

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

ANNUAL FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities and the major fund of the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana, a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana, as of December 31, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

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

***Supplementary Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana’s internal control over financial reporting and compliance.



DeRidder, Louisiana  
October 31, 2024

## BASIC FINANCIAL STATEMENTS

Statement of Net Position  
For the Year Ending December 31, 2023

	Business-type Activities - Enterprise Fund Water and Sewer
Assets	
Cash and cash equivalents	\$ 42,034
Receivables:	
Accounts	8,011
Ad valorem taxes - maintenance	64,980
Restricted assets	
Cash and cash equivalents	136,272
Intergovernmental	
Federal grants receivable	117,168
Ad valorem taxes receivable - bond	47,651
Capital assets not being depreciated	130,669
Capital assets being depreciated - net	4,401,312
Total assets	\$ 4,948,097
Liabilities	
Accounts payable	\$ 2,739
Payroll taxes payable	1,893
Pension payable - ad valorem tax - maintenance	2,357
Liabilities payable from restricted assets	
Accrued interest payable	19,823
Contracts payable	117,168
Pension payable - ad valorem tax - bond	1,728
Long term liabilities:	
Due within one year	32,584
Due in more than one year	1,338,416
Customer deposits	32,916
Total liabilities	\$ 1,549,624
Net Position	
Net investment in capital assets	\$ 3,042,085
Restricted for:	
Debt service	55,520
Capital additions and contingencies	74,268
Unrestricted	226,600
Total net position	\$ 3,398,473
Total liabilities and net position	\$ 4,948,097

The accompanying notes are an integral part of this statement.

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

Statement B

Statement of Activities  
For the Year Ending December 31, 2023

Program Activities	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Capital Grants and Contributions	Business-type Activities
Business-type activities:				
Water system	\$ 289,496	\$ 101,985	\$ 125,549	\$ (61,962)
General revenues:				
Investment earnings				\$ 109
Ad valorem tax receipts				116,658
Total general revenues				\$ 116,767
Change in net position				\$ 54,805
Net position at beginning of year				3,343,668
Net position at end of year				\$ 3,398,473

The accompanying notes are an integral part of the statement.



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

Statement C

Statement of Net Position  
Proprietary Fund  
For the Year Ending December 31, 2023

	Business-type Activities Enterprise Fund Water and Sewer
Assets	
Current assets	
Cash and cash equivalents	\$ 42,034
Receivables:	
Accounts	8,011
Ad valorem taxes - maintenance	64,980
Total current assets	\$ 115,025
Restricted assets	
Cash and cash equivalents	\$ 136,272
Intergovernmental	
Federal grants receivable	117,168
Ad valorem taxes receivable - bond	47,651
Total restricted assets	\$ 301,091
Noncurrent assets	
Capital assets not being depreciated	\$ 130,669
Capital assets being depreciated - net	4,401,312
Total noncurrent assets	\$ 4,531,981
Total assets	\$ 4,948,097
Liabilities	
Current liabilities	
Accounts payable	\$ 2,739
Payroll taxes payable	1,893
Pension payable - ad valorem tax - maintenance	2,357
Total current liabilities	\$ 6,989
Liabilities payable from restricted assets	
Accrued interest payable	\$ 19,823
Contracts payable	117,168
Current portion G.O. bonds	13,000
Current portion revenue bonds	19,584
Pension payable - ad valorem tax - bond	1,728
Total liabilities payable from restricted assets	\$ 171,303
Noncurrent liabilities	
Customer deposits	\$ 32,916
Revenue bonds - due in more than one year	1,023,416
G.O. bonds - due in more than one year	315,000
Total noncurrent liabilities	\$ 1,371,332
Total liabilities	\$ 1,549,624
	(Continued)

The accompanying notes are an integral part of this statement.

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

Statement C

Statement of Net Position  
Proprietary Fund  
For the Year Ending December 31, 2023

	<u>Business-type Activities Enterprise Fund Water and Sewer</u>
Net Position	
Net investment in capital assets	\$ 3,042,085
Restricted for:	
Debt service	55,520
Capital assets and contingencies	74,268
Unrestricted	<u>226,600</u>
Total net position	<u>\$ 3,398,473</u>
Total liabilities and net position	<u>\$ 4,948,097</u>
	(Concluded)

The accompanying notes are an integral part of this statement.

