

**LAFAYETTE PARISH WATERWORKS  
DISTRICT NORTH**

Financial Report

Years Ended December 31, 2024 and 2023 (as restated)

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OTHER LOCATIONS:

Eunice    Morgan City    Abbeville

## INDEPENDENT AUDITORS' REPORT

The Board of Commissioners  
Lafayette Parish Waterworks District North  
Lafayette, Louisiana

### Opinion

We have audited the accompanying financial statements of the business-type activities and major fund of Lafayette Parish Waterworks District North (District), a component unit of Lafayette Parish Consolidated Government, as of and for the years ended December 31, 2024 and 2023 (as restated), 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 business-type activities and major fund of Lafayette Parish Waterworks District North, as of December 31, 2024 and 2023 (as restated), and the respective changes in financial position and the cash flows thereof for the years then ended in conformity 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 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 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 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 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 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, that 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.

### **Required Supplementary Information**

Management has omitted the 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying financial information listed as "Supplementary Information" in the table of contents 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the schedule of number of utility customers, schedule of insurance in force, accounts receivable aging schedule, and rate schedule for residential and commercial customers but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2025, on our consideration of the District's internal control over financial reporting and 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 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.

***Darnall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Lafayette, Louisiana

June 11, 2025

## **BASIC FINANCIAL STATEMENTS**

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH  
Lafayette, Louisiana  
Proprietary Fund Type-Enterprise Fund  
Utility Fund

Statements of Net Position  
December 31, 2024 and 2023 (as restated)

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets:		
Cash	\$ 1,569,694	\$ 2,063,111
Accounts receivable (net of allowance for uncollectible accounts - \$13,430 and \$13,430, respectively)	637,591	527,965
Grants receivable	93,724	-
Prepaid expenses	<u>41,003</u>	<u>38,274</u>
Total current assets	<u>2,342,012</u>	<u>2,629,350</u>
Noncurrent assets:		
Restricted assets:		
Revenue bond and interest sinking account - Interest-bearing deposits	730,266	690,392
Revenue bond reserve account - Interest-bearing deposits	797,229	789,295
Revenue bond contingency account - Interest-bearing deposits	319,000	315,837
Customer deposits - Cash	<u>438,457</u>	<u>413,110</u>
Total restricted assets	2,284,952	2,208,634
Net capital assets	<u>6,943,816</u>	<u>6,033,341</u>
Total noncurrent assets	<u>9,228,768</u>	<u>8,241,975</u>
 Total assets	 <u>\$ 11,570,780</u>	 <u>\$ 10,871,325</u>

The accompanying notes are an integral part of these financial statements.

	<u>2024</u>	<u>2023</u>
<b>LIABILITIES AND NET POSITION</b>		
Liabilities:		
Current liabilities - (payable from current assets)		
Accounts payable	\$ 494,771	\$ 238,546
Accrued liabilities	181,505	128,005
Payroll liabilities	1,610	7,736
Deferred revenue	<u>-</u>	<u>465,259</u>
Total current liabilities - (payable from current assets)	<u>677,886</u>	<u>839,546</u>
Current liabilities - (payable from restricted assets)		
Membership deposits	199,500	193,370
Accrued interest payable	4,764	7,840
Revenue bonds payable	<u>371,000</u>	<u>417,000</u>
Total current liabilities - (payable from restricted assets)	<u>575,264</u>	<u>618,210</u>
Total current liabilities	1,253,150	1,457,756
Noncurrent liabilities -		
Revenue bonds payable	<u>266,699</u>	<u>634,680</u>
Total liabilities	<u>1,519,849</u>	<u>2,092,436</u>
Net position:		
Investment in capital assets, net of related debt	6,677,117	5,398,661
Restricted for debt service	1,470,731	1,370,684
Unrestricted	<u>1,903,083</u>	<u>2,009,544</u>
Total net position	<u>10,050,931</u>	<u>8,778,889</u>
Total liabilities and net position	<u>\$ 11,570,780</u>	<u>\$ 10,871,325</u>

The accompanying notes are an integral part of these financial statements.



