Cypress - Black Bayou Recreation and Water Conservation District
Benton, Louisiana

Financial Statements With Auditors' Report

As of and For the Year Ended December 31, 2025

Cypress - Black Bayou Recreation and Water Conservation District
Benton, Louisiana

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Independent Auditors' Report

Board of Commissioners
Cypress - Black Bayou Recreation
and Water Conservation District
Benton, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Cypress - Black Bayou Recreation and Water Conservation District, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Cypress - Black Bayou Recreation and Water Conservation District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Cypress - Black Bayou Recreation and Water Conservation District, as of December 31, 2025, and the respective changes in financial position 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cypress - Black Bayou Recreation and Water Conservation 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cypress - Black Bayou Recreation and Water Conservation 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgement 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 Cypress - Black Bayou Recreation and Water Conservation 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 Cypress - Black Bayou Recreation and Water Conservation 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 4 – 9 and the budgetary comparison information on pages 27 – 28 be 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cypress - Black Bayou Recreation and Water Conservation District's basic financial statements. The accompanying other supplementary information, shown on pages 29 and 30, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2026, on our consideration of Cypress - Black Bayou Recreation and Water Conservation 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cypress - Black Bayou Recreation and Water Conservation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cypress - Black Bayou Recreation and Water Conservation District's internal control over financial reporting and compliance.

Cook & Morehart

Cook & Morehart,
Certified Public Accountants, LLC
June 24, 2026

CYPRESS – BLACK BAYOU RECREATION AND WATER CONSERVATION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Cypress - Black Bayou Recreation and Water Conservation District's financial performance provides an overview of the Cypress - Black Bayou Recreation and Water Conservation District's financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the District's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

The Cypress - Black Bayou Recreation and Water Conservation District's net position increased by $357,805 or 19.59%.

The Cypress - Black Bayou Recreation and Water Conservation District's total general and program revenues were $2,252,305 in 2025 compared to $2,257,477 in 2024.

During the year ended December 31, 2025, the Cypress - Black Bayou Recreation and Water Conservation District had total expenses, excluding depreciation, of $1,702,121.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10 and 11) provide information about the activities of the Cypress - Black Bayou Recreation and Water Conservation District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Cypress - Black Bayou Recreation and Water Conservation District's operations in more detail than the government–wide statements by providing information about the Cypress - Black Bayou Recreation and Water Conservation District's most significant funds.

Reporting the Cypress - Black Bayou Recreation and Water Conservation District as a Whole

Our analysis of the Cypress - Black Bayou Recreation and Water Conservation District as a whole begins on page 10. One of the most important questions asked about the Cypress - Black Bayou Recreation and Water Conservation District's finances is "Is the Cypress - Black Bayou Recreation and Water Conservation District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the funds maintained by the Cypress - Black Bayou Recreation and Water Conservation District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Cypress - Black Bayou Recreation and Water Conservation District's *net position* and changes in them. You can think of the Cypress - Black Bayou Recreation and Water Conservation District's net position – the difference between assets and liabilities – as one way to measure the Cypress - Black Bayou Recreation and Water Conservation District's financial health, or *financial position*. Over time, *increases* or *decreases* in the Cypress - Black Bayou Recreation and Water Conservation District net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base, to assess the overall health of the District.

In the Statement of Net Position and the Statement of Activities, we record the funds maintained by the Cypress - Black Bayou Recreation and Water Conservation District as governmental activities:

Governmental activities – all of the expenses paid from the funds maintained by the Cypress - Black Bayou Recreation and Water Conservation District are reported here which consists primarily of personal services, materials and supplies, repairs and maintenance and other program services. Ad Valorem taxes and permits, licenses and fees, finance most of these activities.

Reporting the District's Most Significant Funds

The Cypress - Black Bayou Recreation and Water Conservation District has only one fund – General fund, which is a governmental fund. Our analysis begins on page 12. The fund financial statements begin on page 12 and provide detailed information about the general fund maintained by the Cypress - Black Bayou Recreation and Water Conservation District – not the Cypress - Black Bayou Recreation and Water Conservation District as a whole. The Cypress - Black Bayou Recreation and Water Conservation District's *governmental fund* uses the following accounting approaches:

Governmental funds – All of the Cypress - Black Bayou Recreation and Water Conservation District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Cypress - Black Bayou Recreation and Water Conservation District's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Cypress - Black Bayou Recreation and Water Conservation District expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in reconciliation at the bottom of the fund financial statements.

