

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Farmerville, Louisiana

Financial Statements
For the Year Ended December 31, 2025



Waterworks District No. 1
A Component Unit of Union Parish Police Jury
For the Year Ended December 31, 2025

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CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Union Parish Waterworks District No. 1
Farmerville, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying component unit financial statements of the governmental activities and the aggregate remaining fund information of Union Parish Waterworks District No. 1, a component unit of the Union Parish Police Jury as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's component unit financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of Union Parish Waterworks District No. 1, as of December 31, 2025, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Union Parish Waterworks District No. 1, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Union Parish Waterworks District No. 1'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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Union Parish Waterworks District No. 1'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 Union Parish Waterworks District No. 1'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 4-7 be presented to supplement the basic financial statements. Such information is the responsibility and 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 Union Parish Waterworks District No. 1's basic financial statements. The accompanying other financial information consisting of the schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head on page 20 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 information used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 23, 2026, on our consideration of the Union Parish Waterworks District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Union Parish Waterworks District No. 1'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 Union Parish Waterworks District No. 1's internal control over financial reporting and compliance.

West Monroe, Louisiana
June 23, 2026

Cameron Hines & Company (APAC)

Waterworks District No. 1
Management's Discussion and Analysis
For the Year Ended December 31, 2025

Our discussion and analysis of Waterworks District No. 1 (the District), provides an overview of the District activities for the year ended December 31, 2025. Please read it in conjunction with the basic financial statements. The intent of this discussion and analysis is to look at the District's financial performance as a whole.

FINANCIAL HIGHLIGHTS

- The assets of the District, exceeded its liabilities at the end of the 2025 year by \$1,470,003. Of this amount, \$130,757 is unrestricted. For the 2024 year, the assets of the District, exceeded its liabilities \$1,339,199. Of this amount, \$56,334 is unrestricted.
- The District's total net position increased by \$130,804 for the year ended December 31, 2025. The District's total net position increased by \$411,322 for the year ended December 31, 2024.
- Net capital assets decreased by \$37,135 and increased by \$365,869 for the years ended December 31, 2025 and 2024, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District operates as an enterprise fund, presenting its financial statements using the accrual basis of accounting. The basic financial statements comprise three components:

- *Government-Wide Financial Statements*
- *Fund Financial Statements.*
- *Notes to the financial statements.*

The *Statement of Net Position* includes all of the District's assets and liabilities, with the difference between them reported as net assets. Net assets are reported in three categories: Invested in Capital Assets, Restricted for Debt Service, and Unrestricted. The increases and decreases in net assets are an indicator of whether the District's financial position is improving or deteriorating.

The *Statement of Activities* shows how the District's net position changed during the year, as well as whether it recovered its cost through fees and other revenues. All of the current year revenues and expenses are recorded when the underlying economic transaction has taken place. The *Statement of Cash Flows* provides information regarding cash receipts and disbursements during the current year. Activity is reported in four categories: Cash flows from operating activities, cash flows from non-capital financing activities, cash flows from capital and related financing activities, and cash flows from investing activities.

Waterworks District No. 1
Management's Discussion and Analysis
For the Year Ended December 31, 2025

The *Notes to the Financial Statements* provide a description of the accounting policies used to prepare the financial statements and presents material disclosures as required by generally accepted accounting principles.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net position increased by \$130,804 and \$411,322 for the years ended December 31, 2025 and 2024, respectively.