LAFAYETTE PARISH WATERWORKS DISTRICT NORTH  
Lafayette, Louisiana  
Proprietary Fund Type-Enterprise Fund  
Utility Fund

Statements of Revenues, Expenses and Changes in Net Position  
Years Ended December 31, 2024 and 2023 (as restated)

	<u>2024</u>	<u>2023</u>
Operating revenues:		
Charges for services -		
Water sales and fees	<u>\$ 6,032,595</u>	<u>\$ 5,972,319</u>
Operating expenses:		
Cost of water sold	3,377,446	3,180,168
Contract labor	60,119	58,082
Professional fees	373,697	364,389
Depreciation expense	432,088	439,101
Amortization expense	3,019	3,019
Director fees	6,200	6,600
Insurance expenses	216,478	246,542
Repairs and maintenance	149,909	142,705
Utilities	11,979	12,110
Salaries and related benefits	610,264	583,677
Office expenses and supplies	<u>268,238</u>	<u>262,382</u>
Total operating expenses	<u>5,509,437</u>	<u>5,298,775</u>
Net operating income	<u>523,158</u>	<u>673,544</u>
Nonoperating revenues (expenses):		
Grant revenue	690,994	34,741
Interest and investment income	41,254	31,635
Interest expense	(28,315)	(40,400)
Miscellaneous	<u>44,951</u>	<u>37,942</u>
Total nonoperating expenses	<u>748,884</u>	<u>63,918</u>
Change in net position	1,272,042	737,462
Net position, beginning	<u>8,778,889</u>	<u>8,041,427</u>
Net position, ending	<u>\$10,050,931</u>	<u>\$ 8,778,889</u>

The accompanying notes are an integral part of these financial statements.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH  
Lafayette, Louisiana  
Proprietary Fund Type-Enterprise Fund  
Utility Fund

Statements of Cash Flows  
Years Ended December 31, 2024 and 2023 (as restated)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 5,922,969	\$ 5,939,663
Payments to suppliers	(4,157,070)	(4,159,321)
Payments to employees	<u>(616,390)</u>	<u>(584,388)</u>
Net cash flows provided from operating activities	<u>1,149,509</u>	<u>1,195,954</u>
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:		
Proceeds from grant award	132,011	500,000
Principal paid on bonds	(417,000)	(406,000)
Interest paid on bonds	(31,391)	(43,394)
Acquisition and construction of capital assets	(1,342,563)	(9,146)
Net increase in membership deposits	6,130	7,134
Other receipts	<u>44,951</u>	<u>37,942</u>
Net cash flows provided (used) for capital and financing activities	<u>(1,607,862)</u>	<u>86,536</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on cash and investments	<u>41,254</u>	<u>31,635</u>
Net cash flows provided from investing activities	<u>41,254</u>	<u>31,635</u>
Increase (decrease) in cash and cash equivalents	(417,099)	1,314,125
Cash and cash equivalents, beginning of period	<u>4,271,745</u>	<u>2,957,620</u>
Cash and cash equivalents, end of period	<u>\$ 3,854,646</u>	<u>\$ 4,271,745</u>

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(continued)

The accompanying notes are an integral part of these financial statements.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH  
Lafayette, Louisiana  
Proprietary Fund Type-Enterprise Fund  
Water Fund

Statements of Cash Flows (Continued)  
Years Ended December 31, 2024 and 2023 (as restated)

	<u>2024</u>	<u>2023</u>
Reconciliation of operating income to net cash provided by operating activities:		
Net operating income	\$ 523,158	\$ 673,544
Adjustments to reconcile operating income to net cash provided by operating activity:		
Depreciation	432,088	439,101
Amortization	3,019	3,019
Change in current assets and liabilities -		
Accounts receivable	(109,626)	(32,656)
Prepaid expenses	(2,729)	965
Accounts payable	256,225	110,794
Accrued liabilities	53,500	1,898
Payroll liabilities	(6,126)	(711)
Net cash provided by operating activities	<u>\$ 1,149,509</u>	<u>\$ 1,195,954</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 2,063,111	\$ 820,388
Cash - restricted	<u>2,208,634</u>	<u>2,137,232</u>
Total cash and cash equivalents	<u>4,271,745</u>	<u>2,957,620</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	1,569,694	2,063,111
Cash - restricted	<u>2,284,952</u>	<u>2,208,634</u>
Total cash and cash equivalents	<u>3,854,646</u>	<u>4,271,745</u>
Net increase (decrease)	<u>\$ (417,099)</u>	<u>\$ 1,314,125</u>

The accompanying notes are an integral part of these financial statements.

