

*Financial Report*

*Consolidated Waterworks District No. 1  
of the Parish of Terrebonne,  
State of Louisiana  
Houma, Louisiana*

*June 30, 2025*



*Financial Report*

*Consolidated Waterworks District No. 1  
of the Parish of Terrebonne,  
State of Louisiana  
Houma, Louisiana*

*June 30, 2025*

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June 30, 2025

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**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR’S REPORT**

To the Board of Commissioners,  
Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana,  
Houma, Louisiana.

### **Opinion**

We have audited the accompanying financial statements of the Consolidated Waterworks District No. 1 of the Parish of Terrebonne, State of Louisiana (the “District”), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2025, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2025 and the respective changes in net position and cash flows in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. 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 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 the 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 District's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently know 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 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 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 District'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, which raise substantial doubt about the District'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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Changes in the District's Total OPEB Liability and Related Ratios, the Schedule of the District's Proportionate Share of the Net Pension Liability (Asset) and the Schedule of District Contributions on pages 5 through 9, 41, 42, and 43 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries with management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the District's basic financial statements. The information contained in Schedules 1 through 12 on pages 44 through 60 for the year ended June 30, 2025 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule 13 found of page 66, is presented for the purposed of additional analysis as required by the *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also 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. That information, except for Schedules 6 through 9 on pages 54 through 57 marked "unaudited", 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 financial statements and 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 information is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2025, as a whole. Schedules 6 through 9 on pages 54 through 57 marked "unaudited" have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, 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, the statement of net position of the District as of June 30, 2024, 2023, 2022, and 2021, and the related statement of revenues, expenses and changes in net position for each of the four years then ended (none of which is represented herein), and have issued our reports thereon dated December 11, 2024, December 4, 2023, December 14, 2022, and January 27, 2022, respectively, which contained an unmodified opinion on those financial statements. The information contained in Schedules 10 through 12 on pages 58 through 60 for the years ended June 30, 2024, 2023, 2022, and 2021 is also presented for additional analysis and not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the accounting and other records used to prepare the financial statements as of and for the years ended June 30, 2024, 2023, 2022, and 2021. The information for the years ended June 30, 2024, 2023, 2022, and 2021, in Schedules 10 through 12 on pages 58 through 60 has been subjected to auditing procedures applied in the audits of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepared those financial statements or to those financial statements themselves, and other procedures in accordance with auditing procedures generally accepted in the United States of America. In our opinion, the information presented in Schedules 10 through 12 on pages 58 through 60 for the years ended June 30, 2024, 2023, 2022, and 2021 is fairly stated in all material respects in relation to the financial statements as a whole from which it has been derived.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, on our consideration of Consolidated Waterworks District No. 1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is 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 District'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 the District's internal control over financial reporting and compliance.



Certified Public Accountants.

Houma, Louisiana,  
December 1, 2025.

# **MANAGEMENT’S DISCUSSION AND ANALYSIS**

## **Consolidated Waterworks District No. 1 of the Parish of Terrebonne, State of Louisiana Houma, Louisiana**

June 30, 2025

This section of the District’s financial report presents our analysis of the District’s financial performance during the year ended June 30, 2025. Please read it in conjunction with the financial statements which follow this section.

### **FINANCIAL HIGHLIGHTS**

- The District’s change in net position was an increase of \$6.2 million.
- During the year ended June 30, 2025, the District’s operating revenues increased by \$1.7 million or 7.80%.
- Net non-operating revenue decreased by \$1.8 million or 38.30%.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report consists of six parts: Management’s Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, Supplementary Information and Special Reports by Certified Public Accountants and Management. The financial statements also include notes to the financial statements, which explain some of the information in the financial statements in more detail.

### **REQUIRED BASIC FINANCIAL STATEMENTS**

The financial statements of the District report information about the District using accounting methods similar to those used by private sector businesses. These statements offer short and long-term financial information about the District’s activities.

The Statement of Net Position includes all of the District’s assets, deferred outflows of resources, liabilities and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and the obligations to the District’s creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the year’s revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District’s operations over the year and can be used to determine whether the District has successfully recovered all its costs through its fees and other charges, profitability and credit worthiness.

**REQUIRED BASIC FINANCIAL STATEMENTS (Continued)**

The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments throughout the year. This statement reports cash receipts, cash payments and net changes in cash resulting from operations, investing, and financing activities.

**FINANCIAL ANALYSIS OF THE DISTRICT**

The statement of net position and the statement of revenues, expenses and changes in net position report information in a way that the reader can determine if the District is in a better financial position as a result of the year's activities. These statements report the net position of the District and changes in it. The net position (difference between assets and deferred outflows of resources, liabilities and deferred inflows of resources) can be used to measure financial health or financial position. Over time, increases and decreases in the District's net position are one indicator as to whether its financial health is improving or deteriorating. There are other non-financial factors to consider, such as changes in economic conditions, population growth and new or changed government legislation.

**NET POSITION**

To begin our analysis, a summary of the District's statement of net position is presented below:

**Condensed Statements of Net Position**  
**(In millions of dollars)**

	June 30,		Dollar Change	Total Percent Change
	2025	2024		
Current and other assets	\$ 39.5	\$ 34.8	\$ 4.7	13.51%
Capital assets	102.1	101.4	0.7	0.69%
Deferred outflows of resources	3.2	4.2	(1.0)	-23.81%
Total assets and deferred outflows of resources	<u>\$144.8</u>	<u>\$140.4</u>	<u>\$ 4.4</u>	3.13%
Long-term debt and obligations outstanding	\$ 21.4	\$ 23.4	\$(2.0)	-8.55%
Current and other liabilities	4.5	5.0	(0.5)	-10.00%
Deferred inflows of resources	3.5	2.8	0.7	25.00%
Total liabilities and deferred inflows of resources	<u>29.4</u>	<u>31.2</u>	<u>(1.8)</u>	-5.77%
Investment in capital assets	87.6	86.0	1.6	1.86%
Restricted	8.4	8.0	0.4	5.00%
Unrestricted	19.4	15.2	4.2	27.63%
Total net position	<u>115.4</u>	<u>109.2</u>	<u>6.2</u>	5.68%
Total liabilities and net position	<u>\$144.8</u>	<u>\$140.4</u>	<u>\$ 4.4</u>	3.13%

**NET POSITION (Continued)**

As can be seen from the previous table, net position increased \$6.2 million to \$115.4 million for the year ended June 30, 2025. This increase reflects capital projects, unrestricted net position (those that can be used to finance day-to-day operations) and restricted net position. Long-term debt and obligations decreased by \$2.0 million as a result of payments of bond principle.

**Condensed Statements of Revenues,  
Expenses and Changes in Net Position**  
(In millions of dollars)

	June 30,		Dollar Change	Total
	2025	2024		Percent Change
Operating revenues	\$ 23.5	\$ 21.8	\$ 1.7	7.80%
Non-operating revenues	2.9	4.7	(1.8)	-38.30%
Total revenues	<u>26.4</u>	<u>26.5</u>	<u>(0.1)</u>	-0.38%
Depreciation	4.1	4.1	-	0.00%
Other operating expenses	15.8	15.7	0.1	0.64%
Non-operating expenses	0.4	0.5	(0.1)	-20.00%
Total expenses	<u>20.3</u>	<u>20.3</u>	<u>0.0</u>	0.10%
Change in net position before capital contributions	6.1	6.2	(0.1)	-1.61%
Capital contributions	0.1	1.7	(1.6)	-94.12%
Change in net position	<u>6.2</u>	<u>7.9</u>	<u>(1.7)</u>	-21.52%
Beginning net position	109.2	101.3	7.9	7.80%
Ending net position	<u>\$ 115.4</u>	<u>\$ 109.2</u>	<u>\$ 6.2</u>	5.68%

The Statement of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of changes in net position. The District's operating revenues increased by \$1.7 million to \$23.5 million or 7.80% primarily due to increases in customer sales and services as a result of \$5 minimum charge increase effective May 2023 and through 2024. Non-operating revenues decreased by \$1.8 million primarily due to a decrease in intergovernmental revenue due to only receiving funds from the State through the Water Sector Program. No additional FEMA reimbursements were received during fiscal year 2025. The District's capital contributions decreased as a result of decreases in the amount of donated waterlines as compared to fiscal year 2024.

**HIGHLIGHTS**

As required by revenue bond resolutions, the District adopts a line-item budget no later than 30 days prior to the start of the following year. The budget is reviewed and amended as needed. During the year ended June 30, 2025, the budget was amended in the third and fourth quarters. The amendments reflected a decrease in operating income of \$361,300 associated with a decrease in operating revenues of \$5,200 and an increase in operating expenses of \$356,100 with less than anticipated personal services of \$344,200 and more than anticipated other services and charges of \$544,800. A more detailed analysis of the District's budget is presented in the supplemental information section of this report.

**CAPITAL ASSETS**

As of June 30, 2025, the District had invested \$200.6 million in a broad range of infrastructure including water plants at Schriever and Houma and a distribution system throughout the Parish. In addition, the District's capital assets include a warehouse, administration facilities, vehicles, furniture and equipment as shown below. This amount represents an increase of \$4.8 million, or 2.4%, over last year.

**Capital Assets**  
**(In millions of dollars)**

	<u>June 30,</u>		<u>Dollar</u> <u>Change</u>	<u>Total</u>
	<u>2025</u>	<u>2024</u>		<u>Percent</u> <u>Change</u>
Land	\$ 0.7	\$ 0.6	\$0.1	16.7%
Water plant	47.1	46.6	0.5	1.1%
Distribution system	144.4	135.5	8.9	6.6%
Administrative building	4.1	4.1	-	0.0%
Plant equipment	0.9	0.9	-	0.0%
Furniture and equipment	1.1	1.0	0.1	10.0%
Automobiles and trucks	1.9	1.6	0.3	18.8%
Construction in progress	0.4	5.5	(5.1)	-92.7%
Subtotal	<u>200.6</u>	<u>195.8</u>	<u>4.8</u>	<u>2.5%</u>
Less accumulated depreciation	98.5	94.4	4.1	4.3%
Net book value	<u>\$102.1</u>	<u>\$101.4</u>	<u>\$0.7</u>	<u>0.7%</u>

This year's capital improvements included:

- Facility improvements at water plants.
- Distribution system equipment purchases and improvements.
- Various furniture and equipment purchases.
- Purchase of four service vehicles.
- Waterlines donated by developers.
- Purchase of meter and meter reading equipment.

## **LONG-TERM DEBT AND OBLIGATIONS**

As of June 30, 2025, the District had approximately \$14.4 million in long-term debt (water revenue bonds). Also in the fiscal year, the District paid \$1.0 million in principal payments on outstanding debt. More detailed information about the District's long-term debt is presented in Note 6 to the financial statements.

The District's water revenue bonds maintain an AA-/Stable rating from Standard and Poor's Rating Service.

Bond covenants allow for the issuance of additional debt, on a parity basis, subject to certain conditions. The major criterion is that annual net revenues must be at least 1.32 times the highest combined annual principal and interest requirements. The District currently carries a coverage ratio of 4.11 up from last year's ratio of 3.23.

As of June 30, 2025, the District's obligation for postemployment health care was \$8.1 million, which is an decrease of \$1.0 million for the year ended June 30, 2024. More information on the District's postemployment health care obligation is presented in the Note 7 to the financial statements.

