

**SPRING BAYOU WATER WORKS DISTRICT
MARKSVILLE, LOUISIANA**

**FINANCIAL STATEMENTS
DECEMBER 31, 2024**

**DUCOTE & COMPANY
Certified Public Accountants
P. O. Box 309
219 North Washington St.
Marksville, LA71351**

**SPRING BAYOU WATER WORKS DISTRICT
MARKSVILLE, LOUISIANA
As of and for the Year Ended December 31, 2024**

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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Spring Bayou Water Works District
Marksville, Louisiana
Avoyelles Parish, Louisiana

Management is responsible for the accompanying financial statements of the business-type activities of the Spring Bayou Water Works District, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The accompanying schedule of compensation, benefits and other payments to the agency head and supplementary data required by USDA are presented for purposes of additional analysis and are not required parts of the basic financial statements. This information is the representation of management. This information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information, and accordingly, do not express an opinion, a conclusion, nor provided any assurance on such information.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement basic financial statements. The Management Discussion and Analysis, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content.

We are not independent with respect to the Spring Bayou Water Works District.

Ducote & Company
Certified Public Accountants
Marksville, Louisiana
June 5, 2025

BASIC FINANCIAL STATEMENTS

SPRING BAYOU WATER WORKS DISTRICT
Marksville, Louisiana
Statement of Net
Position
December 31, 2024

ASSETS

Cash and cash equivalents	\$ 14,337
Accounts receivables	7,414
Restricted assets - cash and cash equivalents	33,906
Capital assets:	
Land	500
Machinery and equipment (net of accumulated depreciation)	<u>344,292</u>
TOTAL ASSETS	<u><u>400,449</u></u>

LIABILITIES

Accounts payable	3,898
Accrued interest payable	75
Notes payable, due within one year	5,276
Long term liabilities:	
Notes payable, due in more than one year	<u>161,149</u>
TOTAL LIABILITIES	<u><u>170,398</u></u>

NET POSITION

Invested in capital assets, net of related debt	183,643
Restricted for:	
Debt service	33,906
Unrestricted	<u>12,502</u>
TOTAL NET POSITION	<u><u>\$230,051</u></u>

See accompanying notes and accountants' compilation report.

SPRING BAYOU WATER WORKS DISTRICT
Marksville, Louisiana
Statement of Revenues, Expenses,
And Changes in Fund Net Position
Year Ended December 31, 2024

OPERATING REVENUES

Charges for services	\$101,651
Membership dues	1,150
	<hr/>
Total operating revenues	102,801
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OPERATING EXPENSES

Water purchased	43,608
Billing and professional fees	12,511
Casual labor	6,600
Depreciation	14,555
Insurance	3,084
Repairs and maintenance	2,815
Supplies	3,204
Utilities	861
Other costs	4,043
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Total operating expenses	91,281
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OPERATING INCOME (LOSS)	11,520
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NON-OPERATING REVENUES (EXPENSES)

Interest income	258
Interest expense	(7,188)
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Total non-operating revenues (expenses)	(6,930)
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Change in net position	4,590
	<hr/>
Net Position, beginning of year	225,461
	<hr/>
Net Position, end of year	\$230,051
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See accompanying notes and accountants' compilation report.

SPRING BAYOU WATER WORKS DISTRICT
Marksville, Louisiana
Statement of Cash Flows
Year Ended December 31, 2024

Cash Flows from Operating Activities

Receipts from customers	\$101,938
Payments to suppliers for goods and services	<u>(76,531)</u>
Net cash provided (used) in operating activities	<u>25,407</u>

Cash Flows from Capital and Related Financing Activities:

Principal payment on bonds	(5,057)
Interest paid on bonds	<u>(7,189)</u>
Net cash provided (used) in capital and related financing activities	<u>(12,246)</u>

Cash flows from Investing Activities:

Interest received	<u>258</u>
Net cash provided (used) in investing activities	<u>258</u>

Net Increase (Decrease) in Cash and Cash Equivalents 13,419

Cash and cash equivalents, beginning of year 34,824

Cash and cash equivalents, end of year \$48,243

**Reconciliation of operating income to net cash
provided (used) by operating activities:**

Operating income (loss)	11,520
Adjustments to reconcile net earnings to net cash provided (used) by operating activities	
Depreciation	14,555
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(952)
Increase (decrease) in accounts payable	<u>284</u>

Net cash provided by operating activities \$25,407

See accompanying notes and accountants' compilation report.

**SPRING BAYOU WATER WORKS DISTRICT
MARKSVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024**

INTRODUCTION

The Spring Bayou Water Works District, Marksville, Louisiana was incorporated on October 9, 1990, under the provision of the Louisiana Revised Statutes 33:3814, by the Avoyelles Parish Police Jury. The District operates under a President-Board form of government, whose appointments are made by the Avoyelles Parish Police Jury. The members of the board receive \$15 per meeting attended. The District is responsible for maintaining and operating a water system within the boundaries of the district.