Statement of Net Position

The following table reflects the condensed net assets:

	<u>2025</u>	<u>2024</u>
Assets:		
Current and Restricted Assets	\$ 275,810	\$ 319,800
Capital Assets	1,822,020	1,859,155
Other Assets	<u>13,419</u>	<u>14,761</u>
Total Assets	\$ <u><u>2,111,249</u></u>	\$ <u><u>2,193,716</u></u>
Liabilities:		
Current Liabilities	\$ 140,034	\$ 259,986
Long-Term Liabilities	<u>501,212</u>	<u>594,531</u>
Total Liabilities	641,246	854,517
Net Position:		
Invested in Capital Assets Net of Debt	1,227,489	1,174,647
Unrestricted	130,757	56,334
Restricted	<u>111,757</u>	<u>108,218</u>
Total Net Position	<u><u>1,470,003</u></u>	<u><u>1,339,199</u></u>
 Total Liabilities and Net Position	\$ <u><u>2,111,249</u></u>	\$ <u><u>2,193,716</u></u>

Net position (assets less liabilities) may serve over time as a useful indicator of financial position. The District's assets exceeded liabilities by \$1,470,003 and \$1,339,199 at December 31, 2025 and 2024, respectively.

Waterworks District No. 1
Management's Discussion and Analysis
For the Year Ended December 31, 2025

Statement of Activities

The following table shows the revenues and expenses of the business type activities.

	<u>2025</u>	<u>2024</u>
Charges for services	\$ 398,264	\$ 394,502
Operating Expenses	<u>309,493</u>	<u>313,345</u>
Operating Income	88,771	81,157
Other Income/(Expense)	<u>42,033</u>	<u>330,165</u>
Net Income/(Loss)	130,804	411,322
Net Position at Beginning of Year	1,339,199	927,877
Net Position at End of Year	<u>\$ 1,470,003</u>	<u>\$ 1,339,199</u>

Revenues by Sources

Operating Revenues

Operating revenues consist of charges for services, penalties and adjustments, and meter installations and connection fees.

Analysis of Significant Budgetary Variations

Actual expenses were \$52,760 less (15%) than budgeted.

Capital Assets and Debt Administration

The District's investment in Capital assets amounted to \$1,822,020 and \$1,859,155 (net of depreciation) as of December 31, 2025 and 2024. This investment includes land, buildings and improvements, equipment, and water distribution system. Outstanding debt included \$594,531 and \$684,508 in loans for the years ended December 31, 2025 and 2024, respectively.

The District recognized \$37,135 and \$58,448 in depreciation expense for the years ended December 31, 2025 and 2024. The District invested \$-0- and \$424,317 in its water distribution system for the years ended December 31, 2025 and 2024. The District received grant funds in the amount of \$43,577 and \$348,060 for the 2024 improvements in the years ended December 31, 2025 and 2024, respectively.

Waterworks District No. 1
Management's Discussion and Analysis
For the Year Ended December 31, 2025

Economic Factors and Future Rates

The Board of Commissioners and management are constantly reviewing economic factors within the District and the surrounding area and current financial data in order to make decisions that would be in the best interest of the District. The Board and management are vigilant when considering balancing the District's needs while, at the same time, maintaining costs at levels consistent with the previous year. If management's estimates about future operating results remain consistent, the net asset balance of the District would be expected to remain level or increase modestly over the prior year.

Request for Information

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the District's Office, P. O. Box 458, 168 Spillway Road, Farmerville, LA 71241.

Financial Statements

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Statement of Net Position
December 31, 2025

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 29,911
Accounts Receivable - Customers	65,255
Accrued Interest Receivable	117
Total Current Assets	95,283

Restricted Assets

Cash and Cash Equivalents	180,527
Total Restricted Assets	180,527

Property and Equipment, Net

of accumulated depreciation of \$1,516,930	1,822,020
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Other Assets

Pre Paid Loan Costs, Net of amortization of \$28,744	13,419
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Total Assets

\$ 2,111,249

LIABILITIES AND NET POSITION

Current Liabilities

Payable from Current Assets

Accounts Payable and Accrued Liabilities	\$ 1,576
Customer Meter Deposits	45,139
Current Portion of Long-Term Liabilities	93,319
Total Current Liabilities	140,034

Long Term Liabilities

Notes Payable	501,212
Total Long-Term Liabilities	501,212

Total Liabilities

641,246

Net Position

Invested in Capital Assets, Net of Related Debt	1,227,489
Unrestricted	130,757
Restricted for:	
Debt Service	111,757
Total Net Position	1,470,003