As of June 30, 2025, the District's proportional share of the net pension (liability) asset amounted to \$0.66 million a \$0.70 million increase from the year ended June 30, 2024. More information on the District's proportional share of the net pension asset of the Parochial Employees Retirement System is presented in the Note 8 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The District's Board of Commissioners and management considered many factors when setting the fiscal year 2026 budget. Some of those factors are the economy of Terrebonne Parish and the increased inflation rate. The Water System Fund, which is the operating fund of the District, projects revenue of \$24,157,000 which is a decrease of \$35,400 from the original budgeted income for fiscal year ending June 30, 2025. Stagnant revenue is a result of slow customer growth over the last several years. Projected expenses are \$20,436,900 which is driven by an overall increase in inflation along with COLA increases for personal services and increase in insurance costs by up to 20% as well as an anticipated increase in chemical costs, use of cellular meter reading technology, and outsourced bill printing costs.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. If you have questions about this report or need additional financial information, contact Consolidated Waterworks District No. 1 Terrebonne Parish Consolidated Government, State of Louisiana, Office Manager, P. O. Box 630, Houma, LA 70361.

**STATEMENT OF NET POSITION**

**Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana**

Houma, Louisiana

June 30, 2025

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

**Current**

Cash and cash equivalents	\$ 22,616,296
Accounts receivable:	
Customers	1,534,546
Unbilled water sales	2,603,328
Other	229,587
Allowance for uncollectible accounts	(477,525)
Interest receivable	115,244
Inventory of materials and supplies	<u>1,336,875</u>
Total current assets	<u>27,958,351</u>

**Restricted Cash and Cash Equivalents**

Meter Deposit Fund	2,660,260
Revenue Bond Sinking Fund	870,094
Bond Reserve Fund	2,094,379
Depreciation and Contingencies Fund	<u>5,353,457</u>
Total restricted cash and cash equivalents	<u>10,978,190</u>

**Capital Assets**

Non-depreciable	1,106,582
Depreciable, net	<u>100,961,840</u>
Total capital assets	<u>102,068,422</u>

**Net Pension Asset**

	<u>657,934</u>
Total assets	<u>141,662,897</u>

**Deferred Outflows of Resources**

Bond refunding	258,531
Other postemployment benefits	2,497,445
Pensions	<u>436,674</u>
Total deferred outflows of resources	<u>3,192,650</u>
Total assets and deferred outflows of resources	<u>\$ 144,855,547</u>

See notes to financial statements.

**LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

**Current**

Payable from current assets:	
Accounts payable and accrued expenses	\$ 753,239
Payable from restricted assets:	
Accrued interest on bonds	69,525
Revenue bonds:	
Bonds payable	1,060,000
Meter deposits	2,660,260
	3,789,785
Total current liabilities payable from restricted assets	3,789,785
Total current liabilities	4,543,024

**Long-Term**

Revenue bonds:	
Bonds payable	13,368,052
Other postemployment benefit obligation	8,065,095
	21,433,147
Total long-term liabilities	21,433,147
Total liabilities	25,976,171

**Deferred Inflows of Resources**

Other postemployment benefits	3,222,377
Pensions	295,274
	3,517,651
Total deferred inflows of resources	3,517,651
Total liabilities and deferred inflows of resources	29,493,822

**Net Position**

Net investment in capital assets	87,640,370
Restricted for:	
Debt service	2,964,473
Renewal and replacement	5,353,457
Unrestricted	19,403,425
	115,361,725
Net position	115,361,725

Total liabilities, deferred inflows of resources and net position	\$ 144,855,547
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**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION**

**Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana**

Houma, Louisiana

For the year ended June 30, 2025

**OPERATING REVENUES**

Revenues from water sales and services	\$ 22,748,322
Other operating revenues	736,231

Total operating revenues	23,484,553
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**OPERATING EXPENSES**

Personal services	7,691,030
Supplies and materials	2,558,691
Other services and charges	5,565,845
Depreciation	4,081,500

Total operating expenses	19,897,066
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Operating income	3,587,487
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**NON-OPERATING REVENUES (EXPENSES)**

Investment income	1,225,928
Intergovernmental	1,641,004
Insurance proceeds	7,315
Bond interest	(438,743)

Net non-operating revenues	2,435,504
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Change in net position before capital contributions	6,022,991
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**CAPITAL CONTRIBUTIONS**

	135,000
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Change in net position	6,157,991
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**NET POSITION**

Beginning of year	109,203,734
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End of year	\$ 115,361,725
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See notes to financial statements.

**STATEMENT OF CASH FLOWS****Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana**

Houma, Louisiana

For the year ended June 30, 2025

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$ 22,731,178
Cash payments to suppliers for goods and services	(7,708,790)
Cash payments to employees for services and benefits	<u>(8,640,703)</u>

Net cash provided by operating activities	<u>6,381,685</u>
-------------------------------------------	------------------

**CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES**

Acquisition and construction of capital assets	(4,619,071)
Proceeds from insurance	7,315
Intergovernmental capital project grants	1,775,260
Principal paid on outstanding debt	(994,000)
Interest paid on outstanding debt	<u>(405,734)</u>

Net cash used in capital and related financing activities	<u>(4,236,230)</u>
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**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	<u>1,239,739</u>
-------------------	------------------

Net increase in cash and cash equivalents	3,385,194
-------------------------------------------	-----------

**CASH AND CASH EQUIVALENTS**

Beginning of year	<u>30,209,292</u>
End of year	<u><u>\$ 33,594,486</u></u>

**CLASSIFIED AS**

Current assets	\$ 22,616,296
Restricted assets	<u>10,978,190</u>

Total cash and cash equivalents	<u><u>\$ 33,594,486</u></u>
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**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

Operating income	<u>\$ 3,587,487</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	4,081,500
Bad debts	208,860
Other postemployment benefit obligations	(20,109)
Pension	(31,447)
(Increase) decrease in assets:	
Accounts receivable	(982,508)
Inventory of material and supplies	(81,917)
Prepaid insurance	22,658
(Decrease) increase in liabilities:	
Accounts payable and accrued expenses	(423,112)
Meter deposits	<u>20,273</u>
Total adjustments	<u>2,794,198</u>
Net cash provided by operating activities	<u><u>\$ 6,381,685</u></u>

**NON CASH OPERATING, CAPITAL AND RELATED FINANCING  
ACTIVITIES AND INVESTING ACTIVITIES**

Capital assets received in noncash capital contributions	<u><u>\$ 135,000</u></u>
----------------------------------------------------------	--------------------------

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana  
Houma, Louisiana**

June 30, 2025

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements conform to accounting principles generally accepted in the United States of America for local governmental units as prescribed by the Governmental Accounting Standards Board (GASB). The more significant of the District's accounting policies are described below:

**a) Reporting Entity**

Following Louisiana legislation passed in the 1992 session, the Terrebonne Parish Consolidated Government passed an ordinance creating the Consolidated Waterworks District No. 1 of the Parish of Terrebonne, State of Louisiana (the "District") for the purpose of providing water services to the citizens of Terrebonne Parish. On July 1, 1994 Waterworks District Nos. 1, 2, and 3 of Terrebonne Parish and the City of Houma water system transferred cash, investments and other net assets to the District.

GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*, GASB Statement No. 61, *The Financial Reporting Entity: omnibus and amendment of GASB Statement No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirement for Certain Component Units*, established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the District and the potential component unit.
4. Imposition of will by the District on the potential component unit.
5. Financial benefit/burden relationship between the District and the potential component unit.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Reporting Entity (Continued)**

The District has reviewed all of its activities and determined there are no potential component units which should be included in its financial statements.

It has been determined based upon the above criteria that the District is a component unit of the Terrebonne Parish Consolidated Government and will be included in its annual comprehensive financial report for the year ending December 31, 2025.

**b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The basic financial statements provide information about the District's business activities. The financial statements for business-type activities are also often referred to as enterprise fund financial statements.

"Measurement Focus" is an accounting term used to describe which transactions and types of balances are recorded within the various financial statements. The expression, "Basis of Accounting", refers to when transactions or events are recorded regardless of the measurement focus applied.

The District utilizes a single stand-alone enterprise fund for its business-type activities. The Fund is used to account for water intake, purification, distribution and sales activities, and the related administrative functions.

Because of the "businesslike" characteristics of operations, the accompanying financial statements report using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives of the "economic resources" measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Under full accrual accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred or economic asset used, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In governmental accounting, the enterprise fund is used to account for operations that are financed and operated in a manner similar to private business or where the Board of Directors has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

As the means for delivering services to its customers, the District utilizes water production plants and water distribution systems. To provide the resources that are necessary to pay for these utility services and the related support functions, the District charges its customers monthly user fees which are based on the specific level of services that they are receiving. Because the operations of the District closely mirror those of a typical, commercial company, its accounting records reflect a similar approach for measuring its business activity.

The District's various bond indentures require the establishment of certain accounts which are referred to as "funds". These required accounts are maintained as part of the accounting records of the District. They include the Revenue Bond Sinking Fund, Bond Reserve Fund, and Depreciation and Contingencies Fund. These are not "funds" as the term is used in generally accepted accounting principles but are separate "accounts" used to delineate the accounting and reporting for bond-related money and repayment security requirements.

The balances and activity that occur in these various accounts represent specific segments of the District as reported in the District's basic financial statements. Additional compliance information about these accounts is presented in Note 6 and a separate supplemental schedule that follow the basic financial statements.

The enterprise fund used by the District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues are charges to customers for sales and services that are provided to them. The District also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water system. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**c) Use of 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 and disclosures. Accordingly, actual results could differ from those estimates.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the District considers cash and cash equivalents to include amounts in checking accounts and investments in certificates of deposits with maturities of three months or less when purchased and the Louisiana Asset Management Pool (LAMP).

LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met.

**e) Accounts Receivable**

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Balances are considered past due 30 days from the invoice date. Management provides an allowance for probable uncollectible amounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable.

**f) Inventory of Material and Supplies**

Inventory of materials and supplies are valued at net realizable value, using the first-in first-out (FIFO) method, which approximates the average cost method.

**g) Restricted Assets**

Specific assets are required to be segregated as to use and are therefore identified as restricted assets. Certain assets are restricted pursuant to restrictions arising from various bond indenture agreements (See Note 6).

**h) Capital Assets**

Capital assets purchased or acquired with an original cost of \$1,000 or more are valued at historical costs or estimated cost if purchased or constructed. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized at completion of construction projects.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h) Capital Assets (Continued)**

Depreciation of all capital assets, excluding land and construction in progress, is calculated over the estimated useful lives using the straight-line method as follows:

Type of Capital Asset	Depreciation Range
Water plant	50 years
Water plant - filters	5 years
Distribution system	25 - 50 years
Distribution system - tank painting and improvements	3 years
Administrative building	20 years
Plant equipment	10 years
Furniture and equipment	5 - 10 years
Automobiles and trucks	5 years

**i) Long-Term Debt**

Long-term debt and other obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond payable balances are reported net of applicable bond premium and discount.

**j) Accumulated Unpaid Vacation and Sick Leave**

The District accrues vacation and sick leave benefits in the period earned. Full-time employees of the District shall be entitled to vacation with pay and shall accrue vacation time in the following manner:

After first year	Five days (40 hours)
After second year through fifth year	Ten days (80 hours)
After five years through tenth year	Thirteen days (104 hours)
After ten years through fifteen year	Seventeen days (136 hours)
After fifteen year through twenty years	Twenty days (160 hours)
Twenty one years or more	Twenty-three days (184 hours)

Employees may not accumulate and carry forward vacation time beyond the year earned, which is January 1 through the end of the last full pay period of December. Accumulated and unpaid vacation leave is due to the employee at the time of termination of employment. Although sick leave accumulates and is available for employees when needed, it does not vest nor is it payable at termination of employment.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows and inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting as deferred outflows of resources: bond refunding, OPEB and pension related deferred outflows. The District has two items that qualify for reporting as deferred inflows of resources: OPEB and pension related inflows of resources.

