 31-60 | (65,101) |
| 61-90 | (1,837) |
| 91-120 | 3,820 |
| | <u>204,804</u> |
| Allowance for credit losses | <u>-</u> |
| <u>Totals</u> | <u><u>204,804</u></u> |

An allowance for collection losses was not established due to insignificant past due accounts as of December 31, 2024.

The following is a user classification of members for the year ended December 31, 2024.

| | <u>2024</u> |
|-------------------|---------------------|
| Residential users | 2,672 |
| Commercial users | <u>77</u> |
| <u>Total</u> | <u><u>2,749</u></u> |

The rates for Lewisburg-Bellevue Water System, Inc. for the year ended December 31, 2024, are as follows:

Residential rates:

\$22.50 per month for the first 2,000 gallons
Over 2,000 gallons, \$4.80 per 1,000 gallons

Commercial rates:

\$25.00 per month for the first 2,000 gallons
Over 2,000 gallons, \$7.80 per 1,000 gallons

LEWISBURG-BELLEVUE WATER SYSTEM, INC.
LEWISBURG, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE (4) - PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment of Lewisburg-Bellevue Water System, Inc. at December 31, 2024, is as follows:

| <u>Description</u> | <u>2024</u> |
|--|------------------------------|
| Total depreciable assets (Water distribution system, furniture and equipment) | \$ 7,416,676 |
| Accumulated depreciation | <u>(3,383,960)</u> |
| Net | 4,032,716 |
| Land (at cost) | <u>130,294</u> |
| <u>Total</u> | <u><u>4,163,010</u></u> |
| Depreciation | <u><u>\$ 214,559</u></u> |
| <u>Changes during the year</u> | |
| Asset additions | <u><u>\$ 315,170</u></u> |

NOTE (5) - RETIREMENT PLAN

Simple IRA

Effective January 1, 2018, Lewisburg-Bellevue Water System established a Simple IRA plan which is a defined contribution plan. This plan provides limited eligibility to employees who have completed the applicable probationary period. All contributions made under this plan are fully vested and non-forfeitable. The plan may not be amended except to modify entries inserted in blanks or boxes provided in general eligibility requirements, timing of salary reductions elections, procedures for withdrawals and transfers by the designated financial institution, and the plan effective date. Employees are allowed to contribute up to 5% of their compensation for the year. Lewisburg-Bellevue Water System will match the contribution up to a limit of 3% of employee compensation for the year. There are no assets accumulated in a trust under this plan.

Lewisburg-Bellevue's employer contributions for the year ended December 31, 2024 was \$4,491. The employee contributions for the year ended December 31, 2024 was \$7,485.

LEWISBURG-BELLEVUE WATER SYSTEM, INC.
LEWISBURG, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE (6) - LONG-TERM DEBT

The following is a summary of long-term debt at December 31:

2024

Home Bank

Construction note payable dated August 6, 2021 was converted to a new loan on November 16, 2023, in the original amount of \$1,381,388.31 secured by property, equipment, inventory and a certificate of deposit. The loan requires monthly principal payments with the first one due November 2023 and the last one due October 2043. The loan has an interest rate of 4.5%.

\$ 1,324,814

Total notes payable

1,324,814

Changes in Long-term Debt:

2024

Long-term debt at January 1, 2024 \$ 1,369,712

Additions -

Payments (44,898)

Long-term debt at December 31, 2024 \$ 1,324,814

Long-term debt obligations mature as follows:

| | |
|------------------|----------------------|
| 2025 | \$ 45,947 |
| 2026 | 48,058 |
| 2027 | 50,266 |
| 2028 | 52,575 |
| 2029 | 54,991 |
| 2030-2034 | 315,248 |
| 2035-2040 | 394,627 |
| 2040-2043 | <u>363,102</u> |
| <u>Total</u> | <u>1,324,814</u> |

NOTE (7) - CONTRACTS WITH CUSTOMERS

The Water System's revenue is recognized as performance obligations are satisfied, which is on a monthly basis as billed. Customers are billed monthly between the 21st and the 23rd of the month for the water delivered during the month and payments are due by the 10th of the following month. All other revenues from customers, such as connection charges and memberships, are recorded when collected. The receivable for water fees was \$216,363 at the beginning of the December 31, 2024, fiscal year. The renters and members deposit payable was \$145,555 at the beginning of the December 31, 2024 fiscal year.

LEWISBURG-BELLEVUE WATER SYSTEM, INC.
LEWISBURG, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE (8) - COMPENSATION PAID TO BOARD OF DIRECTORS

The following is a list of the Board of Directors and the compensation paid for each member for the year ended December 31, 2024.

| | Term Expires | 2024 |
|---|-----------------|---------------|
| Seth Ortego, President | 3/2026 | \$ 7,058 |
| Robert Marks, Vice President | 3/2025 | 7,175 |
| Derrick Comeaux, Treasurer | 3/2026 | 14,871 |
| Marcella Fisher, Secretary | 3/2027 | 5,282 |
| Jonathan Boyd, Board Member | 3/2027 | 2,982 |
| Velton Stelly, Board Member | 3/2025 | 3,771 |
| Donald Dugas, Board Member | 3/2025 | 3,740 |
| Glenn Carter, Board Member | 3/2026 | 3,971 |
| Billy Smith, Board Member | 3/2027 | - |
| Stanley Darbonne, Former Board Member | 3/2024 | 4,391 |
| Seth Robin, Former Board Member | 3/2024 | 647 |
| Ferdinand Lavergne, Former Board Member | 3/2024 | 747 |
| <u>Total compensation paid</u> | | <u>54,635</u> |

LEWISBURG-BELLEVUE WATER SYSTEM, INC.
LEWISBURG, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE (9) – CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially expose the Water System to concentrations of credit risk consist primarily of cash equivalents which are maintained at high quality financial institutions which provide \$250,000 of insurance by the Federal Deposit Insurance Corporation (FDIC) per depositor at each financial institution. At December 31, 2024, there were deposits totaling \$1,192,094 in excess of FDIC coverage.

NOTE (10) – SUBSEQUENT EVENTS

Subsequent events were evaluated through March 25, 2025, which is the date the financial statements were available to be issued. In July 2024, the Water System was awarded a direct appropriation of state funds from the Louisiana Department and the Treasury in the amount of \$490,000 for the purpose of refurbishing the existing water tower and installing a new water metering system to enhance the reliability, efficiency and accuracy of the water distribution infrastructure. The Water System received the first of three installments of funds in the amount of \$245,000 on December 28, 2024. The remaining two installments totaling \$245,000 will be received by June 30, 2025. In December 2024, the Water System was awarded \$450,000 in capital outlay funds from the State of Louisiana Division of Administration to be used on water system infrastructure and water tower refurbishment. There is a 25% match requirement which the Water System has secured. The funds will be received in one lump sum payment once bidding for the project is complete and a contractor is chosen by the Water System. The total cost of the project is expected to be \$1,035,000. The Water System will use local funds to fund the excess cost of the project, over \$450,000.