

LAKE ST. JOHN WATERWORKS DISTRICT

**(A COMPONENT UNIT OF THE
CONCORDIA PARISH POLICE JURY)**

FERRIDAY, LOUISIANA

**ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED**

DECEMBER 31, 2023

**WITH
INDEPENDENT AUDITORS' REPORT**

**LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA**

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Independent Auditors' Report

To the Board of Commissioners
Lake St. John Waterworks District
Concordia Parish Police Jury
Ferriday, Louisiana

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Lake St. John Waterworks District, a component unit of the Concordia 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 Lake St. John Waterworks 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 financial position of the business activities and the major fund balance information of Lake St. John Waterworks District, as of December 31, 2023, and the changes in financial position, and 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 Lake St. John Waterworks District 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.

Prior Period Financial Statements

The financial statements as of December 31, 2022, were audited by other auditors whose report dated August 30, 2023, expressed an unmodified opinion on those statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Lake St. John Waterworks 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 Responsibility

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 Lake St. John Waterworks 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 Lake St. John Waterworks 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-10 presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation Paid to the Board Members and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, described in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation Paid to the Board Members and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such 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 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 Paid to the Board Members and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are 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 July 1, 2024, on our consideration of the Lake St. John Waterworks District'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 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 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 Lake St. John Waterworks District's internal control over financial reporting and compliance.

Mellon Christian Mosby PLLC

Natchez, Mississippi
July 1, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The discussion and analysis of Lake St. John Waterworks District's (the District) financial performance provides an overall narrative of the District's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the District's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance.

This discussion and analysis is an element of required supplementary information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - as amended by GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: OMNIBUS* (GASB No. 37).

The District is located on Highway 569 near Ferriday, Louisiana, in Concordia Parish. The District provides water to approximately 690 customers and is a component of the Concordia Parish Police Jury.

FINANCIAL HIGHLIGHTS

1. Assets exceeded liabilities by \$1,803,747 and \$841,995 in 2023 and 2022, respectively.
2. Revenues exceeded expenditures by \$961,854 and \$130,218 in 2023 and 2022, respectively.
3. The District had total plant and equipment, net of accumulated depreciation of \$1,486,212 and \$368,845 in 2023 and 2022, respectively.
4. The District has payroll of \$74,343 and \$100,384 in 2023 and 2022, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's financial statements are comprised of two components. These components are (1) fund financial statements, and (2) notes to the financial statements.

Fund Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The Statement of net Position presents the information on the District's assets and liabilities with the difference between the two reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statements of Revenues, Expenses, and Change in net Position present information showing how the District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal years.

Notes to the Financial Statements

The notes provide additional information to aid in a full understanding of the data provided in the financial statements. The notes are a required part of the financial statements.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the customers’ statistics and compensation of the Board Members. This information is included for additional information and does not constitute a part of the audited financials statements.

STATEMENT OF NET POSITION

A summary of the District’s statement of net position is presented in the following table for September 30, 2023 and 2022:

	Fiscal Year <u>2023</u>	Fiscal Year <u>2022</u>
Current assets	\$ 318,749	\$ 476,695
Noncurrent assets	39,309	39,010
Capital assets	<u>\$ 1,486,212</u>	<u>\$ 368,845</u>
Total assets	<u>\$ 1,844,270</u>	<u>\$ 884,550</u>
Current liabilities	<u>\$ 40,523</u>	<u>\$ 42,555</u>
Net investment in capital assets	\$ 1,486,212	\$ 368,845
Unrestricted net position	<u>317,535</u>	<u>473,150</u>
Total net position	<u>\$ 1,803,747</u>	<u>\$ 841,995</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following table presents a summary of the District's revenues, expenses and changes in net position for the fiscal years ended September 30, 2023 and 2022:

	Fiscal Year <u>2023</u>	Fiscal Year <u>2022</u>
Revenues:		
Operating revenues	\$ 263,688	\$ 257,534
Interest income	5,230	1,838
Grant income	<u>974,854</u>	<u>150,000</u>
Total revenues	1,243,772	409,372
Operating expenses	<u>282,020</u>	<u>279,154</u>
Increase (decrease) in net position	<u>\$ 961,752</u>	<u>\$ 130,218</u>
Net position at beginning of year	<u>841,995</u>	<u>711,777</u>
Net Position at end of year	<u>\$ 1,803,747</u>	<u>\$ 841,995</u>

CAPITAL ASSETS

The District's investment in capital assets as of December 31, 2023, was \$1,486,212 (net of accumulated depreciation). This investment in capital assets includes land; distribution system, wells, and storage tanks; water meters; and furniture, fixtures, and equipment. There were additions of \$1,153,929 to capital assets in 2023.