Total Liabilities and Net Position

\$ 2,111,249

The accompanying notes are an integral part of this financial statement.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Statement of Revenues, Expenditures, and Changes in Net Position
For The Year Ended December 31, 2025

Operating Revenues

Charges for Services	
Water Revenues	\$ 398,264
Total Operating Revenues	398,264

Operating Expenses

Advertising	540
Amortization	1,342
Board of Commissioners' Fees	790
Contract Services	66,000
Depreciation	37,135
Equipment Rental	1,284
Insurance	17,978
Licenses, Fees, & Permits	4,389
Materials, Repairs & Supplies	127,151
Office Supplies	10,025
Professional Fees	7,500
Utilities	35,359
Total Operating Expenses	309,493
Operating Income	88,771

Other Income/(Expense)

Interest Earned	127
Other Income	13,300
Grant Income	43,577
Interest Expense	(14,971)
Total Other Income/(Expense)	42,033

Net Income	\$ 130,804
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Net Position at Beginning of Year	1,339,199
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Net Position - End of Year	\$ 1,470,003
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The accompanying notes are an integral part of this financial statement.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Statement of Cash Flows
For The Year Ended December 31, 2025

Cash Flows From Operating Activities

Receipts from Customers and Users	\$ 389,121
Grant Funds Received	125,910
Other Income Received	13,300
Payments to Suppliers for Goods and Services	(394,310)
Net Cash Provided by Operating Activities	<u>134,021</u>

Cash Flows From Non-Capital Financing Activities

	-
Net Cash Used by Financing Activities	<u>-</u>

Cash Flows From Capital and Related Financing Activities

Purchase of Equipment	-
Principal Payments on Notes and Bonds	(89,977)
Interest Paid on Notes and Bonds	(14,971)
Net Cash Used by Financing Activities	<u>(104,948)</u>

Cash Flows From Investing Activities

Interest Received	127
Net Cash Provided by Investing Activities	<u>127</u>

Net Increase in Cash and Cash Equivalents 29,200

Cash and Cash Equivalents at Beginning of Year 181,238

Cash and Cash Equivalents at End of Year \$ 210,438

**Reconciliation of Operating Income to Net Cash
Provided by Operating Activities:**

Operating Income: \$ 88,771

**Adjustments to Reconcile Net Assets to Net Cash
provided by Operating Activities:**

Depreciation & Amortization	38,477
Grant Income	43,577
Other Income	13,300
Increase in Accounts Receivable - Customers	(9,143)
Decrease in Grants Receivable	82,333
Decrease in Accounts Payable and Accrued Liabilities	(82,792)
Decrease in Retainage Payable	(43,577)
Increase in Customer Meter Deposits	3,075

Net Cash Provided (used) by Operating Activities \$ 134,021

The accompanying notes are an integral part of this financial statement.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Notes to the Financial Statements
For the Year Ended December 31, 2025

NOTE 1 - Summary of Significant Accounting Policies

A. Nature of Activities

Waterworks District No. 1 (the District), a component unit of Union Parish Police Jury, was created by the Union Parish Police Jury as authorized by Chapter 9 of Title 33 of the Louisiana revised Statutes of 1950. The District is governed by a five-member Board of Commissioners. The District is responsible for the maintenance and operation of the water system within the boundaries of the water district.

B. Basis of Presentation

The accompanying financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued *Statement 34 Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and *Statement 35 Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*. These statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that government should have presented in the past. Comparability with reports issued in years prior to 2004 is affected.

Other GASB Statements are required to be implemented in conjunction with GASB Statements 34 and 35. Therefore, the District has implemented the following GASB Statements: Statement 37 – *Basic Financial Statements and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, and Statement 38 – *Certain Financial Statements Note Disclosures*.

The accompanying financial statements present the financial position of the District, the results operations of the District, and the cash flows of the proprietary fund. The financial statements are presented as of December 31, 2025 and for the year then ended.

C. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Union Parish Police Jury is the financial reporting entity for Union Parish. The financial reporting entity consists of (a) the primary government (police jury), (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.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Union Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization’s governing body, and;
2. The ability of the police jury to impose its will on that organization and/or:

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Notes to the Financial Statements
For the Year Ended December 31, 2025

NOTE 1 - Summary of Significant Accounting Policies (continued)

3. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
4. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
5. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because of the above criteria, the District was determined to be a component unit of the Union Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the reporting entity.

D. Fund Accounting

The Waterworks District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The Waterworks District No. 1 Enterprise Fund is classified in the following category and fund type.

Proprietary Fund

Enterprise Fund

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

E. Budgetary Practices

The Secretary-Treasurer prepares the annual budget and presents it to the Board for adoption by November 30 of the preceding year.

F. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Notes to the Financial Statements
For the Year Ended December 31, 2025

NOTE 1 - Summary of Significant Accounting Policies (continued)

G. Deposits and Investments

The District's cash and cash equivalents are considered to be demand deposits, interest-bearing demand deposits, and investments with original maturities of three months or less from the date of acquisitions. State law and the District's investment policy allow the District to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the District are reported at fair value.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructures assets (e.g., waterline distribution system), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical costs or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donations. The District maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Equipment	5-15 Years
Furniture and Fixtures	10-15 Years
Water Plant	40-50 Years

Property, plant and equipment purchased by the District are recorded at cost. Depreciation of all exhaustible fixed assets used by the District is charged as an expense against operations. Depreciation is computed using the straight-line method. Estimated useful lives are 50 years on the water plant and from 5 to 50 years on equipment.

Expenditures for repairs and maintenance are expensed as incurred; significant betterments are capitalized.

I. Compensated Absences

The District does not have formal vacation, sick leave and retirement plan policies.

J. Bad Debts

Uncollectible amounts for customers' water receivables are generally not significant. As a result, the direct write-off method for recognizing bad debts is used. Under this method, the receivable is charged to expense when the account is deemed to be uncollectible.

K. Reservations of Net Position

Some portions of net position are reserved to indicate that a portion of net position is legally restricted to a specific future use and is not available for appropriation or expenses.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Notes to the Financial Statements
For the Year Ended December 31, 2025

NOTE 1 - Summary of Significant Accounting Policies (continued)

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Accordingly, actual costs could differ from those estimates.

M. Reclassifications

Certain amounts presented in the prior year have been reclassified in order to compare with the current year's presentation.

NOTE 2 - Cash and Cash Equivalents

At December 31, 2025, the District's cash and cash equivalents consisted of checking, savings, and certificate of deposit accounts. The carrying amounts of those accounts totaled \$210,438 and the corresponding bank balances totaled \$215,284. All of the bank balances were covered by federal depository insurance or were adequately collateralized with financial institution assets.

NOTE 3 -Restricted Assets (Cash and Cash Equivalents)

Restricted assets represent funds set aside to cover various things, such as contingencies, repairs, customer deposits, etc. Most of these accounts are the result of prior bond or regulatory requirements. The restricted account balances as of December 31, 2025 are as follows:

Customers' Meter Deposits Account	\$ 46,079
Waterworks Reserve Fund Account – 1997	22,691
2018 Series Bond Reserve Fund	26,350
2018 Series Bond Sinking Fund	45,422
2018 Series Bond Depreciation and Contingency Fund	<u>39,985</u>
Total	\$ <u><u>180,527</u></u>

NOTE 4 - Accounts Receivable

The district provides service to commercial and residential users within the established district. Sales for services for the month December 2025 included 655 users. At December 31, 2025, the District's accounts receivable balance was \$65,255. The District considers all accounts to be collectible.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Notes to the Financial Statements
For the Year Ended December 31, 2025

NOTE 5 - Capital Assets

A summary of changes in capital assets is as follows:

	Balance at 12/31/2024	Additions	Removals	Balance at 12/31/2025
Land	\$ 1,825	\$ -	\$ -	\$ 1,825
Water System	3,334,480	-	-	3,334,480
Furniture & Fixtures	2,645	-	-	2,645
Total	3,338,950	-	-	3,338,950
Less: Accumulated Depreciation	1,479,795	37,135	-	1,516,930
Total	\$ 1,859,155	\$ 37,135	\$ -	\$ 1,822,020

Depreciation expense for the year ended December 31, 2025, was \$37,135.