A bond premium or discount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized by the interest method over the shorter of the life of the refunded debt or the refunding debt. See Note 6 for additional information regarding bond refunding, See Note 7 for information regarding OPEB related deferred outflows and inflows of resources and Note 8 for information regarding deferred outflows and inflows of resources related to pensions.

**l) Contracts Payable**

Liability for work performed on contracts is recognized as the work is incurred.

**m) Revenues and Expenses**

Operating revenue and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities.

When an expense is incurred for purposes for which there are both restricted and unrestricted net assets available, it is the District's policy to apply those expenses to restricted assets to the extent such are available and then to unrestricted net position.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**n) Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana (the "System") and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**o) Net Position**

Net position comprised the various net earnings from operating income, non-operating revenues, expenses and capital contributions. Net position is classified into the following three components:

- **Net Investment in Capital Assets** - 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 net investment in capital assets.
- **Restricted** - This component of net position consists of constraints placed on net position use through external 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** - This component of net assets consists of net position that do not meet the definition of "restricted" or "net investment in capital assets".

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

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**p) New GASB Statements**

During the year ended June 30, 2025, the District implemented the following GASB Statements:

Statement No. 101, “*Compensated Absences*” provides guidance 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. This Statement did not affect the financial statements as of and for the year ended June 30, 2025.

Statement No. 102, “*Certain Risk Disclosures*” defines concentrations and constraints. The Statement also requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Additional disclosures are to be included if reporting criteria is met which will provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. This Statement did not affect the financial statements as of and for the year ended June 30, 2025.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 103, “*Financial Reporting Model Improvements*” provides guidance to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The Statement establishes new or modifies existing requirements related to Management’s Discussion and Analysis (MD&A), unusual or infrequent items, presentation of proprietary fund statement of revenues, expenses, and changes in fund net position, information about major component units in basic financial statements, and budgetary comparison information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has yet to determine the effect of this Statement on the financial statements.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**p) New GASB Statements (Continued)**

Statement No. 104, “*Disclosure of Certain Capital Assets*” provides guidance on the requirements of certain types of capital assets disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*”, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, “*Subscription-Based Information Technology Arrangements*”, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has yet to determine the effect of this Statement on the financial statements.

**Note 2 - BUDGET**

The Board of Commissioners of the District is required by revenue bond resolutions to adopt a line-item budget for the District within thirty days of the end of its fiscal year for the following year. The Board adopted a line-item budget for the year ended June 30, 2025. The budget was amended once during the year. The budget is prepared on a basis in accordance with accounting principles generally accepted in the United States of America. All revisions to the budget must be approved by the Board. The budget lapses at year-end.

**Note 3 - DEPOSITS AND INVESTMENTS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

**Bank Deposits**

State law requires deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The balances of deposits as of June 30, 2025 are as follows:

	Bank Balances	Reported Amount
Cash	\$ 7,495,658	\$ 6,682,069
Certificates of deposit	4,595,000	4,595,000
Totals	\$ 12,090,658	\$ 11,277,069

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District has a written policy for custodial credit risk. As of June 30, 2025, \$10,583,286 of the District’s bank balance of \$12,090,658 was exposed to credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent and are deemed to be held in the District’s name by state statutes.

As of June 30, 2025, cash and certificates of deposits were adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the District. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Note 3 - DEPOSITS AND INVESTMENTS (Continued)**

**Investments**

State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the LAMP.

As a means of limiting its exposure to fair value losses arising from interest rates, interest rate risk, the District's investment policy limits investments to securities with less than six months from the date of purchase unless the investment is matched to a specific cash flow. Due to this policy, we are showing all investments with maturity dates less than three months from the date of purchase as cash and cash equivalents.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange District.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns.* The District's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAM.

The District places no limit on the amount the District may invest with anyone issuer. Investments issued by or explicitly guaranteed by the U.S. Government, and external investment pools are exempt from concentration of credit risk exposures.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement

**Note 3 - DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. governments floating/variable rate investments.

The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP as of June 30, 2025 amounted to \$22,317,117 and are classified on the statement of net position as unrestricted and restricted "Cash and Cash Equivalents".

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Cash on hand	\$	300
Reported amount of deposits		11,277,069
Reported amount of investments		<u>22,317,117</u>
Total		<u><u>\$ 33,594,486</u></u>
Classified as:		
Current assets	\$	22,616,296
Restricted assets		<u>10,978,190</u>
Total		<u><u>\$ 33,594,486</u></u>

**Note 4 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Adjustments and Deletions	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 581,471	\$ 96,532	\$ -	\$ 678,003
Construction in progress	5,457,218	2,875,882	(7,904,521)	428,579
Total capital assets not being depreciated	<u>6,038,689</u>	<u>2,972,414</u>	<u>(7,904,521)</u>	<u>1,106,582</u>
Capital assets being depreciated:				
Water plant	44,851,819	126,053	-	44,977,872
Water plant - water filters	1,698,500	366,400	-	2,064,900
Distribution system	134,546,389	8,794,173	-	143,340,562
Distribution system - tank painting and improvements	1,055,645	81,160	-	1,136,805
Administrative building	4,058,503	-	-	4,058,503
Plant equipment	885,873	-	-	885,873
Furniture and equipment	1,058,600	46,532	-	1,105,132
Automobiles and trucks	1,594,862	271,860	-	1,866,722
Total capital assets being depreciated	<u>189,750,191</u>	<u>9,686,178</u>	<u>-</u>	<u>199,436,369</u>
Less accumulated depreciation for:				
Water plant	(23,870,315)	(725,810)	-	(24,596,125)
Water plant - water filters	(933,733)	(353,834)	-	(1,287,567)
Distribution system	(64,269,851)	(2,406,047)	-	(66,675,898)
Distribution system - tank painting and improvements	(708,008)	(146,879)	-	(854,887)
Administrative building	(2,093,679)	(145,333)	-	(2,239,012)
Plant equipment	(527,955)	(40,701)	-	(568,656)
Furniture and equipment	(787,074)	(96,221)	-	(883,295)
Automobiles and trucks	(1,202,414)	(166,675)	-	(1,369,089)
Total accumulated depreciation	<u>(94,393,029)</u>	<u>(4,081,500)</u>	<u>-</u>	<u>(98,474,529)</u>
Total capital assets being depreciated, net	<u>95,357,162</u>	<u>5,604,678</u>	<u>-</u>	<u>100,961,840</u>
Total capital assets, net	<u>\$ 101,395,851</u>	<u>\$ 8,577,092</u>	<u>\$ (7,904,521)</u>	<u>\$ 102,068,422</u>

Additions to the distribution system include the estimated fair value of newly completed waterlines donated to the District by developers. The donated waterlines amount to \$135,000 for the year ended June 30, 2025.

Reported as adjustments, \$7,904,521, are the completion and reclassification of capital projects to their functional asset groupings, which had been previously accounted for as construction in progress.

**Note 5 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses as of June 30, 2025 consisted of the following:

Vendors	\$ 366,618
Salaries and benefits	380,950
State of Louisiana	
Department of Revenue (sales tax)	<u>5,671</u>
Total	<u><u>\$ 753,239</u></u>

**Note 6 - LONG-TERM OBLIGATIONS**

Activity in long-term obligations for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Obligations Retired	New Issues	Balance June 30, 2025	Current Amounts
Revenue bonds	\$ 15,422,052	\$ (994,000)	\$ -	\$ 14,428,052	\$ 1,060,000
Net pension liability	38,703	(38,703)	-	-	-
Other postemployment benefits	<u>9,019,218</u>	<u>(954,123)</u>	<u>-</u>	<u>8,065,095</u>	<u>-</u>
Totals	<u><u>\$ 24,479,973</u></u>	<u><u>\$ (1,986,826)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,493,147</u></u>	<u><u>\$ 1,060,000</u></u>

**Note 6 - LONG-TERM OBLIGATIONS (Continued)**

Revenue bonds as June 30, 2025 consisted of the following:

Revenue Refund Bonds Series 2019 payable in the amount of \$14,320,000, issued December 12, 2019 with an average yield of 2.86% to refund \$12,960,000 of outstanding Water Revenue Bonds Series 2012A and are scheduled to mature November 1, 2037. \$ 12,360,000

Taxable Water Revenue Bonds, Series 2014A payable in the amount of \$4,200,000, issued December 23, 2014, with a yield of 2.95% (plus a 5% annual administrative fee) for the purpose of constructing and acquiring improvements and extensions to the District's waterworks system. The bonds were purchased by the Louisiana Department of Health and Hospitals and bond proceeds are distributed from time to time as construction progresses. The terms of the Loan and Pledge Agreement accompanying the bonds contain a 30% principal forgiveness provision on each draw down limited to \$1,125,000. Additional borrowings of \$1,038,948, after application of 30% principal forgiveness, are available as of June 30, 2025, after application of unreimbursed costs. The bonds are scheduled to mature November 1, 2035. 1,371,052

Water Revenue Bonds, Series 2010 payable in the amount of \$1,900,000, issued December 29, 2010, with a yield of 2.95% (plus a 5% annual administrative fee) for the purpose of constructing and acquiring improvements and extensions to the District's waterworks system. The bonds were purchased by the Louisiana Department of Health and Hospitals and are scheduled to mature November 1, 2030. 697,000

Total \$ 14,428,052

**Note 6 - LONG-TERM OBLIGATIONS (Continued)**

The annual requirements to amortize debt outstanding for water revenue bonds, assuming full issuance of the Taxable Water Revenue Bonds, Series 2014A, as of June 30, 2025, was as follows:

Year Ending June 30,	Principal	Interest	Totals
2026	\$ 1,060,000	\$ 418,006	\$ 1,478,006
2027	1,088,000	390,576	1,478,576
2028	1,123,000	361,408	1,484,408
2029	1,152,000	330,658	1,482,658
2030	1,187,000	298,590	1,485,590
2031 - 2035	5,913,000	987,153	6,900,153
2036 - 2038	3,478,000	161,862	3,639,862
Totals	<u>\$ 15,001,000</u>	<u>\$ 2,948,253</u>	<u>\$ 17,949,253</u>

Under the terms of the bond indentures for outstanding Water Revenue Bonds, principal and interest is secured and payable solely from a pledge of the income and revenues to be derived from the operations of the District. All revenues must be deposited in the District and required transfers made to the following accounts (funds) on a monthly basis after the payment of operating expenses:

**a) Revenue Bond Sinking Fund**

Monthly transfers are required to this Fund in an amount necessary to make the principal and interest payments as they become due. The Fund is restricted for this purpose.

**b) Bond Reserve Fund**

The Reserve Fund is required to be funded in an amount equal to the lesser of (i) 10% of the proceeds of the bonds, (ii) the highest combined principal and interest requirements for any succeeding year or (iii) 125% of the average aggregate amount of principal and interest becoming due.

Monies in the amount of \$2,094,379 have been deposited into this Fund. This amount is equal to 125% of the average aggregate amount of principal and interest becoming due in any future year on the District's outstanding water revenue bonds. The Fund is restricted to the payment of principal and interest in case of default.

**Note 6 - LONG-TERM OBLIGATIONS (Continued)**

**c) Depreciation and Contingencies Fund**

Monthly transfers of 5% of gross revenues of the District for the preceding month are required. The Fund is restricted to payments for extensions, additions, improvements, renewals and replacements necessary to properly operate the District. It will also be used to pay principal and interest if there are not sufficient funds in the Revenue Bond Sinking Fund and Bond Reserve Fund.

**d) Bond Requirements**

The accounting requirements of the bond resolution for Water Revenue Bonds, as stated in a) through c) above, have been complied with for the year ended June 30, 2025.

Obligations for other postemployment benefits and net pension liability/asset are described in Notes 7 and 8, below.

**Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS**

**Plan Description**

The District administers a single employer defined benefit healthcare plan (the “Plan”). The Plan provides for the payment of medical, prescription drugs, dental, long-term care, life insurance and Medicare supplement premiums for eligible employees, retirees and their dependents as allowed by policy set by the Board of Directors. The District funds 85% premium for all active employees. For employees hired prior to November 17, 2017, the District will continue to pay 100% of the insurance premiums for retirees with at least twenty years of service upon retiring from the Parochial Employees’ Retirement System, see Note 8. For employees hired on or after November 17, 2017, the District will require retirees to make premium contributions at the same rate as active employees at the retirement. The District does not issue a publicly available financial report on the Plan.

**Employee Covered by Benefit Terms**

As of June 30, 2025, the following employees were covered by the benefit terms.

Inactive employees currently receiving benefits payments	43
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>84</u>
Total	<u><u>127</u></u>

**Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Total OPEB Liability**

The District's total OPEB liability of \$8,065,095 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability as of June 30, 2025 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<b>Measurement Date</b>	June 30, 2025
<b>Actuarial Valuation Date</b>	July 1, 2023
<b>Inflation</b>	3.00%
<b>Salary Increases, Includes Inflation</b>	3.00%
<b>Discount Rate</b>	4.81%
<b>Healthcare Cost Trend Rates</b>	Pre-65 Medical 12.19% in year 1, 6.00% in year 2 then decreasing in decrements of 0.25% per year until 4.50% in years 8 through 10.  Medicare Supplement 3.00% in years 1 through 10.  Dental 4.50% in year 1 then decreasing in decrements of 0.25% per year until 3.50% in years 5 through 10.
<b>Mortality Rates</b>	PubG.H-2010 Employee and Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2021.
<b>Retirees' Share of Benefit-Related Costs</b>	Retirees hired prior to 11/21/2017 have no contribution requirements. Retirees hired on or after 11/21/2017 are required to contribute the same amount as active employees at the time of their retirement, which is currently 15% of insurance premiums. Retirees are eligible to continue their medical, dental, long-term care, and life insurance coverage. To be eligible, an employee must retire from the District, be eligible to receive retirement Parochial Employees' Retirement System and have 20 years of service with the District.

The discount rate was based on June 30, 2025 S&P Municipal Bond 20 Year High Grade Index Yield.

**Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Changes in Total OPEB Liability**

	Total OPEB Liability
Balance at June 30, 2024	\$ 9,019,218
Changes for the year:	
Service cost	218,226
Interest	432,939
Difference between expected and actual experience	75,580
Changes in assumptions	(1,190,722)
Benefit payments	(490,146)
Net changes	(954,123)
Balance as of June 30, 2025	\$ 8,065,095

**Sensitivity to the total OPEB Liability to Change in the Discount Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or higher than the current discount rate.

	1.0% Decrease (3.81%)	Current Discount Rate (4.81%)	1.0% Increase (5.81%)
Total OPEB Liability	\$ 9,172,198	\$ 8,065,095	\$ 7,142,542

**Sensitivity to the total OPEB Liability to Change in the Health Cost Trend Rates**

The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower pre-65 medical, prescription drugs, Medicare supplement, and dental or 1% higher pre-65 medical, prescription drugs, Medicare supplement and dental than the current healthcare cost trend rates.

**Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

	<u>1.0% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1.0% Increase</u>
Total OPEB Liability	<u>\$ 6,914,985</u>	<u>\$ 8,065,095</u>	<u>\$ 9,537,137</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2025, the District recognized a credit amounting to \$20,109 for OPEB activity. As of June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,688,372	\$ 606,294
Changes in assumptions	<u>809,073</u>	<u>2,616,083</u>
Totals	<u>\$ 2,497,445</u>	<u>\$ 3,222,377</u>

Amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended June 30,</u>	<u>Amount</u>
2026	\$ 181,127
2027	181,127
2028	181,130
2029	47,379
2030	(31,995)
Thereafter	<u>166,164</u>
Total	<u>\$ 724,932</u>

**Note 8 - PENSION PLAN**

**Plan Description.** The District contributes to Plan B of the Parochial Employees' Retirement System of Louisiana ("System"), a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically and other general laws of the State of Louisiana.

**Benefits Provided.** The System provides retirement, deferred retirement, disability and death benefits. Retirement benefits are generally equal to 2.0% of the member's final average compensation multiplied by the years of creditable service. For members hired prior to January 1, 2007 they may retire with full benefits at age 55 upon completing 30 years of service, retire at age 60 after completing 10 years of service or retire at age 65 after completing 7 years of service. For members hired on or after January 1, 2007 they may retire with full benefits at age 55 after completing 30 years of service, retire at age 62 after completing 10 years of service or retire at age 67 after completing 7 years of service. Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years and defer the receipt of benefits. During the three year period, employer contributions continue but employee contributions cease. The election to participate in DROP is irrevocable once participation begins. The monthly retirement benefits are paid into the DROP Fund. Upon termination of employment a participant in DROP may receive a lump sum equal to payments into the participant's account, an annuity or a roll over to an Individual Retirement Account. Members hired before January 1, 2007 with 5 or more years of service who become disabled may receive retirement benefits determined in the same manner as retirement benefits. Members hired after January 1, 2007 with 7 or more years of service who become disabled may receive retirement benefits determined in the same manner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's years of creditable service and compensation and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State Legislature.

**Contributions.** According to state statute, contributions for all employers are actuarially determined each year. For the year ending December 31, 2024, the actuarially determined contribution rate was 5.50% of member's compensation. However, the actual rate of 7.50% was in effect for the year ended December 31, 2024.

**Note 8 - PENSION PLAN (Continued)**

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member’s compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Contributions to the System from the District were \$365,555 for the year ended June 30, 2025.

**Pension Asset.** As of June 30, 2025, the District reported a net pension asset of \$657,934 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2024 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District’s proportion of the net pension asset was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of December 31, 2024, the District’s proportion was 3.854481%, which was an decrease of 0.00392% from its proportion measured as of December 31, 2023.

**Pension Expense.** For the year ended June 30, 2025, the District recognized pension expense of \$334,108.

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** As of June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 209,772	\$ (10,499)
Net difference between projected and actual earnings on pension plan investments	-	(284,090)
Changes in assumptions	45,010	-
Changes in proportion	3,845	(685)
Contributions subsequent to the measurement date	178,047	-
	\$ 436,674	\$ (295,274)

**Note 8 - PENSION PLAN (Continued)**

The District reported \$178,047 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability or asset in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended June 30,	Amount
2026	\$ 177,916
2027	335,597
2028	(365,422)
2029	(184,738)
Total	\$ (36,647)

**Actuarial Assumptions.** A summary of the actuarial methods and assumptions used in determining the total pension asset as of June 30, 2025 are as follows:

<b>Valuation Date</b>	December 31, 2024
<b>Actuarial Cost Method</b>	Entry Age Normal Cost
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining</b>	
<b>Service Lives</b>	4 years
<b>Discount Rate</b>	6.40%
<b>Projected Salary Increases</b>	4.25%
<b>Inflation Rate</b>	2.30%
<b>Mortality Rates</b>	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2021 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale. Pub-2010 Public Retirement Plan Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale for disabled annuitants.
<b>Cost of Living Adjustments</b>	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

**Note 8 - PENSION PLAN (Continued)**

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (CAPM) (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.13% for the year ended June 30, 2025.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2025 are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	37.00%	1.08%
Equity	47.00%	2.82%
Alternatives	15.00%	0.76%
Real assets	<u>1.00%</u>	<u>0.07%</u>
Totals	<u>100.00%</u>	4.73%
Inflation		<u>2.40%</u>
Expected Arithmetic Nominal Return		<u>7.13%</u>

**Discount Rate.** The discount rate used to measure the collective pension liability was 6.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Note 8 - PENSION PLAN (Continued)**

**Sensitivity of the District’s Proportionate Share of the Collective Net Pension (Asset) Liability to Changes in the Discount Rate.** The following presents the District’s proportionate share of the collective net pension (asset) liability using the discount rate of 6.40%, as well as what the District’s proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is one percentage-point lower (5.40%) or one percentage-point higher (7.40 %) than the current rate:

	<u>1.0% Decrease (5.40%)</u>	<u>Current Discount Rate (6.40%)</u>	<u>1.0% Increase (7.40%)</u>
District’s proportionate share of the net pension liability (asset)	<u>\$1,639,974</u>	<u>\$(657,934)</u>	<u>\$(2,582,100)</u>

**Pension Plan Fiduciary Net Position.** The Parochial Employees’ Retirement System of Louisiana issued a stand-alone audit report on their financial statements for the year ended June 30, 2025. Access to the audit report can be found on the System’s website, [www.persla.org](http://www.persla.org) or on the Louisiana Legislative Auditor’s website, [www.la.gov](http://www.la.gov).

**Note 9 - LITIGATION**

The District is involved in disputes in the normal course of business. Management believes the resolution of these matters will not have a material effect on the District’s financial position or the results of operations. Accordingly, no obligations for claims or litigation have been recognized in the financial statements.

**Note 10 - BOARD MEMBERSHIP AND COMPENSATION OF BOARD DIRECTORS**

Included in administrative expenses is the per diem payments and mileage reimbursement to members of the Board of Directors. In accordance with the State of Louisiana Statutes Directors receive \$161 per meeting attended, limited to 24 regularly scheduled meetings and 12 special meetings each year.

<u>Board members</u>	<u>Number of Meetings Attended</u>	<u>Payments for</u>		<u>Total Amount</u>
		<u>Meetings Attended</u>	<u>Expenses</u>	
Charles Brown	22	\$ 3,542	\$ 155	\$ 3,697
Teri Chatagnier	22	3,542	451	3,993
Kenneth Ellender	21	3,381	156	3,537
Dwayne Hornsby	24	3,864	315	4,179
Craig Luke	23	3,703	409	4,112
Patrick Marcel	23	3,703	157	3,860
John Pizzolatto	22	3,542	86	3,628
Wilbert Thomas	21	3,381	77	3,458
Troy Welch	22	3,542	30	3,572
Totals		<u>\$32,200</u>	<u>\$1,836</u>	<u>\$34,036</u>

**Note 11 - CONCENTRATIONS**

In May 2013, voters in Terrebonne Parish approved a 2.11 mill parish-wide ad valorem tax dedicated to the Bayou Lafourche Freshwater District. The tax, which was initially assessed November 1, 2013, provides for voting membership by representatives of Terrebonne Parish on the Bayou Lafourche Freshwater District Board. The District purchases its raw water supply from the Bayou Lafourche Freshwater District. The cost of raw water to the District is based upon the amount of water drawn from Bayou Lafourche and has been established \$.03 per 1,000 gallons. For the year ended June 30, 2025, the District recognized \$136,500 as raw water expenses for purchases from the Bayou Lafourche Freshwater District.