ECONOMIC FACTORS AND NEXT YEAR'S RATES

The District had approximately 690 customers at December 31, 2023. Rates are expected to remain at current levels next year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Kathy Cook at Lake St. John Waterworks District, 1185 Highway 569, Ferriday, Louisiana 71334.

FINANCIAL STATEMENTS

LAKE ST. JOHN WATERWORKS DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 283,368	\$ 439,469
Accounts receivable, net of allowance for doubtful accounts of \$2,000	14,988	18,638
Inventory at cost	15,729	13,925
Prepaid expenses	4,664	4,663
TOTAL CURRENT ASSETS	<u>\$ 318,749</u>	<u>\$ 476,695</u>
RESTRICTED ASSETS		
Cash and cash equivalents - customer deposits	\$ 39,309	\$ 39,010
TOTAL RESTRICTED ASSETS	<u>\$ 39,309</u>	<u>\$ 39,010</u>
CAPITAL ASSETS:		
Nondepreciable capital assets	\$ 72,220	\$ 72,220
Depreciable capital assets, net	1,413,992	296,625
TOTAL CAPITAL ASSETS	<u>\$ 1,486,212</u>	<u>\$ 368,845</u>
TOTAL ASSETS	<u>\$ 1,844,270</u>	<u>\$ 884,550</u>
CURRENT LIABILITIES:		
Accounts payable	\$ 1,214	\$ 3,545
Customer deposits	39,309	39,010
TOTAL CURRENT LIABILITIES	<u>\$ 40,523</u>	<u>\$ 42,555</u>
TOTAL LIABILITIES	<u>\$ 40,523</u>	<u>\$ 42,555</u>
NET POSITION:		
Net investment in capital assets	\$ 1,486,212	\$ 368,845
Unrestricted	317,535	473,150
TOTAL NET POSITION	<u>\$ 1,803,747</u>	<u>\$ 841,995</u>

See accompanying Notes to Financial Statements.

LAKE ST. JOHN WATERWORKS DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES:		
Water sales	\$ 256,517	\$ 252,724
Installation and service charges	4,483	2,278
Penalties	<u>2,688</u>	<u>2,532</u>
	\$ 263,688	\$ 257,534
OPERATING EXPENSES:		
Salaries and wages	\$ 74,343	\$ 100,384
Depreciation	36,563	33,502
Accounting	18,690	9,003
Auto expense	8,407	15,421
Chemicals	8,172	6,502
Computer	10,302	6,165
Cost of service	40,780	16,223
Insurance	16,018	32,414
Miscellaneous	11,462	14,753
Office supplies	5,203	2,474
Per diem	1,000	2,000
Postage and supplies	6,017	6,342
Repairs and maintenance	27,769	8,477
Taxes	5,911	7,897
Utilities	<u>11,383</u>	<u>17,597</u>
	\$ 282,020	\$ 279,154
OPERATING INCOME (LOSS)	\$ (18,332)	\$ (21,620)
NON-OPERATING REVENUES (EXPENSES):		
Interest income	\$ 5,230	\$ 1,838
Grant income	<u>974,854</u>	<u>150,000</u>
	\$ 980,084	\$ 151,838
INCREASE IN NET POSITION	\$ 961,752	\$ 130,218
NET POSITION, BEGINNING OF YEAR	<u>841,995</u>	<u>711,777</u>
NET POSITION, END OF YEAR	<u>\$ 1,803,747</u>	<u>\$ 841,995</u>

See accompanying Notes to Financial Statements.