NOTE 6 - Long-Term Debt

Long-Term Debt consists of the following:

	<u>December 31, 2025</u>
\$990,000 – Series 2018 Taxable Water Revenue Bond Delivered to the Louisiana Department of Health Dated February 6, 2018 with semi-annual interest Payments and an annual principal payment ranging from \$31,000 to \$49,000 through December, 2037 Interest rate of 1.95%	\$ 525,000
\$600,000 – Series 2012 Waterworks District No.1 Certificates of Indebtedness, in quarterly installments Of \$14,362 through February 1, 2027 Interest rate of 4.350%	69,531
	\$ 594,531
Less: Current Portion	93,319
TOTAL LONG-TERM DEBT	<u>\$ 501,212</u>

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Notes to the Financial Statements
For the Year Ended December 31, 2025

NOTE 6 - Long-Term Debt (continued)

The District received approval from the Louisiana State Bond Commission on September 21, 2017, for the \$990,000 taxable water revenue bonds, series 2018 for the purpose of financing the costs of improvements to the water system. The bond was purchased by the Louisiana Department of Health (LDH) as part of the revolving loan program with proceeds advanced on an as needed basis. In addition, LDH forgives 20% of the principal advanced.

Terms of the bond include semi-annual interest only payments and an annual principal payment. The interest rate of the bond is 1.950%. LDH charges an administrative fee of .50%. Total principal, interest, and administrative fee payments range from \$46,900 to \$50,200 per year for the 20 year term.

The 2018 bond is secured by the revenue earned or derived from operations of the District.

The District received approval from the Louisiana State Bond Commission on January 19, 2012, for the Certificates of Indebtedness not to exceed \$600,000 for the purpose of financing the costs of improvements to the water system, including the construction of a pre-owned water tank, and water line distribution improvements. Existing debt, including the 1980 Issue Bonds and 2004 Note Payable were paid in full as part of the transaction.

Terms of the Certificates include 4 quarterly interest only payments in the amount of \$6,525 commencing May 1, 2012, and then quarterly principal and interest payments of \$14,362 commencing May 1, 2013, and ending February 1, 2027.

The annual requirement to amortize the long-term obligations outstanding at December 31, 2025, is as follows:

Certificates of Indebtedness - 2012				
	Principal		Interest	Total
2026	\$ 55,319	\$	2,130	\$ 57,449
2027	14,212		155	14,367
2028	-		-	-
2029	-		-	-
2030	-		-	-
Thereafter	-		-	-
Totals	\$ 69,531	\$	2,285	\$ 71,816

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Notes to the Financial Statements
For the Year Ended December 31, 2025

NOTE 6 - Long-Term Debt (continued)

Series 2018 Water Revenue Bond				
	Principal		Interest	Total
2026	\$ 38,000	\$	10,238	\$ 48,238
2027	39,000		9,496	48,496
2028	40,000		8,736	48,736
2029	41,000		7,956	48,956
2030	42,000		7,157	49,157
Thereafter	325,000		25,994	350,994
Totals	\$ 525,000	\$	69,577	\$ 594,577

Totals				
	Principal		Interest	Total
2026	\$ 93,319	\$	12,368	\$ 105,687
2027	53,212		9,651	62,863
2028	40,000		8,736	48,736
2029	41,000		7,956	48,956
2030	42,000		7,157	49,157
Thereafter	325,000		25,994	350,994
Totals	\$ 594,531	\$	71,862	\$ 666,393