**Note 12 - SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through December 1, 2025, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION SECTION**

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL  
OPEB LIABILITY AND RELATED RATIOS**

**Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana  
Houma, Louisiana**

For the eight years ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability								
Service cost	\$ 218,226	\$ 97,337	\$ 105,197	\$ 227,165	\$ 238,661	\$ 354,006	\$ 322,329	\$ 312,941
Interest	432,939	282,621	279,856	320,107	179,880	255,113	309,233	343,327
Changes of benefit terms	-	-	-	(844,723)	-	-	-	-
Difference between expected and actual experience	75,580	1,089,442	24,234	1,125,071	(1,364,163)	576,673	(1,002,989)	745
Changes in assumptions or other inputs	(1,190,722)	745,185	(85,934)	(1,700,462)	649,790	(1,780,418)	1,181,522	-
Benefit payments	<u>(490,146)</u>	<u>(437,828)</u>	<u>(453,216)</u>	<u>(415,641)</u>	<u>(343,937)</u>	<u>(327,197)</u>	<u>(271,084)</u>	<u>(289,714)</u>
Net change in total OPEB liability	(954,123)	1,776,757	(129,863)	(1,288,483)	(639,769)	(921,823)	539,011	367,299
Total OPEB liability, beginning of year	<u>9,019,218</u>	<u>7,242,461</u>	<u>7,372,324</u>	<u>8,660,807</u>	<u>9,300,576</u>	<u>10,222,399</u>	<u>9,683,388</u>	<u>9,316,089</u>
Total OPEB liability, end of year	<u>\$ 8,065,095</u>	<u>\$ 9,019,218</u>	<u>\$ 7,242,461</u>	<u>\$ 7,372,324</u>	<u>\$ 8,660,807</u>	<u>\$ 9,300,576</u>	<u>\$ 10,222,399</u>	<u>\$ 9,683,388</u>
Covered employee payroll	<u>\$ 4,563,954</u>	<u>\$ 4,431,023</u>	<u>\$ 4,032,129</u>	<u>\$ 3,914,688</u>	<u>\$ 4,484,297</u>	<u>\$ 4,353,686</u>	<u>\$ 4,109,709</u>	<u>\$ 3,990,009</u>
Total OPEB liability as a percentage of covered employee payroll	<u>176.71%</u>	<u>203.55%</u>	<u>179.62%</u>	<u>188.32%</u>	<u>193.14%</u>	<u>213.63%</u>	<u>248.74%</u>	<u>242.69%</u>

Notes to schedule:

Changes of benefit terms:

2023 - 2024 None

2022 Employees hired on or after November 1, 2017 are required to contribute 15% of the premium at retirement. Surviving spouses can remain on the plan for six months after the death of the retiree.

2018 - 2021 None

Changes of assumptions and other inputs

reflected the effects of changes in the discounts rate each period:

	<u>4.81%</u>	<u>3.97%</u>	<u>3.86%</u>	<u>3.62%</u>	<u>1.92%</u>	<u>2.45%</u>	<u>3.13%</u>	<u>3.62%</u>
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The schedule is provided prospectively beginning with the District's fiscal year ended June 30, 2018 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY (ASSET)**

**Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana  
Houma, Louisiana**

For the ten years ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	<u>3.85448%</u>	<u>3.85840%</u>	<u>3.84532%</u>	<u>3.92612%</u>	<u>3.68902%</u>	<u>3.89082%</u>	<u>3.98228%</u>	<u>3.90618%</u>	<u>3.66580%</u>	<u>3.54379%</u>
District's proportionate share of the net pension liability (asset)	<u>\$ (657,934)</u>	<u>\$ 38,703</u>	<u>\$ 915,529</u>	<u>\$ (2,193,956)</u>	<u>\$ (947,067)</u>	<u>\$ (281,486)</u>	<u>\$ 1,075,874</u>	<u>\$ (491,478)</u>	<u>\$ 476,214</u>	<u>\$ 631,681</u>
District's covered-employee payroll	<u>\$ 4,910,078</u>	<u>\$ 4,794,336</u>	<u>\$ 4,478,804</u>	<u>\$ 4,484,331</u>	<u>\$ 4,225,109</u>	<u>\$ 4,322,363</u>	<u>\$ 4,166,089</u>	<u>\$ 3,961,167</u>	<u>\$ 3,651,837</u>	<u>\$ 3,410,054</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>-13.40%</u>	<u>0.81%</u>	<u>20.44%</u>	<u>-48.92%</u>	<u>-22.42%</u>	<u>-6.51%</u>	<u>25.83%</u>	<u>-12.41%</u>	<u>13.040%</u>	<u>18.524%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>103.63%</u>	<u>99.77%</u>	<u>94.26%</u>	<u>-114.20%</u>	<u>-106.76%</u>	<u>-102.05%</u>	<u>91.93%</u>	<u>-104.02%</u>	<u>95.50%</u>	<u>93.48%</u>

The schedule is provided prospectively beginning with the District's fiscal year ended June 30, 2016 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana  
Houma, Louisiana**

For the ten years ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 365,555	\$ 364,481	\$ 351,527	\$ 341,365	\$ 310,996	\$ 327,312	\$ 315,554	\$ 318,864	\$ 313,116	\$ 299,993
Contributions in relation to the contractually required contribution	<u>(365,555)</u>	<u>(364,481)</u>	<u>(351,527)</u>	<u>(341,365)</u>	<u>(310,996)</u>	<u>(327,312)</u>	<u>(315,554)</u>	<u>(318,864)</u>	<u>(313,116)</u>	<u>(299,993)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
District's covered-employee payroll	<u>\$ 5,043,637</u>	<u>\$ 4,859,741</u>	<u>\$ 4,687,026</u>	<u>\$ 4,551,528</u>	<u>\$ 4,146,611</u>	<u>\$ 4,364,163</u>	<u>\$ 4,207,381</u>	<u>\$ 4,114,857</u>	<u>\$ 3,913,945</u>	<u>\$ 3,516,491</u>
Contributions as a percentage of covered-employee payroll	<u>7.25%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.75%</u>	<u>8.00%</u>	<u>8.53%</u>

The schedule is provided prospectively beginning with the District's fiscal year ended June 30, 2016 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SUPPLEMENTARY INFORMATION SECTION**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana**

Houma, Louisiana

For the year ended June 30, 2025

**Agency Head Name:** Michael Sobert, General Manager

<b>Purpose</b>	<u>Amount</u>
Salary	\$ 184,244
Benefits - insurance	21,186
Benefits - retirement	13,357
Benefits - other	-
Car allowance	-
Vehicle provided by government	711
Per diem	-
Reimbursements	420
Travel	-
Registration fees	121
Conference travel	3,369
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
	<u>\$ 223,408</u>

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN  
NET POSITION (BUDGET AND ACTUAL)**

**Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana  
Houma, Louisiana**

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>OPERATING REVENUES</b>				
Revenues from water sales and services	\$ 23,064,400	\$ 23,059,200	\$ 22,748,322	\$ (310,878)
Other operating revenues	378,000	378,000	736,231	358,231
Total operating revenues	23,442,400	23,437,200	23,484,553	47,353
<b>OPERATING EXPENSES</b>				
Personal services	8,515,200	8,171,000	7,691,030	479,970
Supplies and materials	2,333,500	2,489,000	2,558,691	(69,691)
Other services and charges	4,960,700	5,505,500	5,565,845	(60,345)
Depreciation and amortization	4,081,500	4,081,500	4,081,500	-
Total operating expenses	19,890,900	20,247,000	19,897,066	349,934
Operating income	3,551,500	3,190,200	3,587,487	397,287
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	750,000	1,100,000	1,225,928	125,928
Intergovernmental	-	1,775,100	1,641,004	(134,096)
Insurance proceeds	-	7,300	7,315	15
Bond interest	(438,743)	(438,743)	(438,743)	-
Total non-operating revenues (expenses)	311,257	2,443,657	2,435,504	(8,153)
Change in net position before capital contributions	3,862,757	5,633,857	6,022,991	389,134
<b>CAPITAL CONTRIBUTIONS</b>				
Change in net position	135,000	135,000	135,000	-
Change in net position	\$ 3,997,757	\$ 5,768,857	6,157,991	\$ 389,134
<b>NET POSITION</b>				
Beginning of year			109,203,734	
End of year			\$ 115,361,725	

**SCHEDULE OF OPERATING REVENUES (BUDGET AND ACTUAL)**

**Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana  
Houma, Louisiana**

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUE FROM WATER SALES AND SERVICE CHARGES</b>				
Customers	\$ 22,600,000	\$ 22,600,000	\$ 22,277,186	\$ (322,814)
Parish of Lafourche	42,000	42,000	45,506	3,506
Service connection fees	197,400	214,200	219,240	5,040
Meter installation fees	125,000	133,000	137,174	4,174
Penalties - reconnections	100,000	70,000	69,216	(784)
Total revenue from water sales and service charges	<u>23,064,400</u>	<u>23,059,200</u>	<u>22,748,322</u>	<u>(310,878)</u>
<b>OTHER OPERATING REVENUES</b>				
Service agreements:				
Sewerage districts	170,000	170,000	172,195	2,195
Garbage collections	125,000	125,000	104,522	(20,478)
LA Act 125	23,000	23,000	24,113	1,113
Miscellaneous:				
Other	60,000	60,000	435,401	375,401
Total other operating revenues	<u>378,000</u>	<u>378,000</u>	<u>736,231</u>	<u>358,231</u>
Total operating revenues	<u>\$ 23,442,400</u>	<u>\$ 23,437,200</u>	<u>\$ 23,484,553</u>	<u>\$ 47,353</u>

**SCHEDULE OF DEPARTMENTAL EXPENSES (BUDGET AND ACTUAL)**

**Consolidated Waterworks District No. 1**  
**of the Parish of Terrebonne, State of Louisiana**  
Houma, Louisiana

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>ADMINISTRATIVE</b>				
Personal services:				
Salaries	\$ 563,000	\$ 563,000	\$ 564,878	\$ (1,878)
Other postemployment benefit costs	31,000	31,000	(25,779)	56,779
Employee group insurance	143,000	148,000	146,823	1,177
Payroll taxes	55,500	55,500	54,533	967
Retirement	42,500	42,500	36,794	5,706
Total personal services	<u>835,000</u>	<u>840,000</u>	<u>777,249</u>	<u>62,751</u>
Supplies and materials:				
Office supplies and expense	60,000	75,000	77,696	(2,696)
Gasoline and oil	3,000	3,000	2,208	792
Total supplies and materials	<u>63,000</u>	<u>78,000</u>	<u>79,904</u>	<u>(1,904)</u>
Other services and charges:				
Accounting and consulting	64,000	55,000	54,500	500
Attorney	80,000	80,000	54,660	25,340
Board meetings	38,000	38,000	34,037	3,963
Bond agent fees	2,500	1,500	12,350	(10,850)
Consulting engineer	80,000	80,000	37,320	42,680
Insurance and bonds	55,000	55,000	55,090	(90)
Janitorial services	24,000	24,000	24,000	-
Publish proceedings	7,000	7,000	5,656	1,344
Radio communications	23,000	23,000	22,830	170
Repairs and maintenance:				
Equipment and building repairs - Hurricane Ida	-	-	-	-
Equipment and building repairs	42,000	46,000	45,855	145
Truck and auto repairs	1,000	2,000	1,989	11
Seminars and schools	18,000	18,000	12,266	5,734
Utilities - office	35,000	35,000	33,149	1,851
Total other services and charges	<u>469,500</u>	<u>464,500</u>	<u>393,702</u>	<u>70,798</u>
Total administrative	<u>1,367,500</u>	<u>1,382,500</u>	<u>1,250,855</u>	<u>131,645</u>
<b>BILLING AND COLLECTIONS</b>				
Personal services:				
Salaries	400,000	375,000	371,430	3,570
Other postemployment benefit costs	30,000	30,000	(17,799)	47,799
Employee group insurance	153,000	147,000	145,232	1,768
Payroll taxes	39,500	37,000	34,969	2,031
Retirement	30,000	27,000	24,331	2,669
Total personal services	<u>652,500</u>	<u>616,000</u>	<u>558,163</u>	<u>57,837</u>