LAKE ST. JOHN WATERWORKS DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Cash received from customers	\$ 267,338	\$ 252,406
Payments to suppliers for goods and services	(175,250)	(144,171)
Payments for services	<u>(74,343)</u>	<u>(100,384)</u>
NET CASH FROM (USED IN) OPERATING ACTIVITIES	\$ 17,745	\$ 7,851
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Interest receipts	<u>5,230</u>	<u>1,838</u>
NET CASH FROM (USED IN) INVESTING ACTIVITIES	\$ 5,230	\$ 1,838
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES:		
Increase (decrease) in customer deposits	\$ 299	1,660
Grant income	974,854	\$ 150,000
Capital expenditures, net	<u>(1,153,930)</u>	<u>(77,118)</u>
NET CASH FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (178,777)</u>	<u>\$ 74,542</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (155,802)	\$ 84,231
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>478,479</u>	<u>394,248</u>
CASH AND CASH EQUVALENTS, END OF YEAR	<u>\$ 322,677</u>	<u>\$ 478,479</u>
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	\$ (18,332)	\$ (21,620)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:		
Depreciation	36,563	33,502
(Increase) decrease in accounts receivable, net	3,650	(5,128)
(Increase) decrease in prepaid expenses	(1)	(976)
(Increase) decrease in inventory	(1,804)	(741)
Increase (decrease) in accounts payable	<u>(2,331)</u>	<u>2,814</u>
Total Adjustments	<u>\$ 36,077</u>	<u>\$ 29,471</u>
NET CASH FROM (USED IN) OPERATING ACTIVITIES	<u>\$ 17,745</u>	<u>\$ 7,851</u>

See accompanying Notes to Financial Statements.

LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

INTRODUCTION

Lake St. John Waterworks District (the District) was created by ordinance of Concordia Parish Policy Jury in 1967. The purpose of the District is to process and distribute water in the Lake St. John area of the Parish. The District is governed by five commissioners appointed by Concordia Parish Police Jury. The commissioners serve five year terms which expire on a rotating basis. The District is located in an area including Lake St. John and Lake Concordia in East Central Louisiana. The District has approximately 690 customers. The District has two part-time employees.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District, a component unit of Concordia Parish Police Jury (the Police Jury), is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity.

A. Financial Statement Presentation

The accompanying component unit financial statements of the District have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The District is a component unit of the Concordia Parish Police Jury, the financial reporting entity. The Police Jury is financially accountable for the District because it appoints a voting majority of the Board Members and has the ability to impose their will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs (expenses,

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this funds are included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. For example, cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. Inventories

Inventories consist of supplies and are recorded as an expense when consumed. Inventories are valued at the lower of cost (first-in, first-out; last-in, last-out; etc.) or market.

G. Prepaid Expenses

Payments made to vendors that will benefit beyond the current calendar year are recorded as prepaid expenses. Prepaid expenses consist primarily of prepaid insurance premiums.

H. Plant and Equipment

Fixed assets of the District are included on the balance sheet of the fund. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Fixed assets reported on the balance sheet are net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of 5 to 50 years.

I. Bad Debts

Bad debts are uncollectible amounts of customer utility receivables.

J. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the financial position of the District.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Accumulated Unpaid Sick Pay and Unpaid Vacation

The District has no policy concerning accumulated unpaid sick pay and vacation time. The sick pay policy allows for paid sick days for employees, but there is no accrual for sick time. The vacation policy allows for one week paid vacation after one year of service and two weeks paid vacation after 10 years of service.

L. Use of Estimates

The preparation of financial statements in conformity with United States 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 as of the date of the financial statements and the reported amounts of revenues and expenses during the current period. Actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Unrestricted		
Petty cash	\$ 80	\$ 47
Demand deposits	227,929	149,645
Certificates of deposit	<u>55,359</u>	<u>289,777</u>
Total unrestricted	<u>\$ 283,368</u>	<u>\$ 439,469</u>
Restricted		
Demand deposit	<u>\$ 39,309</u>	<u>\$ 39,010</u>
Total restricted	<u>\$ 39,309</u>	<u>\$ 39,010</u>
 Total cash and cash equivalents	 <u>\$ 322,677</u>	 <u>\$ 478,479</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 pledged securities plus the federal deposit insurance must at all times equal an amount on deposit with the fiscal agent. 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.

At December 31, 2023, the District's total deposits with financial institutions (collected bank balances) were \$322,677. These deposits are secured from risk by \$250,000 of federal deposit insurance and \$72,677 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)

Though the pledged securities are considered uncollateralized (Category 3) under provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 – ACCOUNTS RECEIVABLES

The following is a summary of accounts receivables at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Customers' utilities	\$ 16,988	\$ 20,638
Allowance for bad debts	<u>(2,000)</u>	<u>(2,000)</u>
Total	<u>\$ 14,988</u>	<u>\$ 18,638</u>

NOTE 4 – RESTRICTED ASSETS

Certain cash accounts are restricted for customer deposits. The amount restricted was \$39,309 and \$39,010 at December 31, 2023, and 2022, respectively.