THE CYPRESS - BLACK BAYOU RECREATION AND WATER CONSERVATION DISTRICT AS A WHOLE

The Cypress - Black Bayou Recreation and Water Conservation District's total net position changed from a year ago, increasing from $1,826,120 to $2,183,925.

Table 1
Net Position

	Governmental Activities	
	2025	2024
Current and other assets	$ 2,299,575	$ 1,869,309
Capital assets	2,358,732	2,511,111
Total assets	4,658,307	4,380,420
Current liabilities	121,787	89,064
Long-term liabilities	690,850	1,015,073
Total liabilities	812,637	1,104,137
Deferred inflows of resources		
Unavailable revenue - ad valorem taxes	1,661,745	1,450,163
Net position:		
Net investment in capital assets	1,667,882	1,536,038
Unrestricted	516,043	290,082
Total net position	$ 2,183,925	$ 1,826,120

Net position of the Cypress - Black Bayou Recreation and Water Conservation District's governmental activities increased by $357,805 or 19.59% for the year ended December 31, 2025 and increased by $429,271 or 30.73% for the year ended December 31, 2024.

Table 2
Change in Net Position

	Governmental Activities	
	2025	2024
Revenues		
Program revenues		
Charges for services	$ 771,078	$ 740,498
General revenue		
Ad Valorem taxes	1,427,774	1,433,122
State revenue sharing	32,143	31,360
Gain on sale fixed assets		51,940
Interest income	21,310	557
Total revenues	$ 2,252,305	$ 2,257,477
Expenses		
Culture and Recreation	1,859,264	1,781,004
Interest on long-term debt	35,236	47,202
Total expenses	1,894,500	1,828,206
Increase in net position	$ 357,805	$ 429,271

Total revenues decreased $5,172 (.23%) from total revenues in the year ended December 31, 2024 of $2,257,477 to total revenues of $2,252,305 in the year ended December 31, 2025.

THE DISTRICT'S FUNDS

As the District completed the year ended December 31, 2025, its governmental fund (as presented in the balance sheet on page 12) reported a fund balance of $516,043, which is more than last year's fund balance of $290,082.

General Fund Budgetary Highlights

The District adopted a budget for its General Fund for the year ended December 31, 2025. There was one amendment to the budget during the year. The District's budgetary comparison is presented as required supplementary information and shown on pages 27 - 28.

Highlights for the year are as follows:

- Revenues were approximately $172,205 more than the budgeted amounts. Expenditures were approximately $128,009 less than budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2025, the Cypress - Black Bayou Recreation and Water Conservation District had invested $2,358,732 in capital assets compared to $2,551,111 at December 31, 2024. (see table 3 below)

Table 3
Capital Assets at Year End
(Net Depreciation)

	Governmental Activities	
	2025	2024
Land	$ 710,000	$ 710,000
Buildings and improvements	1,050,070	1,134,797
Other improvements	559,271	653,351
Equipment	39,391	52,963
Total assets	$ 2,358,732	$ 2,551,111

Major additions included:		
Computer systems	$	$ 24,351
Other improvements		
Boring machine		
Gate operating equipment		17,795
	$	$ 42,146

More detailed information about the capital assets is presented in Note 4 to the financial statements.

Debt Administration

Table 4
Outstanding Debt At Year End

	Governmental Activities	
	2025	2024
Revenue Bonds	$ 673,000	$ 993,000
Finance Purchase	17,850	22,073
	$ 690,850	$ 1,015,073

More detailed information about the debt is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Cypress - Black Bayou Recreation and Water Conservation District's management considered many factors when setting a fiscal year December 31, 2026 budget. Amounts available for appropriation in the governmental funds are expected to be approximately the same as 2025.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the Cypress - Black Bayou Recreation and Water Conservation District and to show the Cypress - Black Bayou Recreation and Water Conservation District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance and Administration at 135 Cypress Park Drive, Benton, Louisiana 71006.

Cypress - Black Bayou Recreation and Water Conservation District
Benton, Louisiana
Statement of Net Position
December 31, 2025

		Governmental Activities
ASSETS		
Cash	$	382,321
Investments		320,939
Accounts receivable - ad valorem taxes		1,596,315
Capital assets:		
Land		710,000
Other capital assets, net of accumulated depreciation		1,648,732
Total assets		4,658,307
LIABILITIES		
Accounts payable and accrued expenses		121,787
Long-term liabilities:		
Due within one year		335,641
Due in more than one year		355,209
Total liabilities		812,637
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - ad valorem taxes		1,661,745
NET POSITION		
Net investment in capital assets		1,667,882
Unrestricted		516,043
Total net position	$	2,183,925

See accompanying notes to the basic financial statements.