# LAFAYETTE PARISH WATERWORKS DISTRICT NORTH

## Notes to the Basic Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Lafayette Parish Waterworks District North (the District) conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the industry audit guide, Audits of State and Local Governmental Units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District applies all applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 in accounting and reporting for its proprietary fund operations unless those pronouncements conflict with or contradict GASB pronouncements.

The following is a summary of certain significant accounting policies:

#### Financial Reporting Entity

The Lafayette Parish Waterworks District North, which is a component unit of Lafayette Parish Consolidated Government, was created under the provisions of Louisiana Revised Statutes 33:3811, for the purpose of providing potable drinking water to the rural areas of Lafayette Parish. The District is governed by a board of commissioners composed of nine members appointed by Lafayette Parish Consolidated Government. Each board of commissioner serves a four year term and cannot serve more than twelve years.

This report is comprised of a proprietary fund that is administered by the District's board of commissioners and controlled by the Lafayette Parish Consolidated Government. The accompanying financial statements present information only on the proprietary fund maintained by the District and do not present information on the Lafayette Parish Consolidated Government and the general governmental services provided by that governmental unit.

#### Basis of Presentation

##### Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Lafayette Parish Waterworks District North does not have governmental activities. Its operation is a business-type activity.

#### Fund Accounting

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

# LAFAYETTE PARISH WATERWORKS DISTRICT NORTH

## Notes to the Basic Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District maintains only one fund and it is described below:

#### Proprietary Fund –

The Enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - 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.

#### Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

The enterprise fund utilizes an “economic resources” measurement focus. The accounting objectives of this 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.

The government wide and proprietary fund statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

#### Cash and Interest-bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market. All short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the date of purchase, they have a maturity date no longer than three months.

#### Investments

Under state law, the District may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union or the laws of the United States. The District may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. As of December 31 2024, the District has no investments.

# LAFAYETTE PARISH WATERWORKS DISTRICT NORTH

## Notes to the Basic Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items.

#### Credit Loss Expense

Through the establishment of an allowance account, uncollectible amounts due from customer's utility receivables are recognized as credit loss expense at the time information becomes available, which would indicate the uncollectibility of the particular receivable.

#### Capital Assets

Capital assets include property, equipment, and infrastructure assets. They are reported at historical cost or estimated cost if historical 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 \$500 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. Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Utility System and Improvements	30-40 years
Furniture, fixtures, and equipment	7-10 years

#### Compensated Absences

The District allows one week paid vacation after one year as a full-time employee. In recognition of length of continuous service to the District, additional vacation time is provided to the employee based upon years of service. Vacation is normally taken in the year accrued and cannot be carried over. Employees are allowed five days annually for excused absences, including sick leave. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. The GASB has released Statement No. 101, Compensated Absences (Statement 101), which replaces GASB Statement No. 16, Accounting for Compensated Absences. The Statement 101 requires liabilities for compensated absences to be recognized for: Leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. Under the new Statement a liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered; (b) the leave has accumulated; and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits is not included in the compensated absences liability. The Statement also addresses the timing of the recognition of a liability for certain types of compensated absences, such as sabbatical leave, parental leave, military leave, jury duty leave and other specific types of compensated balances. The Statement is effective for fiscal years beginning after December 15, 2023. The adoption of this standard did not have a material impact on the District's financial statements.

# LAFAYETTE PARISH WATERWORKS DISTRICT NORTH

## Notes to the Basic Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Equity Classifications

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt – 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 position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The District uses unrestricted assets only when restricted assets are fully depleted.

#### Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 expenditures during the reporting period. Actual results could differ from those estimates.

#### Accounting Standards Adopted in 2023

Effective January 1, 2023, the District adopted FASB ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The District adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the District's financial statements but did change how the allowance for credit losses is determined.

#### Subsequent Events

We have evaluated events subsequent to the balance sheet date through June 11, 2025, the date the financial statements were available to be issued.