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

Statement D

Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Fund  
For the Year Ending December 31, 2023

	<u>Business-type Activities - Enterprise Fund</u> <u>Water and Sewer</u>
Operating revenues	
Charges for services	\$ 101,985
Operating expenses	
Personal services and related benefits	\$ 85,739
Supplies	24,185
Contractual services	54,220
Depreciation	93,355
Total operating expenses	<u>\$ 257,499</u>
Income (loss) from operations	<u>\$ (155,514)</u>
Nonoperating revenues (expenses)	
Investment income	\$ 109
Interest expense	(27,912)
Ad valorem taxes	116,658
Ad valorem taxes - pension expense	(4,085)
Total nonoperating revenue (expenses)	<u>\$ 84,770</u>
Income (loss) before contributions	\$ (70,744)
Capital contributions	<u>125,549</u>
Change in net position	\$ 54,805
Net position at beginning of year	<u>\$ 3,343,668</u>
Net position at end of year	<u><u>\$ 3,398,473</u></u>

The accompanying notes are an integral part of this statement.

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

Statement E

Statement of Cash Flows  
Proprietary Fund  
For the Year Ending December 31, 2023

	Business-type Activities - Enterprise Funds
	Water and Sewer
Cash flows from operating activities:	
Cash received from customers	\$ 100,750
Cash payments to suppliers for goods and services	(76,734)
Cash payments to employees for services	(87,039)
Net cash used by operating activities	\$ (63,023)
Cash flows from capital and related financing activities:	
Acquisition of fixed assets	\$ (212,707)
Contributed capital received	149,152
Ad valorem tax collections - bond	43,177
Principal paid on bonds	(13,000)
Pension paid on ad valorem taxes - bond	(1,488)
Interest paid on long term debt	(27,721)
Net cash used for capital and related financing activities	\$ (62,587)
Cash flows from non-capital and related financing activities:	
Ad valorem tax collections - maintenance	\$ 58,875
Pension paid on ad valorem taxes - maintenance	(2,029)
Net cash provided by non-capital and related financing activities	\$ 56,846
Cash flow from investing activities:	
Investment income	\$ 109
Net increase (decrease) in cash and cash investments	\$ (68,655)
Cash and cash equivalents, beginning	246,961
Cash and cash equivalents, ending	\$ 178,306

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Cash Flows  
Proprietary Fund  
For the Year Ending December 31, 2023

	<u>Business-type Activities - Enterprise Funds</u>
	<u>Water and Sewer</u>
Reconciliation of loss from operations to net cash used by operating activities:	
Loss from operations	\$ (155,514)
Adjustments to reconcile loss from operations to net cash used by operating activities:	
Depreciation	\$ 93,355
Change in assets and liabilities:	
Increase in accounts payable	1,671
Decrease in customer deposits payable	(724)
Increase in accounts receivable	(511)
Decrease in payroll taxes payable	(1,300)
Net cash used by operating activities	<u>\$ (63,023)</u>
	(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

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

Notes to the Financial Statements  
As of and for the Year Ending December 31, 2023

## INTRODUCTION

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

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

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Government-Wide and Fund Financial Statements

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

Notes to the Financial Statements (Continued)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Charges for services of providing water services to residents comprise the operating revenue of the District's enterprise fund. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**C. Deposits and Investments**

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

**D. Receivables and Payables**

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

**E. Restricted Assets**

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

**F. Capital Assets**

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

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

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

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



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

Notes to the Financial Statements (Continued)

**G. Compensated Absences**

The District has the following policy relating to annual leave:

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

**H. Long Term Obligations**

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

**I. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the district, which are either unusual in nature or infrequent in occurrence. As of December 31, 2023 the District had no extraordinary or special items.

**J. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**K. Net Position**

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position – all other net resources that do not meet the definition of “restricted” or “net investment in capital assets”.