Cypress - Black Bayou Recreation and Water Conservation District
Benton, Louisiana
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenues	Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Governmental Activities
Functions / Programs:			
Governmental Activities			
Culture and recreation	$ 1,859,264	$ 771,078	$ (1,088,186)
Interest on long-term debt	35,236		(35,236)
Total governmental activities	1,894,500	771,078	(1,123,422)
General revenues:			
Ad valorem taxes			1,427,774
State revenue sharing			32,143
Interest income			21,310
Total general revenues			1,481,227
Change in net position			357,805
Net position - beginning			1,826,120
Net position - ending			$ 2,183,925

See accompanying notes to the basic financial statements.

Cypress - Black Bayou Recreation and Water Conservation District
Benton, Louisiana
Balance Sheet
Governmental Fund
December 31, 2025

	General Fund
Assets	
Cash	$ 382,321
Investments	320,939
Accounts receivable - ad valorem taxes	1,596,315
Total assets	$ 2,299,575
Liabilities	
Accounts payable and accrued expenses	$ 121,787
Total liabilities	121,787
Deferred inflows of resources	
Unavailable revenue - ad valorem taxes	1,661,745
Fund balance	
Unassigned	516,043
Total fund balance	516,043
Total liabilities, deferred inflows of resources, and fund balance	$ 2,299,575

See accompanying notes to the basic financial statements.

Cypress - Black Bayou Recreation and Water Conservation District
Benton, Louisiana
Reconciliation of the Balance Sheet of the Governmental Fund
to the Statement of Net Position
December 31, 2025

Fund balance - total governmental fund	$	516,043
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		2,358,732
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Finance purchase		(17,850)
Revenue bonds		(673,000)
Net position of governmental activities	$	2,183,925

See accompanying notes to the basic financial statements.

Cypress - Black Bayou Recreation and Water Conservation District
Benton, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2025

	General Fund
Revenues	
Ad valorem taxes	$ 1,427,774
State revenue sharing	32,143
Permits, licenses and fees	771,078
Interest income	21,310
Total revenues	2,252,305
Expenditures	
Current - culture and recreation	1,666,885
Debt service:	
Principal	324,223
Interest	35,236
Total expenditures	2,026,344
Net change in fund balance	225,961
Fund balance at beginning of year	290,082
Fund balance at end of year	$ 516,043

See accompanying notes to the basic financial statements.

Cypress - Black Bayou Recreation and Water Conservation District
Benton, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2025

Net change in fund balance - total governmental fund	$ 225,961
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation $192,379 exceeds capital outlays $0 in the current period.	(192,379)
Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	324,223
Change in net position of governmental activities	$ 357,805

See accompanying notes to the basic financial statements.

INTRODUCTION

The Cypress - Black Bayou Recreation and Water Conservation District (the District) was created by Act 292 of 1958 to develop the wealth and natural resources of the District by conserving water for agricultural, municipal, recreational, commercial, industrial, and sanitary purposes. The District is comprised of a board of five commissioners, one each appointed by the Bossier Parish Police Jury, the Bossier Parish School Board, the Mayor and governing authority of the City of Bossier City, the Mayor and governing authority of the Town of Benton, and the Bossier Levee District.

(1) Summary of Significant Accounting Policies

The Cypress - Black Bayou Recreation and Water Conservation District's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Cypress - Black Bayou Recreation and Water Conservation District are discussed below.

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of the standards, the District is considered a primary government, since it is a special purpose government that has a separate appointed governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt and has a component unit over which it exercises oversight responsibility.

B. Basic Financial Statements – Government-Wide Statements

The Cypress - Black Bayou Recreation and Water Conservation District's basic financial statements include both government-wide (reporting the funds maintained by the Cypress - Black Bayou Recreation and Water Conservation District as a whole) and fund financial statements (reporting the Cypress - Black Bayou Recreation and Water Conservation District's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Cypress - Black Bayou Recreation and Water Conservation District's general fund is classified as governmental activities. The Cypress - Black Bayou Recreation and Water Conservation District does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Cypress - Black Bayou Recreation and Water Conservation District's net position is reported in two parts – net investment in capital assets (net of related debt) and unrestricted net position.

(Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the Cypress - Black Bayou Recreation and Water Conservation District's functions. The functions are supported by program revenues and general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. Program revenues of the District consist of permits, licenses and fees. The net costs (by function) are normally covered by general revenues.

This government-wide focus is more on the sustainability of the Cypress - Black Bayou Recreation and Water Conservation District as an entity and the change in the Cypress - Black Bayou Recreation and Water Conservation District's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Cypress - Black Bayou Recreation and Water Conservation District are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Cypress - Black Bayou Recreation and Water Conservation District:

Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Cypress - Black Bayou Recreation and Water Conservation District:

a. General fund is the general operating fund of the Cypress - Black Bayou Recreation and Water Conservation District. It is used to account for all financial resources except those required to be accounted for in another fund.

The emphasis in fund financial statements is on the major funds in the governmental category. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District's general fund was determined to be a major fund.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

The governmental funds in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues of the Cypress - Black Bayou Recreation and Water Conservation District consist principally of property taxes, permits, licenses and fees, state revenue sharing, donations and interest income. Property taxes are recorded in the year for which the taxes are levied. Property taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The 2025 tax levy is intended to fund the 2026 fiscal year; therefore, the levy has been recorded as a receivable and deferred inflows of resources. Interest income is recorded when earned. Permits, licenses, fees and donations are recorded when received because they are generally not measurable until actually received. State revenue sharing revenue is recorded when it is both measurable and available.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is that principal and interest on general obligation long-term debt, if any, is recognized when due. Depreciation is not recognized in the governmental fund financial statements.

E. Budgets

The District uses the following budget practices:

1. A preliminary budget for the ensuing year is prepared by the District prior to December 31 of each year and is made available for public inspection.

2. After completion of all action necessary to finalize and implement the budget, the budget is adopted by the Board of Commissioners.

3. All budgetary appropriations lapse at the end of each fiscal year.

4. The budget is established and controlled by the board of commissioners at the object level of expenditure. All changes in the budget must be approved by the board.

5. The budget for 2025 was adopted on the cash basis for the general fund. One amendment was made to the 2025 budget.

F. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, interest-bearing demand deposits, and money market accounts. 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 money market accounts with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by Louisiana Revised Statue (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at fair value.

G. Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition 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 and improvements	10 – 40 years
Equipment	3 – 10 years
Other improvements	10 – 40 years

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the District has no transactions that meet the definition of deferred outflows of resources.

The District's governmental activities and governmental fund reports a separate section for *deferred inflows of resources.* This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that meets this definition and qualifies for reporting in this category. Accordingly, the item "unavailable revenue" is reported in the governmental fund balance sheet and statement of net position. The District reports unavailable revenue from one source: ad valorem - property taxes. This amount is deferred and recognized as an inflow of resources in the period for which the amount was levied and budgeted.

I. Compensated Absences

The District has the following policy relating to vacation and personal time off:

Employees earn annual leave based upon their length of employment. Upon separation of employment, employees are paid for accumulated annual leave. Employees also earn personal time off. Unused personal time off may be accrued up to 160 hours and may be carried forward to the next year. Upon separation of service, employees are paid for unused personal time off.

J. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

K. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Fund Balances

GASB has defined the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

1. Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid expenses, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.

2. Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations

3. Committed fund balances include amounts that can be used only for the specific purposes as a result of constraints imposed by the District's Board of Commissioners (the District's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the District's Board of Commissioners removes those constraints by taking the same type of action (i.e. legislation, resolution, or ordinance).

4. Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The District's Board of Commissioners have the authority to assign amounts to be used for specific purposes.

5. Unassigned fund balances are the residual classification for the District's general fund and include all spendable amounts not contained in the other classifications.

   When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

M. Long–Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities in the statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Fair Value Measurements

Generally accepted accounting principles require disclosure to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs – The valuation is based on quoted market prices for identical assets or liabilities traded in active markets;

Level 2 inputs – The valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability;

Level 3 inputs – The valuation is determined by using the best information available under the circumstances and might include the government's own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on lowest level of any input that is significant to the fair value measurement.

(2) Levied Taxes

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Operating and maintenance	1.56	1.54	2034

A special election was held in the District on April 27, 2024, whereby, the voters approved a tax renewal of the existing 1.56 mills for 10 years beginning with the year 2025 and ending with the year 2034.