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>BILLING AND COLLECTIONS (Continued)</b>				
Supplies and materials:				
Gasoline and oil	3,000	3,000	2,208	792
Office supplies and expense	70,000	35,000	30,884	4,116
Total supplies and materials	73,000	38,000	33,092	4,908
Other services and charges:				
Collection agency	500	500	410	90
Data processing	62,000	102,000	93,913	8,087
Equipment maintenance/lease	74,000	45,000	40,981	4,019
Insurance and bonds	25,500	25,500	25,498	2
Merchant card fees	300,000	165,000	166,692	(1,692)
Postage	300,000	322,000	321,546	454
Radio communications	43,500	43,500	42,210	1,290
Repairs and maintenance:				
Truck and auto repairs	1,000	1,000	1,157	(157)
Seminars and schools	3,000	500	190	310
Telephone	-	-	350	(350)
Total other services and charges	809,500	705,000	692,947	12,053
Total billing and collections	1,535,000	1,359,000	1,284,202	74,798
<b>METER READING</b>				
Personal services:				
Salaries	550,000	625,000	625,134	(134)
Other postemployment benefit costs	25,000	25,000	(69,014)	94,014
Employee group insurance	227,000	213,000	210,506	2,494
Payroll taxes	54,200	61,500	57,274	4,226
Retirement	41,250	46,500	40,529	5,971
Total personal services	897,450	971,000	864,429	106,571
Supplies and materials:				
Gasoline and oil	25,000	25,000	20,973	4,027
Office supplies and expense	2,000	2,000	738	1,262
Small tools	3,000	3,000	3,080	(80)
Total supplies and materials	30,000	30,000	24,791	5,209
Other services and charges:				
Insurance and bonds	58,000	58,000	56,633	1,367
Radio communications	20,000	15,000	32,112	(17,112)
Mobile read services	30,000	25,000	-	25,000
Repairs and maintenance:				
Truck and auto repairs	10,000	19,000	19,239	(239)
Seminars and schools	3,200	1,000	600	400
Total other services and charges	121,200	118,000	108,584	9,416
Total meter reading	1,048,650	1,119,000	997,804	121,196

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>WAREHOUSE AND METER SHOP</b>				
Personal services:				
Salaries	231,000	200,000	202,451	(2,451)
Other postemployment benefit costs	30,000	30,000	17,694	12,306
Employee group insurance	92,000	89,000	87,772	1,228
Payroll taxes	22,800	20,000	17,712	2,288
Retirement	17,500	13,500	10,095	3,405
Total personal services	393,300	352,500	335,724	16,776
Supplies and materials:				
Gasoline and oil	6,000	6,000	5,327	673
Office supplies and expenses	3,500	4,500	4,233	267
Small tools	3,000	3,000	2,552	448
Warehouse supplies	15,000	15,000	10,612	4,388
Total supplies and materials	27,500	28,500	22,724	5,776
Other services and charges:				
Freight	2,000	2,000	861	1,139
Insurance and bonds	19,500	19,500	18,784	716
Radio communication	6,000	6,000	5,992	8
Repairs and maintenance:				
Equipment and building repairs	7,500	14,000	13,653	347
Meter repair parts	1,500	1,500	-	1,500
Truck and auto repairs	1,000	1,000	-	1,000
Seminars and schools	1,000	1,000	225	775
Total other services and charges	38,500	45,000	39,515	5,485
Total warehouse and meter shop	459,300	426,000	397,963	28,037
<b>ENGINEERING</b>				
Personal services:				
Salaries	742,000	665,000	662,882	2,118
Other postemployment benefit costs	42,000	42,000	(54,950)	96,950
Employee group insurance	340,000	240,000	236,728	3,272
Payroll taxes	73,500	64,000	61,511	2,489
Retirement	55,750	46,500	41,980	4,520
Total personal services	1,253,250	1,057,500	948,151	109,349
Supplies and materials:				
Computer supplies	3,000	1,000	-	1,000
Gasoline and oil	18,000	18,000	16,558	1,442
Office supplies and expenses	5,000	2,500	1,875	625
Total supplies and materials	26,000	21,500	18,433	3,067

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>ENGINEERING (Continued)</b>				
Other services and charges:				
GIS network	100,000	170,000	160,829	9,171
Insurance and bonds	52,000	52,000	53,587	(1,587)
Radio communications	14,000	10,500	10,226	274
Repairs and maintenance:				
Truck and auto repairs	6,000	10,000	8,775	1,225
Seminars and schools	26,000	21,000	17,342	3,658
Total other services and charges	198,000	263,500	250,759	12,741
Total engineering	1,477,250	1,342,500	1,217,343	125,157
<b>OPERATIONS</b>				
Other services and charges:				
Utilities	145,000	115,000	113,112	1,888
<b>DISTRIBUTION AND FIELD CREWS</b>				
Personal services:				
Salaries	1,175,000	1,115,000	1,112,221	2,779
Other postemployment benefit costs	115,000	115,000	145,782	(30,782)
Employee group insurance	382,000	390,000	386,950	3,050
Payroll taxes	116,000	110,000	105,341	4,659
Retirement	88,200	82,000	71,835	10,165
Total personal services	1,876,200	1,812,000	1,822,129	(10,129)
Supplies and materials:				
Chemicals	15,000	15,000	14,279	721
Gasoline and oil	45,000	45,000	42,690	2,310
Office supplies and expenses	5,000	5,000	1,978	3,022
Small tools	20,000	30,000	27,999	2,001
Total supplies and materials	85,000	95,000	86,946	8,054
Other services and charges:				
Insurance and bonds	192,000	213,500	225,861	(12,361)
Radio communications	20,000	22,500	21,353	1,147
Repairs and maintenance:				
Distribution repairs - Hurricane Ida	-	-	-	-
Equipment and building maintenance	150,000	150,000	222,801	(72,801)
Truck and auto repairs	20,000	60,000	61,562	(1,562)
Watertower maintenance	80,000	80,000	94,200	(14,200)
Waterline maintenance	1,200,000	1,700,000	1,769,804	(69,804)
Seminars and schools	10,000	10,000	6,673	3,327
Uniforms	5,000	5,000	5,300	(300)
Total other services and charges	1,677,000	2,241,000	2,407,554	(166,554)
Total distribution and field crews	3,638,200	4,148,000	4,316,629	(168,629)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>WATER PLANT</b>				
Personal services:				
Salaries	1,400,000	1,360,000	1,353,180	6,820
Other postemployment benefit costs	85,000	85,000	15,895	69,105
Employee group insurance	417,000	395,000	392,420	2,580
Payroll taxes	138,000	133,000	128,671	4,329
Retirement	105,000	97,500	89,446	8,054
Total personal services	<u>2,145,000</u>	<u>2,070,500</u>	<u>1,979,612</u>	<u>90,888</u>
Supplies and materials:				
Chemicals	1,750,000	1,900,000	2,036,736	(136,736)
Generator fuel	15,000	25,000	21,554	3,446
Gasoline and oil	19,500	19,500	14,497	5,003
Office supplies and expense	27,000	27,000	22,595	4,405
Raw water	155,000	155,000	136,500	18,500
Small tools	3,000	3,000	322	2,678
Plant supplies	5,000	5,000	1,736	3,264
Total supplies and materials	<u>1,974,500</u>	<u>2,134,500</u>	<u>2,233,940</u>	<u>(99,440)</u>
Other services and charges:				
Freight	14,000	14,000	6,590	7,410
Insurance and bonds	324,000	309,000	318,859	(9,859)
Radio communications	40,500	40,500	39,191	1,309
Repairs and maintenance:				
Bayou Black reservoir maintenance	7,000	11,000	11,204	(204)
Building and equipment repairs - Hurricane Ida	-	-	-	-
Plant maintenance	225,000	265,000	278,341	(13,341)
Tractor repairs	3,000	3,000	5,313	(2,313)
Truck and auto repairs	5,000	5,000	3,481	1,519
Seminars and schools	8,000	13,000	12,041	959
Telephone	-	-	-	-
Utilities	750,000	750,000	756,878	(6,878)
Total other services and charges	<u>1,376,500</u>	<u>1,410,500</u>	<u>1,431,898</u>	<u>(21,398)</u>
Total water plant	<u>5,496,000</u>	<u>5,615,500</u>	<u>5,645,450</u>	<u>(29,950)</u>
<b>BAC-T-LAB</b>				
Personal services:				
Salaries	293,000	293,000	293,861	(861)
Other postemployment benefit costs	7,500	7,500	(31,938)	39,438
Employee group insurance	111,000	100,000	97,506	2,494
Payroll taxes	29,000	29,000	27,046	1,954
Retirement	22,000	22,000	19,098	2,902
Total personal services	<u>462,500</u>	<u>451,500</u>	<u>405,573</u>	<u>45,927</u>

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BAC-T-LAB (Continued)</b>				
Supplies and materials:				
Gasoline and oil	12,000	12,000	11,039	961
Lab supplies	35,000	47,500	44,523	2,977
Office supplies and expense	7,500	4,000	3,299	701
Total supplies and materials	<u>54,500</u>	<u>63,500</u>	<u>58,861</u>	<u>4,639</u>
Other services and charges:				
Freight	2,000	2,000	-	2,000
Insurance and bonds	34,500	34,500	33,989	511
Janitorial services	8,000	8,000	7,742	258
Lab analysis	40,000	32,000	26,378	5,622
Radio communications	14,000	14,000	13,674	326
Repairs and maintenance:				
Equipment and building repairs	10,000	30,000	27,703	2,297
Truck and auto repairs	5,000	7,000	6,320	680
Seminars and schools	7,000	1,500	787	713
Telephone	-	-	-	-
Utilities	5,000	14,000	11,181	2,819
Total other services and charges	<u>125,500</u>	<u>143,000</u>	<u>127,774</u>	<u>15,226</u>
Total Bac-T-Lab	<u>642,500</u>	<u>658,000</u>	<u>592,208</u>	<u>65,792</u>
Totals	<u>\$ 15,809,400</u>	<u>\$ 16,165,500</u>	<u>\$ 15,815,566</u>	<u>\$ 349,934</u>
<b>OPERATING EXPENSES</b>				
Personal services	\$ 8,515,200	\$ 8,171,000	\$ 7,691,030	\$ 479,970
Supplies and materials	2,333,500	2,489,000	2,558,691	(69,691)
Other services and charges	4,960,700	5,505,500	5,565,845	(60,345)
Total operating expenses	<u>\$ 15,809,400</u>	<u>\$ 16,165,500</u>	<u>\$ 15,815,566</u>	<u>\$ 349,934</u>

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS -  
RESTRICTED ACCOUNTS REQUIRED BY REVENUE BOND ORDINANCES**

**Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana  
Houma, Louisiana**

For the year ended June 30, 2025

	<u>Totals</u>	<u>Revenue Bond Sinking Fund</u>	<u>Bond Reserve Fund</u>	<u>Depreciation and Contingencies Fund</u>
Cash and cash equivalents July 1, 2024	\$ 7,975,631	\$ 779,063	\$ 2,094,379	\$ 5,102,189
Receipts:				
Transfers from the District	<u>2,838,166</u>	<u>1,501,615</u>	<u>-</u>	<u>1,336,551</u>
Total assets available	<u>10,813,797</u>	<u>2,280,678</u>	<u>2,094,379</u>	<u>6,438,740</u>
Disbursements:				
Retirement of matured bonds	994,000	994,000	-	-
Payment of matured interest coupons	405,734	405,734	-	-
Payment of administrative fees on bonds	10,850	10,850	-	-
Transfers to the District	-	-	-	-
Capital asset purchases	<u>1,085,283</u>	<u>-</u>	<u>-</u>	<u>1,085,283</u>
Total disbursements	<u>2,495,867</u>	<u>1,410,584</u>	<u>-</u>	<u>1,085,283</u>
Cash and cash equivalents June 30, 2025	<u><u>\$ 8,317,930</u></u>	<u><u>\$ 870,094</u></u>	<u><u>\$ 2,094,379</u></u>	<u><u>\$ 5,353,457</u></u>

**SCHEDULE OF INSURANCE IN FORCE****Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana**

Houma, Louisiana

June 30, 2025

(Unaudited)

Insurer	Type of Coverage	Amount of Insurance	Expiration Date
Travelers	Automobile liability	\$1,000,000	July 1, 2025
The Charter Oak Fire Insurance Company	General liability	\$3,000,000	July 1, 2025
Travelers	Umbrella Policy	\$5,000,000	July 1, 2025
Bridgefield Insurance Company	Workers' compensation	\$1,000,000	July 1, 2025
Swiss Re	Combined building and personal property	\$1,500,000	July 1, 2025
Bridgeway Insurance Company	Combined building and personal property	\$1,000,000	July 1, 2025
Starstone	Combined building and personal property	\$2,500,000	July 1, 2025
Travelers	Public employee dishonesty, forgery or alteration, theft, disappearance, and destruction	\$100,000	July 1, 2025
Great American Insurance Company	Commercial Inland marine	\$501,000	July 1, 2025
Indian Harbor Insurance Company	Pollution liability	\$1,000,000	July 1, 2025
American Bankers Insurance	Flood	\$500,000	August 1, 2025
Houston Casualty Company	Cyber liability	\$2,000,000	July 1, 2025

**WATER CUSTOMERS**

**Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana**

Houma, Louisiana

June 30, 2025

(Unaudited)

Records maintained by the District indicated 42,760 water customers as of June 30, 2025.