NOTE 5 – PLANT AND EQUIPMENT

A summary of plant and equipment at December 31, 2023, is as follows:

	Beginning of Year	Additions	Subtractions	End of Year
Capital assets not being depreciated				
Land	\$ 2,820	\$ -	\$ -	\$ 2,820
Construction in progress	<u>69,400</u>	<u>1,134,151</u>	<u>-</u>	<u>1,203,551</u>
Total capital assets not being depreciated	<u>\$ 72,220</u>	<u>\$ 1,134,151</u>	<u>\$ -</u>	<u>\$ 1,206,371</u>
Capital assets being depreciated				
Furniture and fixtures	\$ 17,045	\$ -	\$ -	\$ 17,045
Distribution system, tanks, and meters	972,580	19,781	-	992,361
Equipment	11,486	-	-	11,486
Water well	<u>59,182</u>	<u>-</u>	<u>-</u>	<u>59,182</u>
Total capital assets being depreciated	<u>\$ 1,060,293</u>	<u>\$ 19,781</u>	<u>\$ -</u>	<u>\$ 1,080,074</u>
Less accumulated depreciation	<u>\$ (763,668)</u>	<u>\$ (36,563)</u>	<u>\$ -</u>	<u>\$ 800,233)</u>
Total capital assets being depreciated, net	<u>\$ 296,625</u>	<u>\$ (16,782)</u>	<u>\$ -</u>	<u>\$ 279,843</u>
Total capital assets, net	<u>\$ 368,845</u>	<u>\$ 1,117,369</u>	<u>\$ -</u>	<u>\$ 1,844,270</u>

A summary of plant and equipment at December 31, 2022, is as follows:

	Beginning of Year	Additions	Subtractions	End of Year
Capital assets not being depreciated				
Land	\$ 2,820	\$ -	\$ -	\$ 2,820
Construction in progress	<u>-</u>	<u>69,400</u>	<u>-</u>	<u>69,400</u>
Total capital assets not being depreciated	<u>\$ 2,820</u>	<u>\$ 69,400</u>	<u>\$ -</u>	<u>\$ 72,220</u>
Capital assets being depreciated				
Furniture and fixtures	\$ 17,045	\$ -	\$ -	\$ 7,045
Distribution system, tanks, and meters	964,862	7,718	-	972,580
Equipment	11,486	-	-	11,486
Water well	<u>59,182</u>	<u>-</u>	<u>-</u>	<u>59,182</u>
Total capital assets being depreciated	<u>\$ 1,060,293</u>	<u>\$ 7,718</u>	<u>\$ -</u>	<u>\$ 1,060,293</u>
Less accumulated depreciation	<u>\$ (763,668)</u>	<u>\$ (33,502)</u>	<u>\$ -</u>	<u>\$ (763,668)</u>
Total capital assets being depreciated, net	<u>\$ 296,625</u>	<u>\$ (25,784)</u>	<u>\$ -</u>	<u>\$ 296,625</u>
Total capital assets, Net	<u>\$ 368,845</u>	<u>\$ 43,616</u>	<u>\$ -</u>	<u>\$ 368,845</u>

NOTE 6 – RETIREMENT COMMITMENTS

The District's employees are all members of the social security system and are members of no other retirement plan. The expense of the social security is reflected in the payroll taxes account in the statement of revenues and expenses.

NOTE 7 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURE

The District does not accrue unpaid vacation pay on its financial statements and does not allow the carryover of unused vacation pay from one year to the next. The District has no policy for accrued vacation pay for terminated employees.

NOTE 8 – RISK MANAGEMENT

The District is exposed to certain risks of losses such as property damage, liability issues and other potential losses that may occur. The District minimizes its losses by the purchase of commercial insurance. The District's exposure over the amount of insurance is considered minimal.

NOTE 9 – CONTINGENCIES

During 2022, the District was awarded \$1,225,000 of funding from the State of Louisiana, Office of Community Development, Water Sector Program (WSP) for the addition of a filtering and treatment system to the water system. The projected cost of the project is \$1,600,000. During 2023, the Districted received \$974,854 of the \$1,225,000 grant. In addition, the District has incurred a total of \$1,134,151 of costs associated with the project that is reported in Construction in Progress, in the accompanying financial statements.