GASB Statement No. 14, *The Reporting Entity*, as amended by GASB Statement No. 39 and No 61, the Spring Bayou Water Works District is considered a component unit of the Avoyelles Parish Police Jury. As a component unit, the accompanying financial statements may be included within the reporting entity of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

A. FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the District is considered a special-purpose government engaged solely in the business-type activities. As such, it presents the following financial statements:

1. Management's discussion and analysis (MD&A) – omitted, see accompanying compilation report.
2. Statement of net position
3. Statement of revenues, expenses and changes in net position
4. Statement of cash flows
5. Notes to the financial statements
6. Required supplementary information, if applicable

**SPRING BAYOU WATER WORKS DISTRICT
MARKSVILLE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The District's enterprise fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing related to cash flows.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating expenses of the Spring Bayou Water Works District include the costs of the services, administrative expenses, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the department may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

D. RECEIVABLES

All receivables are generally shown net of an allowance for uncollectible accounts. These statements contain no provision for uncollectible accounts. The District is of the opinion that such an allowance would be immaterial to the financial statements taken as a whole.

**SPRING BAYOU WATER WORKS DISTRICT
MARKSVILLE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

E. NET POSITION

In accordance with GASB 63, equity is classified as net position and displayed in three components:

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

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

Unrestricted net position – all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

F. CAPITAL ASSETS

Capital assets, which include land, the water system, buildings, and equipment are reported in the enterprise fund financial statements. All of the District's capital assets are capitalized at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

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

	<u>Estimated Lives</u>
Infrastructure – water system	25 - 40 years
Buildings	25 years
Equipment	5 – 10 years

G. LONG-TERM OBLIGATIONS

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

**SPRING BAYOU WATER WORKS DISTRICT
MARKSVILLE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

H. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 2024 the District has cash and cash equivalents (book balances) as follows:

Demand Deposits	<u>\$48,243</u>
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These deposits are stated at cost, which approximates market.

Custodial Credit Risk: is the risk that in the event of a bank failure, the District's deposits may not be returned to it. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent institution. The District had no custodial credit risk at December 31, 2024.

At December 31, 2024, the District has \$48,243 in deposits (collected bank balances):

Depository Account

Insured	\$ 48,243
Collateralized	
Collateral held by the pledging bank's trust department, not in the District's name	0
Uninsured and uncollateralized	0
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	\$ 48,243

**SPRING BAYOU WATER WORKS DISTRICT
MARKSVILLE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

Although pledged securities are considered uncollateralized under the provisions of GASB Statement 3, LA R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. The funds on deposit shall be collateralized an amount at all times equal to 100% by pledged "approved securities" as specified by LA R.S. 39:1225, as amended, to protect the funds of the District. The District does not have a formal written policy for custodial credit risk.

NOTE 3. ACCOUNTS RECEIVABLE

At December 31, 2024, the District has net receivables of \$7,414 as follows:

Water user fees	\$7,414
Allowance for uncollectible accounts	<u>0</u>
Net Receivables	<u>\$7,414</u>

Management considers all amounts collectible at year-end and has not established an allowance.

NOTE 4. LONG-TERM NOTES PAYABLE

The following is a summary of long-term debt (revenue bonds payable) activity for the year ended December 31, 2024:

Revenue bonds payable, January 1, 2024	\$ 171,482
Additions	0
Reductions	<u>(5,056)</u>
Revenue bonds payable, December 31, 2024	<u>\$ 166,426</u>

**SPRING BAYOU WATER WORKS DISTRICT
MARKSVILLE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. LONG-TERM NOTES PAYABLE (continued)

Outstanding debt at December 31, 2024, in the amount of \$166,426, is a revenue bond payable with maturities from 2025 until 2045 and an interest rate 4.25%. Loan principal and interest payable in the next fiscal year are \$5,277 and \$6,970, respectively. The bond issue is as follows:

	\$233,000
	Bond
Original Issue Date	5/24/2005
Interest Rate	4.25%
Final Payment Date	2045
Interest to Maturity	\$ 82,245
Principal Outstanding	\$ 166,426
Funding Source	Water Fees

The loan is due as follows:

Year Ending December 31	Principal	Interest	Total
2025	\$5,277	\$6,969	\$12,246
2026	\$5,505	\$6,741	\$12,246
2027	\$5,744	\$6,502	\$12,246
2028	\$5,993	\$6,253	\$12,246
2029	\$6,253	\$5,993	\$12,246
2030-2045	\$137,654	\$49,787	\$187,441
	<u>\$166,426</u>	<u>\$82,245</u>	<u>\$248,671</u>

**SPRING BAYOU WATER WORKS DISTRICT
MARKSVILLE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. RESTRICTED ASSETS

The bond covenant for the 2005 water revenue bond issues, as discussed in Note 4 above, requires the District to establish the following reserve accounts:

Water Reserve Fund - The District must transfer \$28 each month to the Reserve Fund until the account reaches a balance of \$12,246.