# LAFAYETTE PARISH WATERWORKS DISTRICT NORTH

## Notes to the Basic Financial Statements

### NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the law of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31 2024 and 2023, the District had cash and interest-bearing deposits (book balances) totaling \$3,854,646 and \$4,271,745, respectively, as follows:

	2024	2023
Demand deposits	\$ 1,511,701	\$ 1,984,770
Time deposits and money market accounts	<u>2,342,945</u>	<u>2,286,975</u>
Total	<u>\$ 3,854,646</u>	<u>\$ 4,271,745</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The bank balances are categorized below to give an indication of the level of risk assumed by the District at December 31, 2024. Category 1 includes bank balances that are insured or collateralized with securities held by the entity or by its agent in the entity's name. Category 2 includes bank balances that are collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. Category 3 includes bank balances that are collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name. Deposit balances (bank balances) at December 31, 2024, are secured as follows:

Bank balances	<u>\$ 4,020,581</u>
At December 31, 2024, the deposits are secured as follows:	
Federal deposit insurance	\$ 1,239,179
Trust assets	<u>2,781,402</u>
	<u>\$ 4,020,581</u>

Even though pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.



# LAFAYETTE PARISH WATERWORKS DISTRICT NORTH

## Notes to the Basic Financial Statements

### NOTE 3 RESTRICTED ASSETS – PROPRIETARY FUND TYPE

Restricted assets were applicable to the following at December 31:

	2024	2023
Revenue bond and interest sinking account	\$ 730,266	\$ 690,392
Revenue bond reserve account	797,229	789,295
Revenue bond contingency account	319,000	315,837
Customers' deposits	<u>438,457</u>	<u>413,110</u>
Total restricted assets	<u>\$2,284,952</u>	<u>\$2,208,634</u>

### NOTE 4 CAPITAL ASSETS

A summary of changes in property and equipment follows:

	2024			
	Beginning Balance 1/1/2024	Increases	Decreases	Ending Balance 12/31/2024
Land	\$ 60,675	\$ -	\$ -	\$ 60,675
Buildings and improvements	595,752	-	-	595,752
Furniture, fixtures and equipment	362,501	-	-	362,501
Water system	13,454,397	13,685	-	13,468,082
Easement acquisitions	20,380	-	-	20,380
Construction in progress	<u>257,864</u>	<u>1,328,878</u>	<u>-</u>	<u>1,586,742</u>
Total	14,751,569	1,342,563	-	16,094,132
Less: Accumulated depreciation	<u>(8,718,228)</u>	<u>(432,088)</u>	<u>-</u>	<u>(9,150,316)</u>
Net Utility Fund property, plant and equipment	<u>\$6,033,341</u>	<u>\$ 910,475</u>	<u>\$ -</u>	<u>\$6,943,816</u>

# LAFAYETTE PARISH WATERWORKS DISTRICT NORTH

## Notes to the Basic Financial Statements

### NOTE 4 CAPITAL ASSETS (CONTINUED)

	2023			
	Beginning Balance 1/1/2023	Increases	Decreases	Ending Balance 12/31/2023
Land	\$ 60,675	\$ -	\$ -	\$ 60,675
Buildings and improvements	595,752	-	-	595,752
Furniture, fixtures and equipment	362,501	-	-	362,501
Water system	13,454,397	-	-	13,454,397
Easement acquisitions	20,380	-	-	20,380
Construction in progress	<u>248,718</u>	<u>9,146</u>	<u>-</u>	<u>257,864</u>
Total	14,742,423	9,146	-	14,751,569
Less: Accumulated depreciation	<u>(8,279,127)</u>	<u>(439,101)</u>	<u>-</u>	<u>(8,718,228)</u>
Net Utility Fund property, plant and equipment	<u>\$6,463,296</u>	<u>\$ (429,955)</u>	<u>\$ -</u>	<u>\$6,033,341</u>

Depreciation expense for the years ended December 31, 2024 and 2023 totaled \$432,088 and \$439,101, respectively.