(3) Cash, Cash Equivalents and Investments

At December 31, 2025, the District had cash, cash equivalents, and investments (book balances), totaling $703,260 as detailed below.

The District had cash and cash equivalents at December 31, 2025 (book balances) totaling $382,321. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Credit Risk

Custodial credit risk is the risk that in the event of a bank or other depositing institution failure, the government's deposits may not be returned to it. As of December 31, 2025, the District's bank balances totaling $390,884 were covered by FDIC insurance of $266,326, with the remaining $124,558 collateralized by an irrevocable letter of credit.

At December 31, 2025, the District had investments that consist of investments in Louisiana Asset Management Pool (LAMP) totaling $320,939.

The Louisiana Asset Management Pool (LAMP) is a local government investment pool. In accordance with GASB codification section 150.126, the investment in LAMP at the District is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAAm by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is (NUMBER- days) (from LAMP's monthly Portfolio Holdings) as of (DATE – month-end).

Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

(4) Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

	Balance at Jan. 1, 2025	Additions	Deletions	Balance at Dec. 31, 2025
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 710,000	$	$	$ 710,000
Total capital assets, not being depreciated	710,000			710,000
Capital assets, being depreciated:				
Buildings and improvements	2,697,904		(38,062)	2,659,842
Equipment	281,353			281,353
Other improvements	10,615,975			10,615,975
Total capital assets, being depreciated at historical cost	13,595,232		(38,062)	13,557,170
Less accumulated depreciation:				
Buildings and improvements	(1,563,107)	(84,727)	38,062	(1,609,772)
Equipment	(228,390)	(13,572)		(241,962)
Other improvements	(9,962,624)	(94,080)		(10,056,704)
Total accumulated depreciation	(11,754,121)	(192,379)	38,062	(11,908,438)
Total capital assets, being depreciated, net	1,841,111	(192,379)		1,648,732
Governmental activities capital assets, net	$ 2,551,111	$ (192,379)	$	$ 2,358,732

Depreciation expense for the year ended December 31, 2025 was $192,379 and reported in culture and recreation function of governmental activities.

(5) Long–Term Liabilities

Long –term liability activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds Series 2015	$ 993,000	$	$ 320,000	$ 673,000	$ 331,000
Finance Purchase	22,073		4,223	17,850	4,641
	$ 1,015,073	$	$ 324,223	$ 690,850	$ 335,641

The COVID-19 Pandemic and the Governor's Proclamation Number 33 JBE 2021 created uncertainty and hardship for the District. The District and the Purchaser of debt agreed to defer the July 1, 2020 principal payment. The payment deferred will be paid by adding to the existing principal amounts in 2021 to 2027, ranging from $30,000 to $37,000.

Revenue Bonds Series 2015

The series 2015 revenue bonds were issued by the Louisiana Local Government Environmental Facilities and Community Development Authority to the District July 1, 2015. The purchaser of the bonds was a local bank. Original amount of the issue was $3,000,000, due in annual installments of $200,000 to $305,000 from July, 2018 to July, 2027. Repayment of debt is to be made from the District's lawfully available funds. Interest rate on the bonds is 4.0%. The bonds are secured by a pledge of the rights, title, and interest to the lawfully available funds of the District. The revenue bonds are considered direct borrowings and direct placement debt.

Debt service requirements at December 31, 2025, were as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 331,000	$ 20,300	$ 351,300
2027	342,000	6,840	348,840
	$ 673,000	$ 27,140	$ 700,140

Finance Purchase

The District entered into a lease agreement to lease certain equipment. The equipment is included in the governmental activities capital assets at a cost of $24,351, with accumulated depreciation totaling $8,117 at December 31, 2025. Interest has been imputed at a rate of 9.5%. The purchase arrangement is for a period of 60 months. Future payments on the finance purchase are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ 4,641	$ 1,498	$ 6,139
2027	5,102	1,037	6,139
2028	5,609	530	6,139
2029	2,498	58	2,556
	$ 17,850	$ 3,123	$ 20,973

(6) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2025 consisted of the following:

Accounts payable	$	109,073
Accrued payroll		4,459
Compensated absences		5,372
Other		2,883
	$	121,787

(7) Deferred Inflows of Resources

Deferred inflows of resources recorded in both the government-wide and in the fund financial statements at December 31, 2025 consist of unavailable revenue as follows:

Ad valorem taxes	$	1,661,745

(8) Risk Management

The District purchases commercial insurance to provide workers' compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the prior year.

