

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4
Catahoula, Louisiana

ANNUAL FINANCIAL REPORT

June 30, 2025 and 2024

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4
Catahoula, Louisiana

June 30, 2025 and 2024

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MARAIST & MARAIST

CERTIFIED PUBLIC ACCOUNTANTS
(A PARTNERSHIP OF PROFESSIONAL ACCOUNTING CORPORATIONS)

215 S. MAIN STREET
ST. MARTINVILLE, LOUISIANA 70582
TELEPHONE: (337) 394-5571 • FAX: (337) 394-1720

CHARLES M. MARAIST, CPA*
CHARLES M. MARAIST, JR. CPA*
REGINA B. MARAIST, CPA*
*A PROFESSIONAL ACCOUNTING CORPORATION

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF
LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board Members of the
Waterworks District No.4 of
St. Martin Parish, Louisiana
Catahoula, Louisiana

We have reviewed the accompanying financial statements of the business-type activities of the Waterworks District No. 4 of St. Martin Parish, Louisiana, a component unit of the St. Martin Parish Government, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 of material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

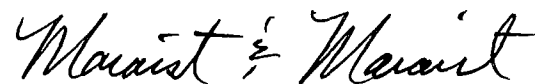
Required Supplementary Information

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

Other Supplementary Information

The accompanying *Schedule of Compensation, Benefits, and Other Payments to Agency Head* on page 19 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. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information, and accordingly, do not express an opinion on such information.

In accordance with the *Louisiana Governmental Audit Guide* and the provision of state law, we have issued a report, dated August 25, 2025, on the results of our agreed-upon procedures.



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CERTIFIED PUBLIC ACCOUNTANTS

St. Martinville, Louisiana
August 25, 2025

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4
STATEMENTS OF NET POSITION

June 30, 2025 and 2024

		<u>Exhibit A</u>	
		BUSINESS-TYPE ACTIVITIES	
		PROPRIETARY FUND	
<u>ASSETS</u>		<u>6/30/25</u>	<u>6/30/24</u>
Current Assets:			
Cash and cash equivalents		\$ 154,013	\$ 291,716
Accounts receivable		53,886	54,498
Prepaid expenses		11,566	7,941
		<u>219,465</u>	<u>354,155</u>
Total current assets		\$ 219,465	\$ 354,155
Noncurrent Assets:			
Restricted cash and cash equivalents		<u>283,746</u>	<u>111,742</u>
Capital Assets:			
Capital assets not being depreciated		\$ 29,600	\$ 29,600
Capital assets, net of accumulated depreciation		1,126,218	1,187,701
Capital Assets, net		<u>1,155,818</u>	<u>1,217,301</u>
		<u>1,659,029</u>	<u>1,683,198</u>
TOTAL ASSETS		\$ 1,659,029	\$ 1,683,198
<u>LIABILITIES</u>			
Current Liabilities(from current assets):			
Accounts payable		\$ 14,210	\$ 14,670
Sales taxes payable		350	353
Payroll taxes payable		-	1,131
		<u>14,560</u>	<u>16,154</u>
Total current liabilities (from current assets)		\$ 14,560	\$ 16,154
Current Liabilities(from restricted assets):			
Customer deposits		\$ 29,700	\$ 28,825
Accrued interest payable		5,353	5,354
Notes payable-RDA (current portion)		58,682	56,122
		<u>93,735</u>	<u>90,301</u>
Total current liabilities (from restricted assets)		\$ 93,735	\$ 90,301
Long-Term Liabilities:			
Notes payable-RDA (long-term portion)		\$ 1,450,202	\$ 1,508,793
		<u>1,558,497</u>	<u>1,615,248</u>
TOTAL LIABILITIES		\$ 1,558,497	\$ 1,615,248
<u>NET POSITION</u>			
Net investment in capital assets		\$ (358,419)	\$ (352,967)
Restricted for debt service/contingency		458,951	420,917
		<u>100,532</u>	<u>67,950</u>
TOTAL NET POSITION		\$ 100,532	\$ 67,950
		<u>1,659,029</u>	<u>1,683,198</u>
TOTAL LIABILITIES & NET POSITION		\$ 1,659,029	\$ 1,683,198

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

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Years Ended June 30, 2025 and 2024