### NOTE 5 CHANGES IN LONG-TERM DEBT

The following is a summary of utility revenue bond transactions of the District for the years ended December 31, 2024 and 2023:

	2024	2023
Long-term debt payable at January 1	\$ 1,063,000	\$ 1,469,000
Long-term debt retired and called	<u>(417,000)</u>	<u>(406,000)</u>
Long-term debt payable at December 31	<u>\$ 646,000</u>	<u>\$ 1,063,000</u>

# LAFAYETTE PARISH WATERWORKS DISTRICT NORTH

## Notes to the Basic Financial Statements

### NOTE 5 CHANGES IN LONG-TERM DEBT (CONTINUED)

Long-term debt payable at December 31 is composed of the following individual issues:

	<u>2024</u>	<u>2023</u>
Utility Revenue Bonds:		
\$5,113,316 Refunding Bonds, Series 2013, due in annual installments of \$136,000 to \$417,000 through October 1, 2027: interest at 2.95 percent	\$ 646,000	\$ 1,063,000
Less: Current Portion	(371,000)	(417,000)
Less: Unamortized bond issuance cost	<u>(8,301)</u>	<u>(11,320)</u>
	<u>\$ 266,699</u>	<u>\$ 634,680</u>

The annual requirements to amortize all debts outstanding at December 31, 2024 are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 371,000	\$ 19,057	\$ 390,057
2026-2027	<u>275,000</u>	<u>12,213</u>	<u>287,213</u>
	<u>\$ 646,000</u>	<u>\$ 31,270</u>	<u>\$ 677,270</u>

### NOTE 6 RISK MANAGEMENT

The District is exposed to various risks of loss related to theft of, damage to and destruction of assets and errors and omissions for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

### NOTE 7 FLOW OF FUNDS; RESTRICTIONS ON USE – UTILITY REVENUES

Under the terms of the respective bond indentures on the utility revenue bonds, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operations of the Water Utility System are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds. Each month there will be set aside into a "Waterworks Revenue Bond and Interest Sinking Fund" an amount sufficient to accumulate the amount needed to assure the prompt payment of the principal and interest installments as they become due, and may be used only for such payment. There shall also be set aside into a "Waterworks Reserve Fund" a monthly amount equal to 25 percent of the amount to be paid into the sinking fund until the sum of \$469,262 has been accumulated. Funds will also be set aside into a "Waterworks Depreciation and Contingency Fund" of \$1,305 per month. Monies in this fund shall be used to pay the major repairs due to damage caused by unforeseen catastrophe

# LAFAYETTE PARISH WATERWORKS DISTRICT NORTH

## Notes to the Basic Financial Statements

### NOTE 7 FLOW OF FUNDS; RESTRICTIONS ON USE – UTILITY REVENUES (CONTINUED)

and for replacements made necessary by the depreciation of the system. All of the revenues received in any fiscal year and not required to be paid into any of the above noted funds in such fiscal year shall be regarded as surplus and may be used for any lawful purpose. The Lafayette Parish Waterworks District North was in compliance with all significant limitations and restrictions in the bond indenture at December 31, 2024.

### NOTE 8 GRANT REVENUE AND DEFERRED REVENUE

In August 2023, the District was awarded a \$500,000 grant from Lafayette City-Parish Consolidated Government for construction project. Upon execution of the agreement, the District received the entire grant proceeds of \$500,000 which was reflected within deferred revenue. Eligible project costs were to be reimbursed from the funds through the grant period of October 31, 2026. For the years ended December 31, 2024 and 2023, the District recognized grant revenue associated with these funds of \$465,259 and \$34,741, respectively. Deferred revenue as of December 31, 2024 and 2023 totaled \$0 and \$465,259, respectively.

In August 2024, the District was awarded a \$328,868 grant from the Water Sector Program for a construction project. Matching grant funds are to be reimbursed as eligible expenses are incurred and request for payment is made. For the years ended December 31, 2024 and 2023, the District recognized grant revenue associated with these funds of \$225,735 and \$0, respectively.

### NOTE 9 COMPENSATION OF BOARD MEMBERS

A detail of compensation paid to the President of the Board and board members for the year ended December 31, 2024 follows:

	<u>Amount</u>
Preston Bernard, President	\$ 800
Board members:	
Paul Champagne	800
Toby Domingue	600
John Fabre	700
Randal Hebert	600
Robert Marceaux	800
Martin Mouton	500
Bradley Racca	800
Jared Richard	600
	<u>\$ 6,200</u>

# LAFAYETTE PARISH WATERWORKS DISTRICT NORTH

## Notes to the Basic Financial Statements

### NOTE 10 RELATED PARTY TRANSACTIONS

The District has an agreement with Lafayette Consolidated Government whereas, Consolidated Government installs certain services and sells water to certain District customers, collects the monthly billings from the customers, and remits the net amount collected to the District monthly after deducting charges and cost of water sold. Included in water sales and fees is \$3,429,879 billed by Lafayette Consolidated Government and included in cost of water sold is \$2,155,044 withheld by Lafayette Consolidated Government for cost of water sold and services installed.