(9) Subsequent Events

Subsequent events have been evaluated through June 24, 2026, the date the financial statements were available to be issued.

(10) Tax Abatement

As of December 31, 2025, the District is subject to property tax abatement agreements with multiple businesses which were entered into by the State of Louisiana through the Industrial Tax Exemption Program (ITEP). The agreements allow localities to abate property taxes for a variety of economic development purposes, including job creation, as well as business relocation, retention, and expansion.

The District has not made any commitments as part of the agreements other than to reduce taxes.

Industrial Tax Exemption (ITEP):
The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers an attractive tax incentive for manufacturers within the state. The program abates, up to ten years, local property taxes (Ad Valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site with the approval of the Governor. The legal authority is Article 7, Section 21(F) of the Louisiana Constitution.

Gross Dollar Amount by Which Cypress Black Bayou's Tax Revenues Were Reduced: Cypress Black Bayou estimates property tax revenues have been reduced by $736 for the year.

Cypress - Black Bayou Recreation and Water Conservation District
Benton, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
(CASH BASIS)
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Ad valorem taxes	$ 1,400,000	$ 1,400,000	$ 1,427,774	$ 27,774
State revenue sharing	30,000	30,000	32,143	2,143
Permits, license and fees	640,000	640,000	771,078	131,078
Interest income	100	100	21,310	21,210
Miscellaneous	10,000	10,000		(10,000)
Total revenues	2,080,100	2,080,100	2,252,305	172,205
Expenditures				
Current - culture and recreation	1,586,700	1,677,200	1,568,732	108,468
Capital outlay	25,000	25,000		25,000
Debt service	351,000	354,000	359,459	(5,459)
Total expenditures	1,962,700	2,056,200	1,928,191	128,009
Net change in fund balance	117,400	23,900	324,114	300,214
Fund balance at beginning of year	90,000	203,300	379,146	175,846
Fund balance at end of year	$ 207,400	$ 227,200	$ 703,260	$ 476,060

The District's budget is adopted on a cash basis for all funds. There was one amendment to the 2025 budget. The budget comparison schedule included in the accompanying financial statements includes the original and amended budgets. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	General Fund
Excess (deficiency) of revenues and other sources over expenditures and other uses (budget basis)	$ 324,114
Adjustments:	
Expenditure accruals – net	(98,153)
Excess of revenues and other sources over (under) expenditures and other uses (GAAP basis)	$ 225,961

Cypress - Black Bayou Recreation and Water Conservation District
Benton, Louisiana
Other Supplementary Information
Schedule of Compensation Paid Commissioners
For the Year Ended December 31, 2025

COMPENSATION PAID COMMISSIONERS

This schedule of compensation paid commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 38:2605, the commissioners are entitled to receive, out of available funds of the District, a per diem allowance of $40 for each meeting of the District that they attend, but no such allowance shall be paid for more than 36 meetings in any calendar year.

	AMOUNT
Emmett "Gary" Wyche, Jr.	$ 480
Jay Crooks	
Kelly Long	480
Rodney Madden	
Jerry Wilhite	
Total	$ 960

Cypress - Black Bayou Recreation and Water Conservation District
Benton, Louisiana
Other Supplementary Information
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2025

Agency Head: Emmett "Gary" Wyche, Jr., Board Chairman

PURPOSE		**AMOUNT**
Compensation	$	480

COOK & MOREHART,
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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With *Government Auditing Standards*

Independent Auditors' Report

Board of Commissioners
Cypress - Black Bayou Recreation
and Water Conservation District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Cypress - Black Bayou Recreation and Water Conservation District as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Cypress - Black Bayou Recreation and Water Conservation District's basic financial statements, and have issued our report thereon dated June 24, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cypress - Black Bayou Recreation and Water Conservation District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cypress - Black Bayou Recreation and Water Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cypress - Black Bayou Recreation and Water Conservation District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Cook & Morehart

Cook & Morehart,
Certified Public Accountants, LLC
June 24, 2026

Summary Schedule of Prior Year Audit Findings

There were no findings in the audit for the year ended December 31, 2024.

Summary Schedule of Current Year Audit Findings

There are no findings in the current audit for the year ended December 31, 2025.