**L. Receivables and Payables**

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

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

Notes to the Financial Statements (Continued)

Property Tax Calendar	
Assessment date	January 1, 2023
Levy date	June 30, 2023
Tax bills mailed	October 15, 2023
Total taxes are due	December 31, 2023
Penalties & interest due	January 31, 2024
Lien date	January 31, 2024
Tax sale	May 15, 2024

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

For the year ended December 31, 2023, taxes of 26.00 mills were levied on property with an assessed valuation totaling \$4,515,675 and were dedicated as follows:

	Authorized Millage	Levied Millage	Expiration Date
Taxes due for:			
General maintenance	15.00	15.00	12/31/2029
Debt service	11.00	11.00	12/31/2029

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

Taxpayer	Type of Business	Assessed Valuation	% of Total Assessed Valuation	Ad Valorem Tax Revenue for District
Texas Petroleum Investment Co.	Oil & Gas	\$ 303,206	6.71%	\$ 7,883
Arcosa Materials	Land	688,439	15.25%	17,899
Gulf Run Transmission LLC	Oil & Gas	761,997	16.87%	19,812
Beauregard Electric Co-op Inc.	Utilities	232,224	5.14%	6,038
Totals		\$ 1,985,866	43.97%	\$ 51,632

**2. CASH AND CASH EQUIVALENTS**

At December 31, 2023, the District has cash (book balances) totaling \$178,306 as follows:

NOW accounts	\$ 178,306
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At December 31, 2023, the District has \$177,720 in deposits (collected bank balances). These deposits are secured from risk by \$177,720 of federal deposit insurance.

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

Notes to the Financial Statements (Continued)

**3. RECEIVABLES**

The receivables of \$237,810 at December 31, 2023, are as follows:

Class of receivable	Proprietary Fund
Accounts	\$ 8,011
Ad valorem taxes - maintenance	64,980
Ad valorem taxes - bond	47,651
Federal grants	117,168
Total receivables	\$ 237,810

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2023, for the primary government is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 13,501	\$ -	\$ -	\$ 13,501
Work in progress	-	117,168	-	117,168
Total capital assets, not being depreciated	\$ 13,501	\$ 117,168	\$ -	\$ 130,669
Capital assets being depreciated				
Vehicles	\$ 7,331	\$ -	\$ -	\$ 7,331
Machinery and equipment	6,429	-	-	6,429
Improvements	4,512,931	-	-	4,512,931
Total capital assets being depreciated	\$ 4,526,691	\$ -	\$ -	\$ 4,526,691
Less accumulated depreciation for:				
Vehicles	\$ 1,100	\$ 1,466	\$ -	\$ 2,566
Machinery and equipment	1,457	1,286	-	2,743
Improvements	29,467	90,603	-	120,070
Total accumulated depreciation	\$ 32,024	\$ 93,355	\$ -	\$ 125,379
Total business-type assets being depreciated, net	\$ 4,494,667	\$ (93,355)	\$ -	\$ 4,401,312

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

Notes to the Financial Statements (Continued)

**5. INVESTED IN CAPITAL ASSETS – NET**

	Business-type Activities
Capital assets not being depreciated	\$ 130,669
Capital assets being depreciated	4,526,691
Total capital assets	\$ 4,657,360
Less:	
Accumulated depreciation	\$ (125,379)
Contracts payable	(117,168)
Bonds payable	(1,371,000)
Pension payable - ad valorem tax - bond	(1,728)
Total	\$ (1,615,275)
Net investment in capital assets	\$ 3,042,085

**6. ACCOUNTS AND OTHER PAYABLES**

The payables of \$178,624 at December 31, 2023, are as follows:

	Proprietary Fund
Accounts payable	\$ 2,739
Contracts payable	117,168
Pension - ad valorem tax	4,085
Payroll taxes	1,893
Accrued interest payable	19,823
Customer deposits	32,916
Total	\$ 178,624

**7. LONG-TERM DEBT OBLIGATIONS**

The following is a summary of the long-term debt obligations transactions for the year ended December 31, 2023:

	G.O. Bonds	Water Revenue Bonds	Total
Long-term obligations at beginning of year	\$ 341,000	\$ 1,043,000	\$ 1,384,000
Bond proceeds	-	-	-
Principal payments	(13,000)	-	(13,000)
Long-term obligations at end of year	\$ 328,000	\$ 1,043,000	\$ 1,371,000

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

Notes to the Financial Statements (Continued)

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2022:

	G.O. Bonds	Water Revenue Bonds	Total
Current portion	\$ 13,000	\$ 19,584	\$ 32,584
Long-term portion	315,000	1,023,416	1,338,416
Total	\$ 328,000	\$ 1,043,000	\$ 1,371,000

Bonded debt is comprised of the following issue at December 31, 2022:

G.O. Bonds:

\$347,000 Series 2021 General Obligation Bonds  
Due in annual installments of \$6,000 to \$25,000,  
March 1, 2022 through March 1, 2041;  
Interest at the variable rate of .3% to 4.00% \$328,000

Water Revenue Bonds:

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

The annual requirements to amortize all bonds outstanding at December 31, 2023, for the District, including interest payments of \$494,221, are as follows:

Year Ending December 31,	Principal Payments	Interest Payments	Total
2024	\$ 32,584	\$ 26,901	\$ 59,485
2025	32,930	26,479	59,409
2026	34,281	26,026	60,307
2027	35,639	25,530	61,169
2028	36,003	25,008	61,011
2029 - 2033	194,705	115,659	310,364
2034 - 2038	222,821	92,089	314,910
2039 - 2043	203,860	60,940	264,800
2044 - 2048	143,909	44,491	188,400
2049 - 2053	157,058	31,342	188,400
2054 - 2058	171,409	16,991	188,400
2059 - 2061	105,801	2,765	108,566
Total	\$ 1,371,000	\$ 494,221	\$ 1,865,221

In accordance with R.S. 39:562, the District is legally restricted from incurring long-term general obligation bonded debt in excess of 35% of the assessed value of taxable property. At December 31, 2023, the statutory limit is \$1,580,487 and outstanding general obligation bonded debt totals \$328,000.

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

Notes to the Financial Statements (Concluded)

**8. RESTRICTED NET POSITION**

	<u>Proprietary Fund</u>
Restricted assets:	
Cash	\$ 136,272
Federal grants receivable	117,168
Ad valorem tax receivable - bond	<u>47,651</u>
Total restricted assets	<u>\$ 301,091</u>
Less:	
Liabilities payable from restricted assets:	
Accrued interest payable	\$ 19,823
Contracts payable	117,168
Current portion of bonds	32,584
Pension payable - ad valorem tax - bond	<u>1,728</u>
Total liabilities payable from restricted assets	<u>\$ 171,303</u>
Restricted net position	<u>\$ 129,788</u>

OTHER SUPPLEMENTAL SCHEDULES

Schedule of Compensation, Benefits and  
Other Payments to Agency Head  
For the Year Ended December 31, 2023

Agency Head Name - Adley Perkins

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 40,800
Benefits - insurance	-
Benefits - retirement	-
Deferred compensation	-
Benefits - other	-
Vehicle provided by government	Yes
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-



## OTHER REPORTS

Schedule of Prior Year Audit Findings  
For the Year Ending December 31, 2023

Findings – Financial Statement Audit

Audit Finding No. 2022-1

Water Revenue Bond Debt Service Interest Payment Made Late

- Condition: According to the bond resolution debt service schedule, the first debt service interest payment of \$18,252 was due on December 17, 2022. This payment was not made until February 7, 2023.
- Criteria: The bond resolution has an amortization schedule that shows all principal and interest due dates. When signing this bond resolution the District agrees to timely make these payments as spelled out in the bond resolution.
- Cause and Condition: The District's first bond millage payment from the tax assessor which should have been paid from the 2021 tax roll was not paid to the District due to some errors made concerning the millage. Therefore, the District did not have the funds for the required December 17, 2022 interest payment and had to wait until they got their 2022 bond millage payment from the assessor to make payment.
- Effect of Condition: This is a violation of the bond resolution that was signed by both the District and the United States Department of Agriculture.
- Recommendation: We recommend that upcoming principal and interest payments due to the United States Department of Agriculture be timely made according to the bond resolution amortization schedule and that the office manager monitor these payments.