There were no unmetered customers.

**SCHEDULE OF COST PER SERVICE INSTALLATION**

**Consolidated Waterworks District No. 1**  
**of the Parish of Terrebonne, State of Louisiana**  
Houma, Louisiana

For the year ended June 30, 2025  
(Unaudited)

**Field Crew Overhead**

Chemicals	\$ 14,279
Depreciation expense	128,390
Employee group insurance	386,950
Equipment repairs	222,801
Gasoline and oil	42,690
Insurance and bonds	225,861
Other postemployment benefit costs	145,782
Office supplies and expenses	1,978
Payroll taxes	105,341
Radio communications	21,353
Retirement	71,835
Seminars and schools	6,673
Small tools	27,999
Truck and auto repairs	61,562
Uniforms	5,300
Watertower maintenance	94,200
	1,562,994
Total field crew overhead	1,562,994

Service installation salaries as a percentage of total field crew salaries (\$37,985/\$1,112,221)	3.42%
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Field crew overhead applicable to service installations	53,454
---------------------------------------------------------	--------

**Administrative Overhead**

Total administrative costs	1,616,448
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Service installation salaries/total salaries excluding administrative salaries (\$37,985/\$4,621,159)	0.82%
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Administrative overhead applicable to service installations	13,255
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Total service installation overhead costs	\$ 66,709
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**Calculation of Average Cost per Service Installation**

Service installation work order costs	\$ 222,758
Labor and equipment contractor for service installation	42,878
Total service installation overhead costs	66,709

Total service installation costs	332,345
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Number of service installations	274
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Average cost per service installation	\$ 1,213
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**SCHEDULE OF COST OF WATER PRODUCED**  
**AND CONTRACT PRICE OF WATER TO BE SOLD TO**  
**LAFOURCHE PARISH WATER DISTRICT NO. 1**

**Consolidated Waterworks District No. 1**  
**of the Parish of Terrebonne, State of Louisiana**

Houma, Louisiana

For the year ended June 30, 2025

(Unaudited)

**Costs (From Annual Report)**

Water plant expense	\$ 5,645,450
Administrative (25% of total)	312,714
Engineering (25% of total)	304,336
Bac-T-Lab (25% of total)	148,052
Depreciation - water filter	353,834
Depreciation - plant and equipment	766,511

Total costs	\$ 7,530,897
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**Water Produced (Thousand Gallons)**

Net production per Waterworks District No. 1's records	\$ 5,701,999
Less 10% per terms of contract	(570,200)

Net production (thousand gallons) - Unaudited	\$ 5,131,799
-----------------------------------------------	--------------

**Cost Per Thousand Gallons**

\$ 1.46750

**Additions to Cost**

Greater of 40% of cost or five cents per thousand gallons	0.58700
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**Total Contract Price Per Thousand Gallons**

\$ 2.05450

**SCHEDULE OF OPERATING REVENUES AND OPERATING EXPENSES**

**Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana  
Houma, Louisiana**

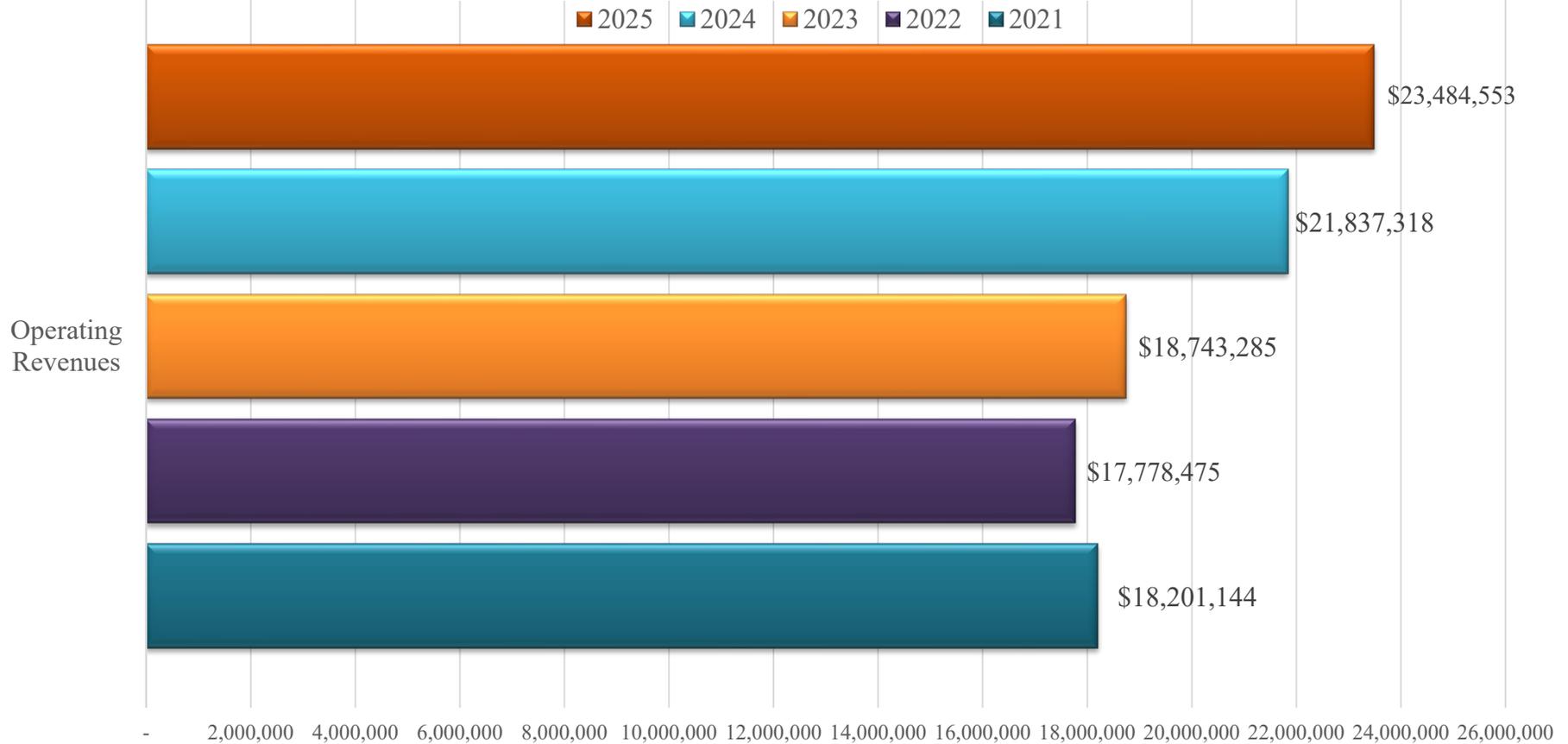
For the years ended June 30, 2025, 2024, 2023, 2022, and 2021

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>	<u>\$ 23,484,553</u>	<u>\$ 21,837,318</u>	<u>\$ 18,743,285</u>	<u>\$ 17,778,475</u>	<u>\$ 18,201,144</u>
<b>OPERATING EXPENSES</b>					
Personal services	\$ 7,691,030	\$ 7,164,963	\$ 7,007,894	\$ 5,139,176	\$ 5,814,129
Supplies and materials	2,558,691	2,563,937	2,094,372	2,002,432	1,785,230
Other services and charges	5,565,845	6,047,567	5,366,727	4,814,355	3,972,648
Depreciation and amortization	<u>4,081,500</u>	<u>4,059,245</u>	<u>3,849,226</u>	<u>3,726,534</u>	<u>3,715,873</u>
Totals	<u>\$ 19,897,066</u>	<u>\$ 19,835,712</u>	<u>\$ 18,318,219</u>	<u>\$ 15,682,497</u>	<u>\$ 15,287,880</u>

**OPERATING REVENUES**

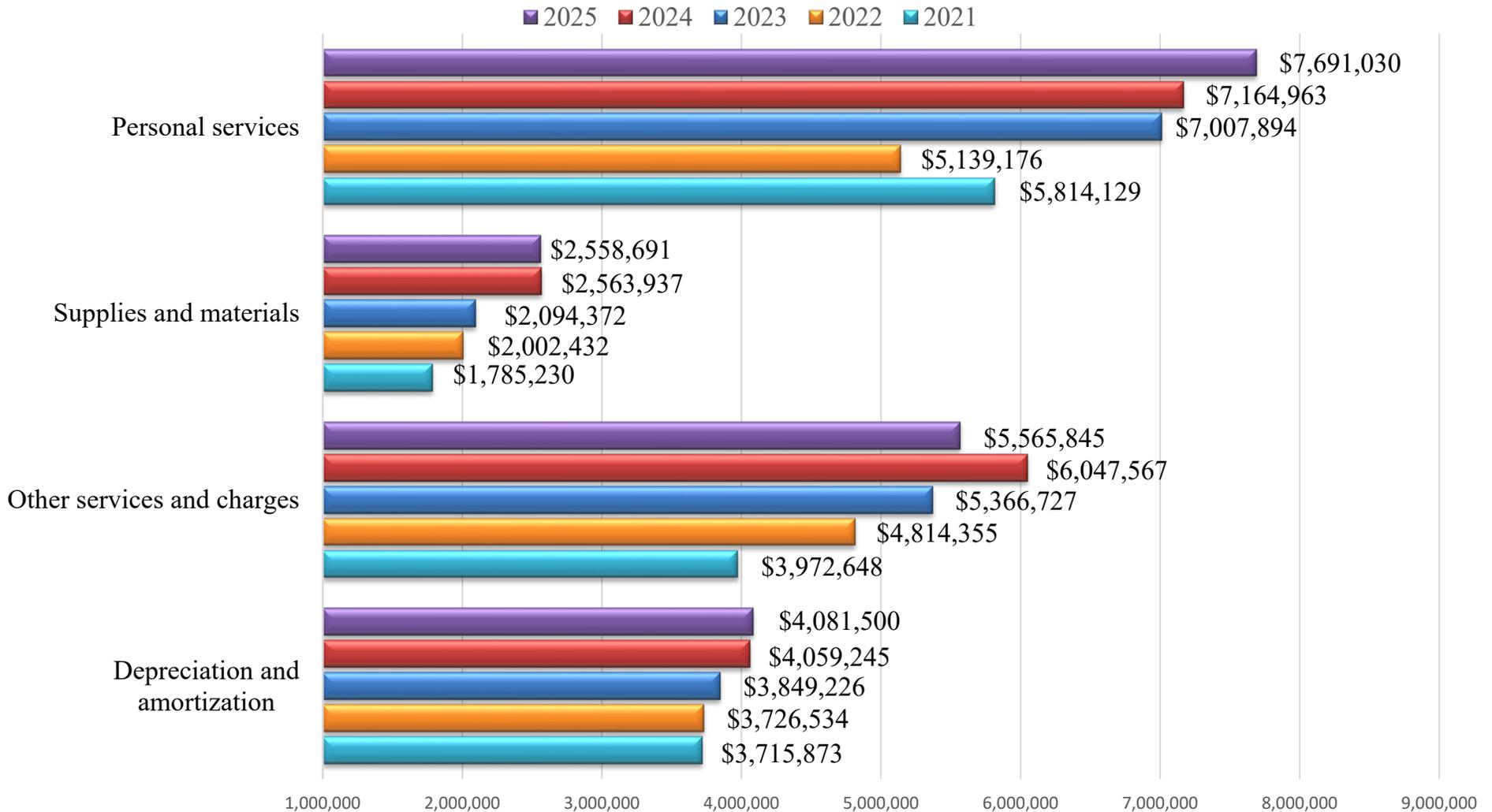
**Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana  
Houma, Louisiana**