COOK & MOREHART,
Certified Public Accountants, LLC

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Commissioners
Cypress Black Bayou Recreation and Water Conservation District
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The Cypress Black Bayou Recreation and Water Conservation District's management is responsible for those C/C areas identified in the SAUPs.

The Cypress Black Bayou Recreation and Water Conservation District (the District) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

iii. ***Disbursements***, including processing, reviewing, and approving.

iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedures performed. No exceptions noted.

2) *Board or Finance Committee*

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Procedures performed. Exception noted:

Exception: The minutes of the Board of Commissioners did not reference or include budget-to-actual comparisons on the general fund.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedures performed. Exception noted:

Exception: There were twenty (20) items totaling $1,563 of reconciling items on two (2) accounts that had been outstanding for more than twelve (12) months.

4) Collections (excluding electronic funds transfers)

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

i. Employees responsible for cash collections do not share cash drawers/registers;

ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Procedures performed. No exceptions noted.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Procedures performed. No exceptions noted.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

i. Observe that receipts are sequentially pre-numbered.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

v. Trace the actual deposit per the bank statement to the general ledger.

Procedures performed. Exception noted:

Exception: For the deposits tested there were two (2) deposits made in two (2) days.

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

A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

ii. At least two employees are involved in processing and approving payments to vendors;

iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Procedures performed. Exceptions noted:

Exception: The employee responsible for processing payments can also add/modify vendor files.

Exception: The employee responsible for processing payments also mails those payments to the vendors.

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

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

ii. Observe that finance charges and late fees were not assessed on the selected statements.

C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C, identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Procedures performed. No exceptions noted.

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

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedures performed. No exceptions noted.

8) *Contracts*

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Procedures performed. No exceptions noted.

9) *Payroll and Personnel*

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Procedures performed. No exceptions noted.

10) *Ethics*

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Procedures performed. Exception noted:

Exception: One (1) of the five tested did not have documentation that the required ethics training had been taken.

11) *Debt Service*

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

No debt instruments issued during the year ended December 31, 2025.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Procedures performed. No exceptions noted.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

The District represented that there were no misappropriations of public funds and assets during the fiscal period.

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedures performed. No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

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

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

C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

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

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

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

i. Number and percentage of public servants in the agency who have completed the training requirements;

ii. Number of sexual harassment complaints received by the agency;

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

v. Amount of time it took to resolve each complaint.

Procedures performed. Exception noted:

Exception: One (1) of the five tested did not have documentation that the required sexual harassment training had been taken.

We were engaged by the Cypress Black Bayou Recreation and Water Conservational 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 applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Cypress Black Bayou Recreation and Water Conservational District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Cook & Morehart

Cook & Morehart,
Certified Public Accountants, LLC
June 24, 2026

CYPRESS BLACK BAYOU RECREATION & WATER CONSERVATION DISTRICT

135 Cypress Park Drive
Benton, Louisiana 71006
Office: 318-965-2289
Fax: 318-965-2099

June 24, 2026

Cook & Morehart,
Certified Public Accountants, LLC
1215 Hawn Avenue
Shreveport, LA 71107

Cypress Black Bayou and Water Conservation District submits the following response to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2025.

Exception: The minutes of the Board of Commissioners did not reference or include budget to actual comparisons on the general fund.

Management's Response: Monthly financial statements are prepared and made available to the Board of Commissioners.

Exception: There were twenty (20) items totaling $1,563 of reconciling items on two (2) accounts that had been outstanding for more than twelve (12) months.

Management's Response: Management will review outstanding items on bank reconciliations.

Exception: For the deposits tested there were two (2) deposits made in two (2) days.

Management's Response: It is management's policy to make deposits 2-3 times weekly or as deemed necessary.

Exception: The employee responsible for processing payments can also make changes to vendor files.

Management's Response: The District will consider segregation of duties where feasible.

Exception: The employee responsible for processing payments also mails those payments to the vendor.

Management's Response: The District will consider segregation of duties where feasible.

Exception: One (1) of the five tested did not have documentation that the required ethics training had been taken.

Management's Response: It is the District's policy that all employees take the required ethics training.

Exception: One (1) of the five tested did not have documentation that the required sexual harassment training had been taken.

Management's Response: It is the District's policy that all employees take the required sexual harassment training.

Sincerely,

Lisa Free
Director of Finance and Administration
Cypress Black Bayou Recreation and Water Conservation District