Exhibit B		
BUSINESS-TYPE ACTIVITIES		
PROPRIETARY FUND		
	FYE 6/30/2025	FYE 6/30/2024
<u>OPERATING REVENUES:</u>		
Water sales	\$ 375,992	\$ 410,742
Installations, connections, additions	12,450	11,525
Penalties & late charges	16,326	16,147
Miscellaneous revenues	11,997	11,174
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	\$ 416,765	\$ 449,588
	<hr/>	<hr/>
<u>OPERATING EXPENSE:</u>		
Water purchased	\$ 73,424	\$ 71,111
Salaries	34,560	34,560
Payroll taxes	2,644	2,647
Insurance expense	18,342	12,883
Repair and maintenance	46,542	26,594
Depreciation expense	61,483	61,483
Meter reading	16,302	16,106
Professional fees	5,175	4,855
Contractual services	7,764	14,400
Telecommunications	3,196	3,189
Utilities	2,478	2,363
Safe water program & water tests	10,659	10,675
Office expense	11,388	18,366
Automotive expense	4,877	3,828
Miscellaneous expense	14,146	5,406
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	\$ 312,980	\$ 288,466
	<hr/>	<hr/>
OPERATING INCOME/(LOSS)	\$ 103,785	\$ 161,122
	<hr/>	<hr/>
<u>NONOPERATING REVENUES/(EXPENSES)</u>		
Intergovernmental revenues	\$ -0-	\$ -0-
Interest expense	(71,203)	(73,344)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES/EXPENSES	\$ (71,203)	\$ (73,344)
	<hr/>	<hr/>
CHANGE IN NET POSITION	\$ 32,582	\$ 87,778
	<hr/>	<hr/>
NET POSITION, BEGINNING	67,950	(19,828)
	<hr/>	<hr/>
NET POSITION, ENDING	<u>\$ 100,532</u>	<u>\$ 67,950</u>

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

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4
STATEMENTS OF CASH FLOWS
For the Year Ended June 30, 2025 and 2024

<u>Exhibit C</u>		
BUSINESS-TYPE ACTIVITIES PROPRIETARY FUND		
	<u>FYE 6/30/2025</u>	<u>FYE 6/30/2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 417,374	\$ 408,045
Payments to suppliers	(218,378)	(181,334)
Payments to employees	(38,335)	(37,209)
Other receipts/(payments)	-0-	-0-
	<hr/>	<hr/>
Net cash provided/(used) by operating activities	\$ 160,661	\$ 189,502
	<hr/>	<hr/>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Customer deposits received/ (refunded)	\$ 875	\$ (3,712)
	<hr/>	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of fixed assets	\$ -0-	\$ -0-
Repayment of loan principal	(56,031)	(53,503)
Interest paid on bonds/notes payable	(71,204)	(73,732)
Intergovernmental grant revenues	-0-	-0-
	<hr/>	<hr/>
Net cash flows from capital and related financing activities	\$ (127,235)	\$ (127,235)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	\$ -0-	\$ -0-
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 34,301	\$ 58,555
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<hr/> 403,458	<hr/> 344,903
CASH AND CASH EQUIVALENTS, END OF YEAR	<hr/> <u>\$ 437,759</u>	<hr/> <u>\$ 403,458</u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
Operating income/(loss)	\$ 103,785	\$ 161,122
Adjustments to reconcile operating income to net cash provided/(used) by operating activities:		
Depreciation expense	61,483	61,483
Changes in net assets and liabilities:		
(Increase) decrease in accounts receivables, net	612	(31,920)
(Increase)/decrease in prepaid expenses	(3,625)	(1,929)
(Increase)/decrease in deposits	-	1,138
Increase/(decrease) in accounts payable	(460)	(462)
Increase/(decrease) in sales tax payable	(3)	75
Increase/(decrease) in payroll taxes payable	(1,131)	(5)
	<hr/>	<hr/>
Net cash provided/(used) by operating activities	<u>\$ 160,661</u>	<u>\$ 189,502</u>

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

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4

Catahoula, Louisiana

Notes to Basic Financial Statements

June 30, 2025

(1) GENERAL STATEMENT & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The Waterworks District No. 4 of St. Martin Parish, Louisiana is a component unit of the St. Martin Parish Government. The waterworks district was established in 1999 as authorized by Chapter 9 of Title 33 of the Louisiana Revised Statutes of 1950, to acquire and make improvements to the Catahoula Water System, in order to provide the rural areas of Catahoula and Isle Labbe with a quality water supply and distribution system to supply rural residents with potable drinking water for domestic, livestock, garden, industrial and commercial purposes. The basic operations of the Waterworks District are financed by charges to customers based upon water consumption. The Waterworks District is governed by a board of control composed of five members which is appointed by the parish government. The members of the board of control serve without compensation.