For the years ended June 30, 2025, 2024, 2023, 2022, and 2021



**OPERATING EXPENSES**  
**Consolidated Waterworks District No. 1**  
**of the Parish of Terrebonne, State of Louisiana**  
 Houma, Louisiana

For the years ended June 30, 2025, 2024, 2023, 2022, and 2021



**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**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**

To the Board of Commissioners,  
Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana,  
Houma, 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 Consolidated Waterworks District No. 1 of the Parish of Terrebonne, State of Louisiana, (the “District”), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 1, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’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 the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District’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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness or significant deficiencies may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Governmental Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

Houma, Louisiana,  
December 1, 2025.

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED  
BY THE UNIFORM GUIDANCE**

To the Board of Commissioners,  
Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana,  
Houma, Louisiana.

**Report on Compliance for Each Major Federal Program**

***Opinion of Each Major Federal Program***

We have audited the compliance of the Consolidated Waterworks District No. 1 of the Parish of Terrebonne, State of Louisiana, (the “District”), a component unit of Terrebonne Parish Consolidated Government, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2025. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

***Basis for Opinion of Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibility under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance Section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than from that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risk. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given those limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
December 1, 2025.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS****Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana**

For the year ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipients
<b>U.S. Department of Treasury</b>				
Pass-Through Programs From:				
<u>State of Louisiana Division of Administration</u>				
<u>Office of Community Development</u>				
Coronavirus State and Local Fiscal Recovery Funds - Water Sector Program	21.027	LAWSP10283	\$ 1,377,505	\$ -
Total U.S. Department of Treasury			<u>1,377,505</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,377,505</u>	<u>\$ -</u>

See Notes to Schedule of Expenditures of Federal Awards

# **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

## **Consolidated Waterworks District No. 1 of the Parish of Terrebonne, State of Louisiana**

June 30, 2025

### **Note 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal award activity of the Consolidated Waterworks District No. 1 of the Parish of Terrebonne, State of Louisiana (the “District”) under programs of the federal government for the year ended June 30, 2025. The information in the SEFA is presented in accordance with the requirements of Uniform Guidance. Because the SEFA presents only a selected portion of the operation of the District it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

### **Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- (1) Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) The District has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

### **Note 3 - SUBRECIPIENTS**

The Consolidated Waterworks District No. 1 did not pass-through any of its federal awards to a subrecipient during the fiscal year.

### **Note 4 - FINDINGS OF NONCOMPLIANCE**

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2025.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana**

For the year ended June 30, 2025

**Section I - Summary of Auditor's Results**

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified?                     Yes  No
- Significant deficiency(ies) identified that are  
not considered to be a material weakness?             Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified?                     Yes  No
- Significant deficiency(ies) identified that are  
not considered to be a material weakness             Yes  None reported

Type of auditor's report issued on compliance for major program: unmodified

- Any audit findings disclosed that are required  
to be reported in accordance with Uniform  
Guidance Requirements?                                     Yes  No

**Section I - Summary of Auditor's Results (Continued)**

c) Identification of Major Program

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds - Water Sector Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee?  Yes  No

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

**Internal Control Over Financial Reporting**

No internal control over financial reporting findings were reported during the audit for the year ended June 30, 2025.

**Compliance and Other Matters**

There were no compliance findings and other matter findings reported during the audit of the financial statements for the year ended June 30, 2025

**Section III - Federal Award Findings and Questioned Costs**

**Internal Control Over Federal Awards**

No material weaknesses were reported during the audit for the year ended June 30, 2025.

No reportable conditions were reported during the audit for the year ended June 30, 2025.

**Compliance and Other Matters**

No compliance findings material to federal awards were reported during the audit for the year ended June 30, 2025

**REPORTS BY MANAGEMENT**

# **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

## **Consolidated Waterworks District No. 1 of the Parish of Terrebonne, State of Louisiana**

For the year ended June 30, 2025

### **Section I - Internal Control Over Financial Reporting, Compliance and Other Matters Material to the Basic Financial Statements**

#### **Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit for the year ended June 30, 2024.

No significant deficiencies were reported during the audit for the year ended June 30, 2024.

#### **Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2024.

### **Section II - Federal Award Findings and Questioned Costs**

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2024.

### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2024.

# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

## **Consolidated Waterworks District No. 1 of the Parish of Terrebonne, State of Louisiana**

For the year ended June 30, 2025

### **Section I - Internal Control Over Financial Reporting, Compliance and Other Matters Material to the Basic Financial Statements**

#### **Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit for the year ended June 30, 2025.

No significant deficiencies were reported during the audit for the year ended June 30, 2025.

#### **Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2025.

### **Section II - Internal Control and Compliance Material to Federal Awards**

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2025.

### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2025.

**STATEWIDE AGREED-UPON PROCEDURES**

**INDEPENDENT ACCOUNTANT’S REPORT ON**  
**APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners,  
Consolidated Waterworks District No. 1  
of the Parish of Terrebonne, State of Louisiana,  
Houma, Louisiana.

We have performed the procedures described in Schedule 14 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2024 through June 30, 2025. Consolidated Waterworks District No. 1 of the Parish of Terrebonne, State of Louisiana, (the “District”) management is responsible for those C/C areas identified in the SAUPs.

The District 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 the LLA’s SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 14.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these 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 the District 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.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

Houma, Louisiana,  
December 1, 2025.

**SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS**  
**OF THE STATEWIDE AGREED-UPON PROCEDURES**

**Consolidated Waterworks District No. 1**  
**of the Parish of Terrebonne, State of Louisiana**  
Houma, Louisiana

For the year ended June 30, 2025

The required procedures and our findings are as follows:

**1. Procedures Performed on the District's Written Policies and Procedures:**

Prior year testing resulted in no exceptions related to written policies and procedures. Therefore, testing is not required in the current year.

**2. Procedures Performed on the District's Board or Finance Committee:**

Prior year testing resulted in no exceptions related to the board or finance committee. Therefore, testing is not required in the current year.

**3. Procedures Performed on the District's Bank Reconciliations:**

Prior year testing resulted in no exceptions related to bank reconciliations. Therefore, testing is not required in the current year.

**4. Procedures Performed on the District's Collections (excluding electronic funds transfers):**

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).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter. The District only has one deposit site.

Exceptions: There were no exceptions noted.

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:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter. The District has one collection location.

Exceptions: There were no exceptions noted.

**4. Procedures Performed on the District's Collections (excluding electronic funds transfers):  
(Continued)**

- i. Employees responsible for cash collections do not share cash drawers/registers;  
Performance: Inspected policy manuals, inquired of management, and observed that the District's tellers each have their own cash drawer.  
Exceptions: There were no exceptions noted.
  - 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;  
Performance: Inspected policy manuals, inquired of management, and observed employees collecting cash are not responsible for preparing/making deposits.  
Exceptions: There were no exceptions noted.
  - 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  
Performance: Inspected policy manuals, inquired of management, and observed that employees collecting cash do not make general ledger postings.  
Exceptions: There were no exceptions noted.
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.  
Performance: Inspected policy manuals, inquired of management, and observed that employees collecting cash do not reconcile cash collections to the general ledger.  
Exceptions: There were no exceptions noted.
- 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.  
Performance: Obtained a listing of all employees who have access to cash and inquired of management if these employees are covered by a bond or insurance policy for theft.  
Observed that the bond or insurance policy was in force during the fiscal period.  
Exceptions: There were no exceptions noted.
- D. Randomly select 2 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:

**4. Procedures Performed on the District's Collections (excluding electronic funds transfers):  
(Continued)**

- i. Observe that receipts are sequentially pre-numbered.  
Performance: Obtained supporting documentation for the selected deposits and observed that the cash receipt log is maintained in chronological order and cash receipts are sequentially pre-numbered.  
Exceptions: There were no exceptions noted.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
Performance: The deposits selected were for remote deposits which are completed by the District using equipment connected to the bank account to remotely deposit funds. Due to the nature of these deposits, the District does not utilize deposit slips. A listing is maintained in Microsoft Excel of total checks deposited and is included with the supporting documentation.  
Exceptions: There were no exceptions noted.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.  
Performance: The deposits selected were for remote deposits which are completed by the District using equipment connected to the bank account to remotely deposit funds. Due to the nature of these deposits, the District does not utilize deposit slips. A listing is maintained in total checks deposited and is included with the supporting documentation. Traced the check total to the actual deposit per bank statement.  
Exceptions: There were no exceptions noted.
- 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).  
Performance: Observed whether the deposits tested were made within one business day of receipt.  
Exceptions: There were no exceptions noted.
- v. Trace the actual deposit per the bank statement to the general ledger.  
Performance: Traced the actual deposit per the bank statement to the general ledger.  
Exceptions: There were no exceptions noted.

**5. Procedures Performed on the District's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases):**

Prior year testing resulted in no exceptions related to the non-payroll disbursements. Therefore, testing is not required in the current year.

**6. Procedures Performed on the District's Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (cards):**

Prior year testing resulted in no exceptions related to credit cards. Therefore, testing is not required in the current year.

**7. Procedures Performed on the District's Travel and Travel-Related Expense Reimbursements (excluding card transactions):**

Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing is not required in the current year.

**8. Procedures Performed on the District's Contracts:**

Prior year testing resulted in no exceptions related to contracts. Therefore, testing is not required in the current year.

**9. Procedures Performed on the District's Payroll and Personnel:**

Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing is not required in the current year.

**10. Procedures Performed on the District's Ethics:**

Prior year testing resulted in no exceptions related to ethics. Therefore, testing is not required in the current year.

**11. Procedures Performed on the District's Debt Service:**

Prior year testing resulted in no exceptions related to debt service. Therefore, testing is not required in the current year.

**12. Procedures Performed on the District's Fraud Notice:**

Prior year testing resulted in no exceptions related to fraud notice. Therefore, testing is not required in the current year.

**13. Procedures Performed on the District's Information Technology Disaster Recovery/Business Continuity:**

Prior year testing resulted in no exceptions related to information technology disaster recovery/business continuity. Therefore, testing is not required in the current year.

**14. Procedures Performed on the District's Prevention of Sexual Harassment:**

Prior year testing resulted in no exceptions related to sexual harassment. Therefore, testing is not required in the current year.

**Management's Overall Response to Exceptions:**

There were no exceptions noted.