### NOTE 11 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

	<u>Amount</u>
Preston Bernard, President	
Salary	\$ 800

### NOTE 12 PRIOR PERIOD ADJUSTMENT

The 2023 financial report has been restated to account for additional expenses incurred by the District in relation to water purchased from Lafayette Consolidated Government. On June 4, 2025, the District was notified that a billing error had resulted in under-billings for water purchased from the end of 2022 through March 2025 totaling \$224,305. The yearly under-billings were \$99,543 in 2022-2023, \$97,685 in 2024, and \$27,077 in 2025. The balance is to be paid in 29 monthly installments of \$7,735. The following is a summary of the line items from the 2023 financial report that were restated.

	<u>Previously reported</u>	<u>Adjustment</u>	<u>Restated amount</u>
Accounts payable	\$ 139,003	\$ 99,543	\$ 238,546
Cost of water sold	3,080,625	99,543	3,180,168

## **SUPPLEMENTARY INFORMATION**

**INTERNAL CONTROL, COMPLIANCE  
AND  
OTHER MATTERS**

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*

The Board of Commissioners  
Lafayette Parish Waterworks District North  
Lafayette, 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 major fund of Lafayette Parish Waterworks District North (the District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 11, 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 opinion 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of this Report**

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Darnall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Lafayette, Louisiana  
June 11, 2025

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH  
Lafayette, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2024

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the Lafayette Parish Waterworks District North's financial statements as of and for the year ended December 31, 2024.

Control and Significant Deficiencies and Material Weaknesses - Financial Reporting

There were no significant deficiencies and no material weaknesses in internal control over financial reporting disclosed during the audit of the financial statements.

Material Noncompliance - Financial Reporting

We noted no instances of material noncompliance during the audit of the financial statements.

FEDERAL AWARDS

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

Part II Findings Relating to an Audit in Accordance with *Government Auditing Standards*

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

Part III Findings and Questioned Costs Relating to the Federal Programs

Lafayette Parish Waterworks District North did not meet the requirements to have a single audit performed in accordance with the Uniform Guidance; therefore this section is not applicable.

Part IV Management Letter

The auditor did not issue a management letter this year.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH  
Lafayette, Louisiana

Summary Schedule of Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended December 31, 2024

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

## **OTHER SUPPLEMENTARY INFORMATION**

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH  
Lafayette, Louisiana  
Proprietary Fund Type-Enterprise Fund  
Water Fund

Schedule of Number of Utility Customers  
(Unaudited)  
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Water meters in service -		
Residential	10,589	10,457
Commercial	434	474

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH  
Lafayette, Louisiana

Schedule of Insurance in Force  
(Unaudited)  
December 31, 2024

Description of Coverage	Expiration Dates	Coverage Amounts
Automobile	4/9/2025	\$ 1,000,000
Automobile Excess Liability	4/9/2025	1,000,000
Commercial General Liability	4/9/2025	
Each occurrence		1,000,000
General aggregate		3,000,000
Fire damage		1,000,000
Medical		10,000
Crime	4/9/2024	
Varies per class		100,000 - 250,000
Excess Liability	4/9/2025	
Each occurrence		1,000,000
Aggregate		1,000,000
Property	4/9/2025	
Building (includes Water Treatment Plant)		1,411,002 (blanket limit)
Business personal property		Included in the blanket limit
Loss of income/extra expense		500,000/500,000
Public Officials and Management Liability	4/9/2025	
Aggregate limit		3,000,000
Each wrongful act or offense		1,000,000
Each action or injunctive relief		5,000
Workers Compensation	4/9/2025	
Each accident		500,000
Disease – each employee		500,000
Disease – policy limit		500,000
Employed Lawyer Professional Liability	4/9/2025	
Each claim		1,000,000
Aggregate		1,000,000
Intra-organization defense claims		500,000
Cyber Liability	8/12/2025	
Varies per class		1,000 - 1,000,000
Flood (Office/Warehouse)	10/10/2025	
Building		351,000
Contents		60,000