Summary of Significant Accounting Policies

The accounting and reporting policies of the Waterworks District #4 of St. Martin Parish (the Waterworks District) conform to generally accepted accounting principles(GAAP). GAAP includes all relevant Governmental Accounting Standards Board(GASB) pronouncements. The Governmental Accounting Standards Board(GASB) is responsible for establishing GAAP for state and local governments through its pronouncements(Statements and Interpretations).

The following significant accounting policies were applied in the preparation of the accompanying financial statements:

(A) Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the St. Martin Parish Government is the financial reporting entity for St. Martin Parish. The financial reporting entity consists of (a) the primary government (Parish Government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4
Catahoula, Louisiana
Notes to Basic Financial Statements(continued)

Section 2100 of the 2011 Governmental Accounting Standards Board(GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, “Defining the Financial Reporting Entity” establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government’s governing authority appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or the potential component unit is fiscally dependent on the primary government.
3. Financial benefit/burden relationship between the primary government and the potential component unit.
4. The nature and significance of the relationship between the potential component unit with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading.

Because the parish government appoints the District’s governing body, the St. Martin Parish Waterworks District No. 4 was determined to be a component unit of the St. Martin Parish Government, the financial reporting entity. The accompanying component unit financial statements present information only on the proprietary fund maintained by the District and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

(B) Basis of Presentation (Government-Wide Financial Statements)

The accompanying financial statements of the Waterworks District No. 4 of St. Martin Parish have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities and as a governmental entity provides certain disclosures required by the Governmental Accounting Standards Board.

The statement of net position and statement of revenue, expenses and changes in net position display information about the St. Martin Parish Waterworks District No. 4, as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4
Catahoula, Louisiana
Notes to Basic Financial Statements(continued)

activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The St. Martin Parish Waterworks District No. 4 does not have governmental activities. It's operation is a business-type activity.

(C) 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.

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

Proprietary Fund(Enterprise Fund)

Proprietary funds are 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.

(D) 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.

Measurement Focus

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, and is displayed in three components:

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4
Catahoula, Louisiana
Notes to Basic Financial Statements(continued)

- (1)Net investment in capital assets-Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2)Restricted net position-Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (a)external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b)law through constitutional provisions or enabling legislation.
- (3)Unrestricted net position-Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

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

Basis of Accounting

In the Statement of Net Position, business-type activities 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. Unbilled and billed utility receivables are recorded at year-end. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year, unless material. Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expense reported in the proprietary fund financial statements are those that result from providing services and producing and delivering goods and/or services to customers. The principal operating revenues are charges to customers for sales and services. Principal operating expenses are the costs of providing goods or services, and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4
Catahoula, Louisiana
Notes to Basic Financial Statements(continued)

(E) Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increased in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources or deferred inflows of resources as of June 30, 2025 or 2024.

(F) Compensated Absences

Employees of the Waterworks District #4 are entitled to paid vacation and paid sick leave depending on job classification, length of service, and other factors. There is no formal policy on carrying over leave time not used. Therefore, there is no material accumulated leave at June 30, 2025 and 2024 and, accordingly, no liability has been recorded in the accompanying financial statements for compensated absences.

(G) Budgetary Accounting

The Waterworks District #4 submits a yearly budget to the U. S. Department of Agriculture. The District is not required to adopt a budget for its Proprietary Fund under Louisiana Revised Statute 39:1303.

(2) CASH AND CASH EQUIVALENTS:

Under state law, the Waterworks District No. 4 may deposit funds within a fiscal agent bank 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 certificates and time deposits of state banks organized under Louisiana law and national banks having principal office in Louisiana. At June 30, 2025 and June 30, 2024, the District has cash and cash equivalents (book balances) totaling \$437,759 and \$403,458 respectively.

For purposes of the statements of cash flows, the Waterworks District No. 4 considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash equivalents on deposit with banks are stated at cost which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of the depository financial institution, the District's deposits may not be recovered or the District will not be able to recover the collateral securities that are in the possession of an outside party. Under state law,

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4

Catahoula, Louisiana

Notes to Basic Financial Statements(continued)

these deposits (or the resulting bank balances) must be fully secured through the pledge of bank-owned securities or federal deposit insurance. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. Deposits with banks(bank balances) are categorized to give an indication of the level of risk at June 30, 2025 and 2024 as follows:

	<u>6/30/25</u>	<u>6/30/24</u>
Federal Insurance(FDIC)	\$250,000	\$250,000
Uninsured and uncollateralized	186,915	155,125
Total bank balances	<u>\$436,915</u>	<u>\$405,125</u>

Deposits in the amount of \$186,915 at June 30, 2025 were uninsured and uncollateralized. The District does not have a policy for custodial credit risk.