Contingency Fund - The District must transfer \$51 each month to the contingency fund, until the account reaches a balance of \$12,246.

As of December 31, 2024, the District was in compliance with the reserve requirements for the bond issue and both funds were fully funded.

NOTE 6. CAPITAL ASSETS

A summary of changes in general fixed assets for 2024 as follows:

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
Land	\$500	\$0	\$0	\$500
Building	15,000	0	0	15,000
Water System	632,792	0	0	632,792
Total Capital Assets	648,292	0	0	648,292
Less Accum Depr	(288,945)	(\$14,555)	\$0	(303,500)
Net Capital Assets	<u>\$359,347</u>			<u>\$344,792</u>

**SPRING BAYOU WATER WORKS DISTRICT
MARKSVILLE, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. BOARD MEMBER PER DIEM

Name	Address	Telephone	Position	Per Diem
Donna Desoto	172 Fins & Feathers, Marksville, LA 71351	318-253-8709	President	\$ 165
James Desoto	172 Fins & Feathers, Marksville, LA 71351	318-253-8709	Vice President	165
Michael Kelly	304 Dr Michel Rd, Marksville, LA 71351	318-308-5317	Sec/Treas	180
Charles Riddle	419 N Monroe St, Marksville, LA 71351	318-359-0244	Board Member	15
Dale Lambert	760 Boggy Bayou Rd., Marksville, LA 71351	318-253-0564	Board Member	180

NOTE 8. LITIGATION AND CONTINGENCIES

At December 31, 2024, the Spring Bayou Water Works District, Marksville, Louisiana was not involved in any litigation that would materially affect the financial statements.

NOTE 9. SUBSEQUENT EVENTS

Effective January 1, 2025, the officers and board members are:

Name	Address	Position
Marcus Gagnard	199 JJ Lane, Marksville, LA 71351	President
Charles Riddle	419 N Monroe St, Marksville, LA 71351	Vice President
Michael Kelly	304 Dr Michel Rd, Marksville, LA 71351	Treasurer
Donna Laborde	262 JJ Lane, Marksville, LA 71351	Secretary
Dale Lambert	760 Boggy Bayou Rd., Marksville, LA 71351	Board Member

SUPPLEMENTAL INFORMATION

**SPRING BAYOU WATER WORKS DISTRICT
MARKSVILLE, LOUISIANA
SCHEDULE 1**

**SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD**

**December 31, 2024
(Without Audit)**

Agency Head: Donna Desoto, President

<u>Purpose</u>	<u>Amount</u>
Per Diem	\$165
	\$165

**SPRING BAYOU WATER WORKS DISTRICT
MARKSVILLE, LOUISIANA
Schedule 2 - Supplemental Data Required by USDA
(Without Audit)
December 31, 2024**

1. All Borrowers

- a. Are deposited funds in institutions insured by the Federal Government? Yes
b. Are you exempt from Federal Income Tax? Yes
c. Are Local, State, and Federal taxes paid current? Yes
d. Is corporate status in good standing with the State? Yes
e. List kinds and amounts of insurance and fidelity bonds:

Insurance Coverage	Policy No	Company	Amount Of Coverage	Expiration Date of Policy
Property Ins	2AA366177	First Insurance	\$ 100,000	July 2025
Liability Ins	2AA366177	First Insurance	\$ 2,000,000	July 2025
Fidelity Bond	66457366	Universal Surety	\$ 40,000	November 2025
	66457408	Universal Surety	\$ 40,000	November 2025
	66457392	Universal Surety	\$ 40,000	November 2025

2. Recreation and Grazing Association Borrowers Only

Not applicable

3. Water and/or Sewer Utility Borrowers Only

Water Utility:

- a. Water purchased or produced (CU FT – GAL) 8,433,390 GAL
b. Water Sold (CU FT – GAL) 8,059,240 GAL
d. Number of users – water 289

4. Water Rates

Commercial and Residential Rates as of December 31, 2024:

\$20.00 Monthly Minimum for first 1,000 gallons
\$6.75 Per each additional 1,000 gallons

5. Other Utilities

Not applicable

6. Health Care Borrowers Only

Not applicable

7. Distribution of All Cash and Investments

	Construction	Revenue	Debt Svc	Contingency	Reserve	All Others	Total
Cash Accts	\$0	\$14,337	\$0	\$0	\$0	\$0	\$14,337
Savings	0	0	0	20,133	13,773	0	33,906
	<u>\$0</u>	<u>\$14,337</u>	<u>\$0</u>	<u>\$20,133</u>	<u>\$13,773</u>	<u>\$0</u>	<u>\$48,243</u>

8. Aged Accounts Receivable

	0-30	31-60	61-90	91 & Older	Total
Dollar Values	<u>\$7,414</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>7,414</u>
Number of Accts	<u>289</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>289</u>