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH  
Lafayette, Louisiana  
Proprietary Fund Type-Enterprise Fund  
Water Fund

Accounts Receivable Aging Schedule  
(Unaudited)  
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Number of days -		
0-30	\$ 651,021	\$ 541,395
31-60	-	-
61-90	-	-
Over 90	-	-
Total	<u>\$ 651,021</u>	<u>\$ 541,395</u>

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH  
Lafayette, Louisiana  
Proprietary Fund Type-Enterprise Fund  
Water Fund

Rate Schedule for Residential and Commercial Customers  
(Unaudited)  
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
First 2,000 gallons -		
Residential		
3/4" meter size	\$ 23.75	\$ 23.00
1", 1-1/2" and 2" meter size	26.75	26.00
Commercial		
3/4" meter size	26.85	26.10
1" meter size	29.85	29.10
1-1/2" meter size	31.05	30.30
2" meter size	40.35	39.60
Every 1,000 gallons thereafter -		
Residential	4.60	4.20
Commercial	4.80	4.40



**LAFAYETTE PARISH WATERWORKS  
DISTRICT NORTH**

Statewide Agreed-Upon Procedures

Year Ended December 31, 2024

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of  
Lafayette Parish Waterworks District North  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. The Lafayette Parish Waterworks District North (Entity's) management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### **1) Written Policies and Procedures**

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No exceptions were noted during testing for the fiscal year ended December 31, 2023; therefore, this section was excluded from testing for the fiscal year ended December 31, 2024.

### **2) Board or Finance Committee**

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No exceptions were noted during testing for the fiscal year ended December 31, 2023; therefore, this section was excluded from testing for the fiscal year ended December 31, 2024.

### **3) Bank Reconciliations**

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No exceptions were noted during testing for the fiscal year ended December 31, 2023; therefore, this section was excluded from testing for the fiscal year ended December 31, 2024.

### **4) Collections (excluding electronic funds transfers)**

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No exceptions were noted during testing for the fiscal year ended December 31, 2023; therefore, this section was excluded from testing for the fiscal year ended December 31, 2024.

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

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No exceptions were noted during testing for the fiscal year ended December 31, 2023; therefore, this section was excluded from testing for the fiscal year ended December 31, 2024.

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

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No exceptions were noted during testing for the fiscal year ended December 31, 2023; therefore, this section was excluded from testing for the fiscal year ended December 31, 2024.

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

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No exceptions were noted during testing for the fiscal year ended December 31, 2023; therefore, this section was excluded from testing for the fiscal year ended December 31, 2024.

**8) Contracts**

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No exceptions were noted during testing for the fiscal year ended December 31, 2023; therefore, this section was excluded from testing for the fiscal year ended December 31, 2024.

**9) Payroll and Personnel**

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No exceptions were noted during testing for the fiscal year ended December 31, 2023; therefore, this section was excluded from testing for the fiscal year ended December 31, 2024.

**10) Ethics**

---

No exceptions were noted during testing for the fiscal year ended December 31, 2023; therefore, this section was excluded from testing for the fiscal year ended December 31, 2024.

**11) Debt Service**

---

No exceptions were noted during testing for the fiscal year ended December 31, 2023; therefore, this section was excluded from testing for the fiscal year ended December 31, 2024.

**12) Fraud Notice**

---

No exceptions were noted during testing for the fiscal year ended December 31, 2023; therefore, this section was excluded from testing for the fiscal year ended December 31, 2024.

**13) Information Technology Disaster Recovery/Business Continuity**

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**A. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and

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

*We performed the procedure and discussed the results with management.*

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

*We performed the procedure and discussed the results with management.*

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

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

*We performed the procedure and discussed the results with management.*

#### **14) Prevention of Sexual Harassment**

*No exceptions were noted during testing for the fiscal year ended December 31, 2023; therefore, this section was excluded from testing for the fiscal year ended December 31, 2024.*

We were engaged by the Entity to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Entity 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.

***Darnall, Sikes & Frederick***

A Corporation of Certified Public Accountants  
Lafayette, Louisiana  
June 11, 2025