The carrying amount of cash and cash equivalents are displayed on the balance sheet as follows:

	<u>Book Balance</u>	
	<u>6/30/25</u>	<u>6/30/24</u>
<u>Unrestricted:</u>		
Petty cash	\$ 200	\$ 200
General account – checking	7,417	4,945
Revenue account – checking	146,396	286,571
<u>Restricted:</u>		
Depreciation/contingency fund – checking	133,066	525
Member deposit fund – checking	38,287	36,537
Reserve note fund – checking	112,393	74,680
	<u>\$ 437,759</u>	<u>\$ 403,458</u>

(3) ACCOUNTS RECEIVABLE AND UNCOLLECTIBLE CHARGES

The Waterworks District No. 4 does not maintain an allowance for estimated uncollectible accounts. When an account is determined uncollectible it is deducted from the accounts receivable and charged against customer deposits initially, and the remaining balance charged to uncollectible water revenues. Due to the small monetary amounts involved, and the availability of customer deposits to offset against any unpaid water bills, this method yields results which are not materially different from the allowance method of accounting for uncollectible receivables. St. Martin Waterworks District No. 4's accounts receivable consist of uncollected billed utility services. An accounts receivable aging schedule, together with pertinent water system operating data, is as follows:

	<u>6/30/25</u>	<u>6/30/24</u>
<u>Days</u>	<u>Amounts</u>	<u>Amounts</u>
Unbilled water	\$ 32,009	\$ 30,068
0-30	16,490	20,328
Over 30	5,387	4,102
<u>Total</u>	<u>\$ 53,886</u>	<u>\$ 54,498</u>

St. Martin Parish Waterworks District No. 4
Catahoula, Louisiana
Notes to Basic Financial Statements(cont.)

Breakdown of active customers:	<u>6/30/25</u>	<u>6/30/24</u>
Residential	886	885
Commercial	42	45
Total	<u>928</u>	<u>930</u>

The present water billing rate schedule, effective since May 1, 2021 follows:

Residential monthly billing	
First 2,000 gallons (minimum)	\$17.25
Over 2,000 gallons (per 1,000 gallons)	\$4.00
Commercial monthly billing	
First 5,000 gallons (minimum)	\$46.00
Over 5,000 gallons (per 1,000 gallons)	\$4.00

(4) PREPAID ITEMS

Payment made to insurance companies for insurance that will benefit future periods beyond June 30, 2025 are recorded as prepaid insurance.

(5) CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical costs or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-30 years
Water System	40-50 years
Furniture, Fixtures & Equipment	5-10 years
Improvements	20-25 years

Interest costs during construction are not capitalized.

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4
Catahoula, Louisiana
Notes to Basic Financial Statements(continued)

The following is a summary of the capital assets of the Proprietary Fund at June 30, 2024:

	Beginning Balance 7/01/23	Increases	Decreases	Ending Balance 6/30/24
Capital assets not being depreciated:				
Land	\$ 29,600			\$ 29,600
Other capital assets:				
Treatment plants and buildings	94,940			94,940
Furniture, fixtures and equipment	83,097			83,097
Water distribution system	3,193,010			3,193,010
Totals	<u>\$ 3,400,647</u>			<u>\$ 3,400,647</u>
Less: Accumulated depreciation for				
Treatment plants and buildings	\$ 94,940			\$ 94,940
Furniture, fixtures and equipment	83,097			83,097
Water distribution system	1,943,826	\$ 61,483		2,005,309
Total accumulated depreciation	<u>\$ 2,121,863</u>	<u>\$ 61,483</u>		<u>\$ 2,183,346</u>
Capital assets, net	<u>\$ 1,278,784</u>	<u>\$ (61,483)</u>		<u>\$ 1,217,301</u>

The following is a summary of the capital assets of the Proprietary Fund at June 30, 2025:

	Beginning Balance 7/01/24	Increases	Decreases	Ending Balance 6/30/25
Capital assets not being depreciated:				
Land	\$ 29,600			\$ 29,600
Other capital assets:				
Treatment plants and buildings	94,940			94,940
Furniture, fixtures and equipment	83,097			83,097
Water distribution system	3,193,010			3,193,010
Totals	<u>\$ 3,400,647</u>			<u>\$ 3,400,647</u>
Less: Accumulated depreciation for				
Treatment plants and buildings	\$ 94,940			\$ 94,940
Furniture, fixtures and equipment	83,097			83,097
Water distribution system	2,005,309	\$ 61,483		2,066,792
Total accumulated depreciation	<u>\$ 2,183,346</u>	<u>\$ 61,483</u>		<u>\$ 2,244,829</u>
Capital assets, net	<u>\$ 1,217,301</u>	<u>\$ (61,483)</u>		<u>\$ 1,155,818</u>

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4
Catahoula, Louisiana
Notes to Basic Financial Statements(continued)

(6) LONG-TERM OBLIGATIONS

The following is a summary of the long-term debt transactions and balances of the Waterworks District No. 4.

\$2,295,000 Water Revenue Loan, due in monthly installments of \$10,602.90 through October 2, 2042, bearing interest of 4 5/8%, to be retired from excess annual water revenues.

Balance—6/30/23	\$ 1,618,418
Principal reductions-FYE 6/30/24	<u>(53,503)</u>
Balance—6/30/24	\$ 1,564,915
Principal reductions-FYE 6/30/25	<u>(56,031)</u>
Balance—6/30/25	<u><u>\$ 1,508,884</u></u>

The annual requirements to amortize water revenue loans outstanding at June 30, 2025, are as follows:

Year Ended	<u>Totals</u>
<u>June 30,</u>	
2026	\$ 127,235
2027	127,235
2028	127,235
2029	127,235
2030	127,235
2031—2035	636,174
2036—2040	636,174
2041—2043	<u>283,136</u>
Total principal & interest	\$ 2,191,659
Less: Interest	<u>682,775</u>
Balance at June 30, 2025	<u><u>\$ 1,508,884</u></u>

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4
Catahoula, Louisiana
Notes to Basic Financial Statements(continued)

(7) RESTRICTED ASSETS

Certain assets of the Waterworks District No. 4 are restricted under the terms of the Loan Resolution Security Agreement with the United States Office of Rural Development. All funds received shall be pledged for the purpose of the following funds and shall be set aside into the following separate accounts:

All revenue received shall be set aside in an account to be designated as the General Revenue Account. The General Revenue Account shall be used to make the monthly debt service payments plus operating and maintenance expenses.

From the remaining funds in the General Revenue Account there shall be set aside into an account designated as the Reserve Account the sum of \$1,060 each month until there is accumulated in that account the sum of \$127,235 after which deposits may be suspended, except to replace withdrawals. An additional amount from the remaining funds in the General Revenue Account shall be set aside into an account designated as the Depreciation/Contingency Account in the amount of \$530 each month for the duration of the rural development loan repayment period. All of the revenues received in any fiscal year and that are 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 customer deposit accounts represent refundable deposits collected from customers requesting service connection. The customer deposit accounts totaled \$29,700 and \$28,825 at June 30, 2025 and 2024. There is an amount due the general revenue account from the member deposits account of \$8,587 at June 30, 2025.

Violation of Water Revenue Loan Restrictions

The District is in compliance with all significant mandates set forth in the issuance of the outstanding water revenue loan with the following exception:

- A. The District has not adequately funded the Revenue Bond Depreciation/Contingency Account, due to cash flow restrictions.

(8) RETIREMENT PLANS

All employees of the Waterworks District are members of the Social Security Retirement System. The Waterworks District and its employees contribute a

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4
Catahoula, Louisiana
Notes to Basic Financial Statements(continued)

percentage of each employee's salary to the System. The Waterworks District's contribution during the years ended June 30, 2025 and June 30, 2024 amounted to \$2,644 and \$2,644, respectively.

(9) OTHER POST-EMPLOYMENT BENEFITS(OPEB)

The St. Martin Parish Waterworks District No. 4 does not provide any post-employment benefits to retirees, and therefore is not required to report under GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*.