NOTE 7 - Purchases of Services

The District contracts its water operator position (field manager) to an individual that is a certified operator. As such, he is required to attend District board meetings. In addition, a company owned by the field manager handles routine repairs, maintenance, and meter installations. During the year ended December 31, 2025, the field manager and his company were paid as follows: Field manager duties \$36,000; repairs, maintenance, and meter installations \$36,524; District board meetings \$80.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Notes to the Financial Statements
For the Year Ended December 31, 2025

NOTE 8 - Board of Commissioners – Per Diem Payments

In compliance with Louisiana Revised Statute 33:3819, the commissioners, with the exception of the president, receive a per diem of \$20 for each meeting they attend to a maximum of 12 meetings per year. The President's per diem is \$50 per meeting up to a maximum of 12 meetings per year. Board of Commissioners fees for 2025 were as follows:

<u>Name</u>	<u>No. of Meetings</u>	<u>Amounts</u>
Board Members		
Ben Jones, President	5	\$ 250
Kim Dumas	5	100
Linda Smith	2	40
Scott Barton	5	160
Nicky Hancock	3	60
Technical Consultants		
Kathy Doolittle	5	100
Bobby Grier	4	<u>80</u>
Total		\$ <u>790</u>

NOTE 9 - Risk Financing Activities

The District manages its exposure under general liability and property through the purchase of commercial insurance and surety bonds, as follows:

<u>Coverage</u>	<u>Expiration Dates</u>
General Liability Insurance	02/04/26
Commercial Property Insurance	02/04/26
Position Schedule Bond	02/04/26

NOTE 10 - Subsequent Events

Date of Management Evaluation

Management has evaluated subsequent events through June 23, 2026, the date on which the financial statements were available to be issued.

Supplemental Information

Waterworks District No.1
A Component Unit of Union Parish Police Jury
Schedule of Compensation, Reimbursements, Benefits, and
Other Payments to Agency Head
For The Year Ended December 31, 2025

Schedule 1

Agency Head:

Board President:

**Ben
Jones**

Purpose:

Board of Commissioners' Fees

\$ 250

Benefits - Payroll Taxes and Insurance

-

Travel

-

Reimbursements

-

Total Compensation, Benefits and Other Payments

\$ 250

See independent auditors' report.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

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

Board of Commissioners
Union Parish Waterworks District No. 1
Farmerville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the component unit financial statements of the governmental activities and aggregate remaining fund information of Union Parish Waterworks District No. 1, a component unit of Union Parish Police Jury, Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Union Parish Waterworks District No. 1's component unit financial statements, and have issued our report thereon dated June 23, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Union Parish Waterworks District No. 1'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Union Parish Waterworks District No. 1's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Commissioners
Union Parish Waterworks District No. 1
Farmerville, Louisiana
Page 2

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Union Parish Waterworks District No. 1'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.

West Monroe, Louisiana
June 23, 2026

Cameron, Hines & Company (APAC)

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Schedule of Findings and Responses
For The Year Ended December 31, 2025

We have audited the component unit financial statements of Waterworks District No. 1 as of and for the year ended December 31, 2025, and have issued our report thereon dated June 23, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2025, resulted in an unmodified opinion.

Section I- Summary of Auditors' Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ yes X no

Significant Deficiencies not considered to be
Material Weaknesses ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards: N/A

Material Weakness Identified ___ yes ___ no

Significant Deficiencies not considered to be
Material Weaknesses ___ yes ___ no

Type of Opinion on Compliance For Major Programs

Unmodified ___ Modified ___

Disclaimer ___ Adverse ___

Are there findings required to be reported in accordance with the Uniform Guidance?

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster):

Dollar threshold used to distinguish between Type A and Type B Programs:

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance?

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Schedule of Findings and Responses
For The Year Ended December 31, 2025

Section II- Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2025.

Section III- Federal Award Findings and Question Costs

This section is not applicable for this entity.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Schedule of Prior Year Findings
For the Year Ended December 31, 2025

Report on Internal Control and Compliance Material to the Financial Statements

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

Management Letter

No management letter was issued.