Date of Initial Occurrence - December 31, 2022

Corrective Action Taken - No

Audit Finding No. 2022-2

Ethics Requirement Not Met

- Condition: None of the board members or employees of the District met the one hour requirement training on the Code of Governmental Ethics.
- Criteria: As of January 1, 2012 all public employees are required by R.S. 42:1170 to complete one hour per year training on the Code of Governmental Ethics.
- Cause and Condition: This was an oversight by the District that they did not get the one hour ethics course completed during the year, and a lack of monitoring contributed to the oversight.
- Effect of Condition: Violation of R.S. 42:1170.
- Recommendation: We recommend that all board members and employees of the District take the required one hour ethics training each year and that the office manager monitor all compliance.

Date of Initial Occurrence - December 31, 2022

Corrective Action Taken - Yes

Schedule of Prior Year Audit Findings  
For the Year Ending December 31, 2023

Findings – Financial Statement Audit

Audit Finding No. 2022-3

Prevention of Sexual Harassment Law Requirement Not Met

Condition: Neither the board members nor the employees of the District met the one hour requirement training on the Prevention of Sexual Harassment Law.

Criteria: As of January 1, 2019 all public servants are required by R.S. 42:343 to complete one hour per year training on the Prevention of Sexual Harassment Law.

Cause and Condition: This was an oversight by the District that they did not get the one hour of sexual harassment training during the year, and a lack of monitoring contributed to the oversight.

Effect of Condition: Violation of R.S. 42:343.

Recommendation: We recommend that all board members and employees of the District take the required one hour sexual harassment training each year and that the office manager monitor the board members' and employees' compliance.

Date of Initial Occurrence - December 31, 2022

Corrective Action Taken - Yes

Audit Finding No. 2022-4

Bank Accounts Not Timely Reconciled

Condition: Bank accounts of the District were not reconciled within two months of the statement date and no written evidence exist on the reconciled statement that they were reviewed by an independent member of management.

Criteria: According to agreed upon procedures, bank accounts should be reconciled within two months of the statement date and written evidence should exist on the reconciliation that it was reviewed by independent management.

Cause and Condition: Management relied on a third party to reconcile the bank accounts and did not check to see that they were being reconciled. Also, these statements were not reviewed by management after they were reconciled.

Effect of Condition: Bank accounts not being timely reconciled could lead to errors in reporting and misappropriation of cash in the bank account.

Recommendation: We recommend that bank accounts be timely reconciled within two months of the statement date and written evidence appears on the reconciliation by an independent management personnel of review of the reconciliation. Also, management's oversight of this should be checked monthly to see that reconciliations are timely completed.

Date of Initial Occurrence - December 31, 2022

Corrective Action Taken - No

Schedule of Current Year Audit Findings and Management's Response  
For the Year Ending December 31, 2023

Findings – Financial Statement Audit

Audit Finding No. 2023-1

Water Revenue Bond Debt Service Interest Payment Made Late

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

Audit Finding No. 2023-2

Bank Accounts Not Timely Reconciled

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

Schedule of Current Year Audit Findings and Management's Response  
For the Year Ending December 31, 2023

Finding – Financial Statement Audit

Audit Finding No. 2023-3

Audit Report Not Timely Submitted to the Louisiana Legislative Auditor

Condition:	The December 31, 2023 audit report of Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana was not submitted to the Louisiana Legislative Auditor's office by the statutory deadline of June 30, 2024.
Criteria:	Louisiana Revised Statute R.S. 24:513(A)(5)(a)(i) states that the audits of local governments must be completed within six months of the entity's year end and timely submitted to the Louisiana Legislative Auditor by the six month deadline.
Cause and Condition:	The documents submitted to the auditor were not financial statements that could be audited. The district was told by the auditor to have the CPA that prepared these statements the year before to help get them in order to be audited. The District hired another CPA that after some time told the District he could not get to them with his schedule. The District then hired the CPA from the prior year to prepare their financial statements. Therefore, the auditor did not receive proper financial statements to audit until late in September of 2023.
Effect of Condition:	Violation of R.S. 24:513(A)(5)(a)(i).
Recommendation:	We recommend that the District submit the financial records to their CPA who prepares their financial statements as soon as possible after the District's year end. Also, we recommend that the District monitor the preparation in order to have them available for audit with sufficient time to complete the audit by the statutory deadline.