(10) RISK MANAGEMENT

The Waterworks District is exposed to risks of loss in the areas of workers' compensation, general liability, and property hazards. These risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverages during the current fiscal year, nor have settlements exceeded coverage for the current or prior two fiscal years. A summary of coverage maintained at June 30, 2025 consists of:

Coverage Provided For	Limits of Coverage (in dollars)	Description of limits	Expiration Date
Fidelity Bond	\$ 127,234		12/15/25
Commercial General Liability	\$ 1,000,000	Each occurrence	4/2/26
	\$ 100,000	Fire damage limit	
	\$ 10,000	Medical expense limit	
	\$ 1,000,000	Personal injury limit	
	\$ 3,000,000	General aggregate limit	
	\$ 1,000,000	Products – completed operations aggregated	
Commercial Property	\$ 72,800	Buildings/water wells/tanks	4/2/26
Commercial Auto Coverage	\$ 1,000,000	Liability	8/14/25
	\$ 1,000,000	Uninsured motorist	
Workers Compensation	\$ 500,000	Bodily injury	5/4/26

ST. MARTIN PARISH WATERWORKS DISTRICT NO. 4
Catahoula, Louisiana
Notes to Basic Financial Statements(continued)

(11) ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual costs could differ from those estimates.

(12) ADVERTISING COSTS

Advertising cost are expensed as incurred. The advertising costs for the years ended June 30, 2025 and June 30, 2024 were \$1,724 and \$1,530, respectively.

(13) COMPENSATION OF BOARD MEMBERS

The following five(5) member board of control receives no compensation or per diem payments:

<u>Name & Address</u>	<u>Term</u>	<u>Term Expires</u>
Charles Latiolais, Jr. 4416 Catahoula Hwy. St. Martinville, LA 70582	4 years	6/6/28
Travis Latiolais 1028 Alexson Road St. Martinville, LA 70582	1 years	1/8/26
Donnie Laviolette 1007 Camille Drive St. Martinville, LA 70582	5 years	7/7/30
Johnny Guidry 1029 Camille Drive St. Martinville, LA 70582	3 years	6/6/25
Nanette Theriot 1014-C Emile Road St. Martinville, LA 70582	2 years	7/7/26

(14) SUBSEQUENT EVENTS

Subsequent events were evaluated through August 25, 2025, which is the date the financial statements were available to be issued. As of August 25, 2025, there were no subsequent events noted.

Other Supplementary Information

Waterworks District No. 4 of St. Martin Parish
Schedule of Compensation, Benefits, and Other Payments
To Agency Head
For the Year Ended June 30, 2025

Agency Head Name: Travis Latiolais(Board President 7/1/24 – 6/30/25)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
Total	\$ -

There was no compensation, benefits or payments to agency head.

WATERWORKS DISTRICT NO. 4
of St. Martin Parish, Louisiana

**Schedule of Current Year Findings
And Management's Response**
Year Ended June 30, 2025

Part I: CURRENT YEAR FINDINGS AND MANAGEMENT'S RESPONSE

Compliance:

25/1 – Noncompliance with Office of Rural Development loan reserve requirements.

Condition

At June 30, 2025, stipulated Rural Development loan reserve and depreciation/contingency account balances were underfunded and in arrears due to an approved withdrawal, and suspension of monthly reserve contributions.

Criteria

Subsequent to completion of its USDA Rural Development financed construction project, the St. Martin Parish Waterworks District No. 4 is subject to loan reserve funding requirements imposed by the Rural Development loan agreement.

Cause

Due to a delay in adopting water rate schedule increases, and the resulting cash flow constraints experienced, the Waterworks District No. 4 was required to avail itself of existing reserve funds to meet the lump sum accrued Rural Development loan interest payment due upon closeout of a prior construction project, and to make recent system repairs.

Effect

Use of reserve and contingency fund balances of the Waterworks District to meet the interim lump sum debt service payment, and recent approved withdrawals for system repairs, has caused it to fall behind scheduled loan reserve payments due to cash flow constraints.

Recommendation

As additional cash flows are generated through future operating revenues derived from recent rate increases, supplemental additions to the reserve fund should be made, to bring the reserve balances into compliance with the loan agreement levels.

Management's Response

In fiscal year ended 6/30/14, management of the Waterworks District No. 4 instituted a workout plan with the USDA's Office of Rural Development to restore loan reserve compliance through increased monthly contributions to its reserve and depreciation/contingency accounts. Implementation of these increased monthly contribution amounts has reduced the level of noncompliance significantly as of June 30, 2025. Also, effective May of 2021, the District implemented a 15% rate increase, which is generating substantial cash flow surpluses that are further enabling increased restoration of compliance with these reserve requirements.

WATERWORKS DISTRICT NO. 4
of St. Martin Parish, Louisiana

**Schedule of Current Year Findings
And Management's Response (Continued)**
Year Ended June 30, 2025

25/2 – Noncompliance with LSA-R.S. 39:1225.