NOTE 10 – DATE OF MANAGEMENT'S SUBSEQUENT REVIEW

Management has evaluated subsequent events through July 1, 2024, the date these financial statements were available for distribution.

REQUIRED SUPPLEMENTAL INFORMATION

LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
SCHEDULE OF COMPENSATION PAID TO BOARD COMMISSIONERS
FOR THE YEAR ENDED DECEMBER 31, 2023

A schedule of compensation paid to Board of Commissioners is present below, in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature:

William Coleman, President	\$ 200
Tim Sessions, Vice President	200
Frances Freeman, Secretary	200
Cameron Harris, Director	200
Jamie McCartney, Director	<u>200</u>
 Total	 <u>\$ 1,000</u>

See Independent Auditor's Report

LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2023

Agency Head Name: William Coleman, President

Per diem \$ 200

See Independent Auditor's Report



**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Component
Unit Financial Statements Performed in Accordance With *Government Auditing Standards***

To the Board of Commissioners
Lake St. John Waterworks District
Ferriday, 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 Lake St. John Waterworks District (the District), a component unit of Concordia 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 Lake St. John Waterworks District's basic financial statements, and have issued our report thereon dated July 1, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lake St. John Waterworks District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lake St. John Waterworks District's internal control over financial reporting. 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 may exist that have not been identified. We did identify certain deficiencies in internal control, 2022-01, described in the accompanying schedule of findings that we consider to be significant deficiencies.

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 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 Findings and Questionable Costs as Items 2023-01.

Lake St. John Waterworks District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls 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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mellon Christian Mosby PLLC

Natchez, Mississippi
July 1, 2024

LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
SUMMARY OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

Section I – Summary of Auditors’ Results

1. Type of auditor’s report issued on the government financial Statements
Business-type activities Unmodified
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? No
 - b. Significant deficiency(s) identified that are not considered to be material weaknesses? Yes
3. Noncompliance material to the government financial statements? No

LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

Section 1 – Financial Statement Findings:

2022-01 **Segregation of Duties (Internal Control Finding)**

Condition: Because of the small size of the District and the small number of employees, many of the important elements of good internal control cannot always be achieved to ensure adequate protection of the District’s assets.

Criteria: Important elements of good internal control often require that the same employee does not handle the functions of accounting, collections, billing, receiving, and check-writing.

Cause: Small entity with a minimal number of employees.

Effect: Material weakness in internal control.

Recommendation: We recommend that the Board continue to provide the necessary oversight in its internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recording of those receipts, depositing of funds collected, and review of checks written.

2022-02 **Late Filing of Audit Report (Compliance)**

Condition: The District’s audited financial statements were not submitted to the Louisiana Legislative Auditor by the statutory date of June 30, 2023.

Criteria: To be in good standing with the State of Louisiana, the reviewed or audited financial statements must be submitted to the Louisiana Legislative Auditor by the statutory date of June 30, 2023.

Cause: The District’s independent auditor did not receive the District’s books in enough time to complete the audit by June 30, 2023.

Effect: The District is on the noncompliance list with the State of Louisiana.

Recommendation: We recommend the District have its books to the independent auditor within three months of the statutory date.

Corrective Action Taken: The independent auditor will remind Management that the books are needed by April, 2024.

LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

Section II – Internal Control and Compliance Material to Federal Awards:

None

Section III – Management Letter

None

LAKE ST. JOHN WATERWORKS DISTRICT
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
SCHEDULE OF CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023

Section I – Financial Statement Findings:

2023-01

Segregation of Duties (Internal Control Finding)

Condition: Because of the small size of the District and the small number of employees, many of the important elements of good internal control cannot always be achieved to ensure adequate protection of the District's assets.

Criteria: Important elements of good internal control often require that the same employee does not handle the functions of accounting, collections, billing, receiving, and check-writing.

Cause: Small entity with a minimal number of employees.

Effect: Material weakness in internal control.

Recommendation: We recommend that the Board continue to provide the necessary oversight in its internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recording of those receipts, depositing of funds collected, and review of checks written.

Contact Person: Kathy Cook

Anticipated Completion: N/A

Section II – Internal Control and Compliance Material to Federal Awards:

None

Section III – Management Letter

None