Finding – Financial Statement Audit

Audit Finding No. 2023-4

Documents Prepared by Management for Audit Were Not Financial Statements

Condition:	The documents that management gave to the auditor for audit were not in proper order and could not be audited.
Criteria:	Proper financial statements, balance sheet, profit and loss statement and general ledger with supporting documents are to be timely presented to the auditor in order to complete the required annual audit.
Cause and Condition:	In the past years, the District has hired an outside CPA to prepare their financial statements at year end for the auditor to audit. In an effort to save money, the clerk of the District tried to prepare these and print them out using their software, but what was received by the auditor was not a set of financial statements that could be audited.
Effect of Condition:	The financial statements could not be audited and were given back to the District to have them hire a CPA to correct these statements. By the time these statements were received back by the auditor, the statutory deadline for submission of the audited financial statements to the Louisiana Legislative Auditor had passed.
Recommendation:	We recommend that the District hire a CPA during the year to help with preparation of financial statements and to have these timely prepared to allow time for the annual audit to be completed.

**BEAUREGARD PARISH  
WATERWORKS  
DISRTICT NO.6**

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**MICHAEL J. "MIKE" WAGUESPACK  
LOUISIANA LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
P.O. BOX 94397  
BATON ROUGE, LOUISIANA 70804-9373**

November 7,2024

Dear Mr. Michael J. Waguespack,

I, Rebecca Bordelon, the new Office Manager of Beauregard Parish Waterworks District No. 6 am writing this letter to you in regards to District No. 6 having four violations for our 2023 tax audit.

I would like to address the first violation. According to the bond resolution schedule, the debt service interest payment of \$18,252 was due on December 17,2023. This payment was not paid on the scheduled date. Being the new Office Manager, I would like to correct this violation. I will be monitoring upcoming payments to ensure that they are made timely according to the bond resolutions amortization schedule.

The second violation is that the bank accounts of District No. 6 were not reconciled within two months of the bank statements date by a member of management. As the new office Manager, I will be monitoring the bank accounts closely to ensure that they are reviewed and reconciled monthly and on time.

The third violation is that the tax audit report for the year 2023 for District No. 6 was not submitted to the Louisiana Legislative Auditors office by the deadline of June 30, 2024. To correct this matter, with the help of District No. 6, I will monitor the preparation of the upcoming audit for 2024. Financial records will be submitted to the CPA within a sufficient time to ensure the audit is complete by the statutory deadline.

The fourth violation is that the documents were not in proper order and could not be audited. To correct this issue, with the help our Districts CPA, I ensure to have financial records in order and prepared in a timely manner to allow time for the annual audit to be completed by due date.

Thank you for the opportunity to correct these matters which are in violation.

Sincerely,  
Rebecca Bordelon  
Office Manager of Beauregard  
Waterworks District No. 6

# Windham & Reed, L.L.C.

*Certified Public Accountants*

1620 North Pine Street  
DeRidder, LA 70634  
Tel: (337) 462-3211  
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John A. Windham, CPA  
Charles M. Reed, Jr., CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the major fund of Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana, a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's basic financial statements, and have issued our report thereon dated October 31, 2024.

## **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of current year audit findings and management's response, we identified certain deficiencies in integral control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of current year audit findings and management's response as item Audit Finding No. 2023-4 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of current year audit findings and management's response as item Audit Finding No. 2023-2 to be a significant deficiency.

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current year audit findings and management’s response as items Audit Finding No. 2023-1 and Audit Finding No. 2023-3.

**Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana’s Current Year Auditing Findings and Management’s Response**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana’s response to the findings identified in our audit and described in the accompanying schedule of current year audit findings and management’s response. Waterworks District No. 6 of the Parish of Beauregard, State of Louisiana’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of This Report**

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



DeRidder, Louisiana  
October 31, 2024