Condition

At June 30, 2025, the District was not in compliance with Louisiana Revised Statutes(LSA-R.S.) 39:1225.This statute states that the amount of funds on deposit with financial institutions must, at all times, be one hundred percent secured. The District had unsecured deposits of approximately \$186,915 at one financial institution at June 30, 2025.

Criteria

Louisiana Revised Statute 39:1225 requires all local governmental funds on deposit with financial institutions be secured by FDIC insurance and/or by a pledge of securities sufficient to collateralize and secure 100% of all funds on deposit with financial institutions.

Cause

Due to an increase in the water rate schedule, and resulting cumulative increase in annual revenues collected, bank balances at June 30, 2025 at the District's single depository institution have risen to exceed the FDIC insured amount.

Effect

The cumulative increase in deposit account balances during fiscal year June 30, 2025 have caused the amount on deposit with the District's lone depository institution to exceed the FDIC insured limit by approximately \$186,915.

Recommendation

The District should take measures to continuously monitor deposit account balances, and coordinate with the appropriate financial institution to ensure all deposit accounts in excess of federal deposit insurance are properly collateralized, or spread existing deposited funds between multiple depository institutions in order to maximize insured limits.

Management's Response

Management concurs that systematic monitoring and coordination with financial institutions of account balance amounts and pledged security requirements, coupled with the transfer of substantial account balances to other local depository institutions to multiply the FDIC insurance coverage, will be the most effective method of insuring compliance with LSA-R.S. 39:1225, and arrangements have been made with an alternate local depository to transfer sufficient funds in order to alleviate this finding. Also, the district is in the process of consolidation with other local water systems into a larger encompassing "Consolidated Waterworks District No. 4", which will necessitate the transfer of substantially all assets of the district to the newly

WATERWORKS DISTRICT NO. 4
of St. Martin Parish, Louisiana

**Schedule of Current Year Findings
And Management's Response (Continued)**
Year Ended June 30, 2025

formed consolidated waterworks district. This consolidation and transfer of assets, which is expected to occur in February of 2026, will effectively eliminate this finding.

25/3 – Noncompliance with LSA-R.S. 40:5.9.

Condition

The District's water system received a letter grade of "D" on its Louisiana Department of Health 2024 water system accountability grading.

Criteria

At June 30, 2025, the District was not in compliance with Louisiana Revised Statute(LSA-R.S.) 40:5.9. This statute states that community water systems with a Louisiana Department of Health statewide accountability grade of "D" or "F" shall be considered to be operationally unacceptable, and subject to statutory restrictions on incurring any additional debt, and prohibitions on any expenditures, other than for the improvement or sustainability of the community water system.

Cause

Due to current efforts to consolidate the District with other surrounding water systems, coupled with severe damages to certain sections of the distribution system during extreme winter weather conditions, the system experienced multiple contaminant and chlorine level violations, along with resultant customer complaints and water outages, sufficient to warrant a letter grade of "D" for 2024.

Effect

The cumulative effect of the District's water system quality, performance and sustainability grading of "D" may impose a prohibition on the District for the incurring of any additional debt, or the spending of any monies derived from customer water services, other than for items directly related to the improvement or sustainability of the community water system.

Recommendation

The District should take measures to more vigorously monitor water quality from the source provider, and to more effectively maintain and flush distribution lines, in order to minimize federal/state water quality findings.

Management's Response

Management expects that systematic monitoring of the water system's water quality, both on the input and distribution levels, will be enhanced with the water district consolidation planned for 2026 calendar year. Increased personnel and resources will be made available through this consolidation to enable the District to restore its water quality grade to acceptable levels.

WATERWORKS DISTRICT NO. 4
of St. Martin Parish, Louisiana

**Schedule of Current Year Findings
And Management's Response (Continued)**
Year Ended June 30, 2025

Internal Control:

There were no findings required to be reported.

Part II: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

Part III: MANAGEMENT LETTER

No findings.

WATERWORKS DISTRICT NO. 4
of St. Martin Parish, Louisiana

Summary Schedule of Prior Year Findings
Year Ended June 30, 2025

Part I: INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Internal Control:

None

Compliance:

24/1 – Non-compliance with Office of Rural Development loan reserve requirements (Unresolved-Repeat Finding)

The Waterworks District No. 4 has implemented a plan of action to restore loan reserve requirements through increased operating revenues due to water rate increases, coupled with reductions in water production costs, which will provide the requisite funding over time to reinstate compliance with USDA Rural Development loan reserve requirements.

24/2 – Non-compliance with requirements of LA R.S. 39:1225 (Unresolved-Repeat Finding)

The Waterworks District No. 4 has initiated a plan to move/consolidate restricted cash accounts to another local depository, in order to maximize FDIC insurance coverage on public funds on deposit.

Part II: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

Part III: MANAGEMENT LETTER

No prior year findings.

MARAIST & MARAIST

CERTIFIED PUBLIC ACCOUNTANTS
(A PARTNERSHIP OF PROFESSIONAL ACCOUNTING CORPORATIONS)

215 S. MAIN STREET
ST. MARTINVILLE, LOUISIANA 70582
TELEPHONE: (337) 394-5571 • FAX: (337) 394-1720

CHARLES M. MARAIST, CPA*
CHARLES M. MARAIST, JR. CPA*
REGINA B. MARAIST, CPA*
*A PROFESSIONAL ACCOUNTING CORPORATION

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF
LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES

To the Board Members of the
Waterworks District No. 4 of
St. Martin Parish, Louisiana
Catahoula, Louisiana

We have performed the procedures enumerated below, on the St. Martin Parish Waterworks District No. 4's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2025, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the District's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2025. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures 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:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000 and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775(the state procurement code) or R.S. 38:2211-2296(the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

The District had no expenditures for material and supplies exceeding \$30,000 or public works exceeding \$250,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124(the ethics law).

Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list of employees provided by management for agreed-upon Procedure 3 appeared on the list provided by management in agreed-upon Procedure 2.

5. Obtain a list of all disbursements made during the year, and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

The District is not legally required to adopt a budget.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The District is not legally required to adopt a budget.

8. Compare revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenue failed to meet budgeted revenue by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more

The District is not legally required to adopt a budget.

Accounting and Reporting

9. Obtain a list of all disbursement made during the fiscal year. Randomly select six disbursements and obtain documentation from management for these disbursements.

Compare the selected disbursements to the supporting documentation, and: (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c) report whether the six disbursements were approved in accordance with management's policies and procedures.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation, were properly coded to the correct fund and general ledger account, and were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support the agendas for meeting recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28(the open meeting law); and report whether there are any exceptions.

The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Management has asserted that such documents were properly posted.

Debt

11. Obtain bank deposit slips for the fiscal year and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We scanned copies of all bank deposit slips for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain a list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We scanned payroll disbursements and read the meeting minutes of the District's board of directors for the fiscal year. We found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The District's report was submitted in a timely manner.

14. Inquire of management, and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A.(2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The District did not enter into any contracts that utilized state funds.

Prior Year Comments

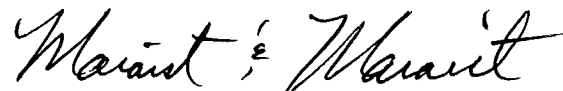
15. Obtain and report management's representation as to whether any prior year suggestions, expectations, recommendations, and/or comments have been resolved.

Our prior year review report, dated November 19, 2024, included two compliance comments which remain unresolved or partially resolved.

We were engaged by the District 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 the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 the District's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibility, 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 the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the results of that testing, and not to provide an opinion on control or on compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.



MARAIST & MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

St. Martinville, Louisiana
August 25, 2025

St. Martin Parish Waterworks District No. 4
LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

August 8, 2025

Maraist & Maraist, CPA's

215 South Main Street

St. Martinville, LA 70582

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2025 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No [] N/A []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No [] N/A []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No [] N/A []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No [] N/A ☒

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No [] N/A []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No [] N/A []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No [] N/A []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes ☒ No [] N/A []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes ☒ No ☐ N/A ☐

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes ☐ No ☐ N/A ☒

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes ☒ No ☐ N/A ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐ N/A ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐ N/A ☐

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes ☐ No ☒ N/A ☐

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes ☒ No ☐ N/A ☐

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes ☒ No ☐ N/A ☐

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes ☒ No ☐ N/A ☐

We have provided you with all relevant information and access under the terms of our agreement.

Yes ☒ No ☐ N/A ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes ☒ No ☐ N/A ☐

We are not aware of any material misstatements in the information we have provided to you.

Yes ☒ No ☐ N/A ☐

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes ☒ No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes ☒ No [] N/A []

The previous responses have been made to the best of our belief and knowledge.

<u>Manette Shurt</u>	Secretary	<u>8/11/2025</u>	Date
<u>Manette Shurt</u>	Treasurer	<u>8/11/2025</u>	Date
<u>Travis Lathlainis</u>	President	<u>8/11/2025</u>	Date