

**Waterworks District No. 2 of St. Helena Parish
Parish of St. Helena
Greensburg, Louisiana
Annual Financial Statements**

**As of and for the Years Ended December 31, 2025 and 2024
with Supplemental Information Schedules**

ANTHONY B. BAGLIO, CPA
A Professional Accounting Corporation

TABLE OF CONTENTS

	<u>Statement</u>	<u>Schedule</u>	<u>Page</u>
Independent Auditor's Report			1 -4
Required Supplementary Information:			
Management's Discussion and Analysis			6 - 13
Basic Financial Statements:			
Business-Type Financial Statements:			
Statement of Net Position	A		15
Statement of Revenues, Expenses, and Changes in Net Position	B		16 - 17
Statement of Cash Flows	C		18 - 19
Notes to the Financial Statements			20 - 36
Other Required Supplementary Information:			
Schedule of Revenues, Expenses, and Changes in Net Position - Budget (GAAP) Basis and Actual		1	38 - 39
Supplementary Information:			
Schedule of Insurance Coverages		2	40
Schedule of Compensation Paid to Board of Commissioners		3	41
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head		4	42
Schedule of Water Rates		5	43
Schedule of Water Customers		6	44
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and other Matters			47 - 48
Schedule of Current Year Audit Findings			50
Statewide Agreed-Upon Procedures			51 - 68
Management's Responses to Exceptions to Statewide Agreed-Upon Procedures			70

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ANTHONY B. BAGLIO, CPA
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Waterworks District No. 2 of St. Helena Parish
Greensburg, Louisiana

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the business-type activities of Waterworks District No. 2 of St. Helena Parish, Greensburg, Louisiana, a component unit of the St. Helena Parish Police Jury, as of and for the years ended December 31, 2025 and 2024 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Waterworks District No. 2 of St. Helena Parish, Greensburg, Louisiana as of December 31, 2025 and December 31, 2024 and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Waterworks District No. 2 of St. Helena Parish and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.

Waterworks District No. 2 of St. Helena Parish
Greensburg, Louisiana

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements are as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore there 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*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6 - 13 and 38 and 39 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Waterworks District No. 2 of St. Helena Parish, Greensburg, Louisiana's basic financial statements. The supplemental information schedules on pages 40 - 44 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and is 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 my opinion, the supplementary information schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Waterworks District No. 2 of St. Helena Parish
Greensburg, Louisiana

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 18, 2026, on my consideration of the Waterworks District No. 2 of St. Helena Parish, Greensburg, Louisiana's internal control over financial reporting on my 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 my 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 Waterworks District No. 2 of St. Helena Parish, Greensburg, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Waterworks District No. 2 of St. Helena Parish, Greensburg, Louisiana's internal control over financial reporting and compliance.

Respectfully submitted,



Anthony B. Baglio, CPA
A Professional Accounting Corporation
Hammond, Louisiana

June 18, 2026

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025 AND 2024

Introduction

The Waterworks District No. 2 of St. Helena Parish (the District) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), as amended, and with current standards as more fully described in Note 1 – *Summary of Significant Accounting Policies*.

The Management's Discussion and Analysis (MD&A) for the District is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any significant variations from the District's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting in changes, and currently known facts, please read it in conjunction with the District's financial statements in this report.

Financial Highlights

- At December 31, 2025, total assets were \$9,680,733, and exceeded liabilities in the amount of \$4,686,775 (i.e., net position) as compared to total assets of \$10,096,739 and net position of \$4,988,852 at December 31, 2024. Of the total 2025 net position, \$125,918 was unrestricted and available to support short-term operations as compared to \$202,733 for 2024; \$1,065,947 was restricted primarily for debt service and \$3,494,910 as the net investment in capital assets compared to \$1,097,356 restricted primarily for debt service and \$3,688,763 as the net investment in capital assets for 2024.
- For the year ended December 31, 2025, the District's Net Position decreased \$302,077 as compared to a decrease of \$335,461 in the prior year.
- For the year ended December 31, 2025, revenue increased \$251,959 with an operating revenue increase of \$277,717 partially offset by a decrease in non-operating revenue of \$25,758 compared to an overall increase in revenue in the prior year of \$17,785. Water sales increased by \$288,104 to \$1,273,925 as compared to a \$11,422 decrease to \$985,821 for the fiscal year ending December 31, 2024. Nonoperating revenue decreased \$25,758 for the year ending December 31, 2025, and \$3,324 for the year ending December 31, 2024. The decrease for the year ending December 31, 2025, primarily related to a decrease in interest income.
- The District's operating expenses, other than depreciation expense, increased by \$241,263 to \$1,311,402 as compared to an increase of \$132,161 to \$1,070,139 for the prior fiscal year.
- Total bonds payable decreased \$127,941 at December 31, 2025, and \$123,527 for the prior fiscal year, due to principal payments on long-term debt.

Overview of the Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements and supplementary information. The MD&A presents an overview of management's examination and analysis of Waterworks District No. 2 of St. Helena Parish's financial condition and performance.

The financial statements report information on the District using full accrual accounting methods similar to those used in the private business sector. Financial statements include the Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position provides information about the nature and amount of the District's resources and obligations at year-end, and provides a basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The Statement of Revenues, Expenses, and Changes in Net Position accounts for the revenues and expenses for the fiscal year and provides information on how net position changed during the year. This statement measures the success of the District's operations in a format that can be used to determine if the District has recovered its costs through user fees and other charges.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities, and provides information on the source of cash receipts, what the cash was used for, and the total change in cash for the reporting period.

The notes to the financial statements provide required disclosures essential to an understanding of the financial statements. The notes present information about the District's accounting policies, significant account balances and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule and key information schedules on operation of the District.

Financial Analysis

The purpose of financial analysis is to help determine whether Waterworks District No. 2 of St. Helena Parish is better off as a result of the current year's activities. In this analysis, data from two of the basic financial statements, the Statement of Net Position, and the Statement of Revenues, Expenses, and Changes in Net Position, are presented below in condensed format. These statements report the net position, the difference between assets and liabilities, and the change in net position, which provides information for indicating the financial condition of the District. Following these statements is a separate schedule summarizing and analyzing budget changes for the current fiscal year.

**Condensed Statements of Net Position
2025 and 2024**

	<u>2025</u>	<u>2024</u>	<u>Dollar Change</u>	<u>2023</u>	<u>Dollar Change</u>
Assets:					
Current and Other Assets	\$ 1,605,471	\$ 1,699,683	\$ (94,212)	\$ 1,717,716	\$ (18,033)
Capital Assets	8,075,262	8,397,056	(321,794)	8,740,723	(343,667)
Total Assets	<u>9,680,733</u>	<u>10,096,739</u>	<u>(416,006)</u>	<u>10,458,439</u>	<u>(361,700)</u>
Liabilities:					
Long-Term Debt Outstanding	4,580,352	4,708,293	(127,941)	4,831,820	(123,527)
Other Liabilities	413,606	399,594	14,012	302,306	97,288
Total Liabilities	<u>4,993,958</u>	<u>5,107,887</u>	<u>(113,929)</u>	<u>5,134,126</u>	<u>(26,239)</u>
Net Position:					
Net Investment in Capital Assets	3,494,910	3,688,763	(193,853)	3,908,903	(220,140)
Restricted for Capital Projects and Debt	1,065,947	1,097,356	(31,409)	1,037,667	59,689
Unrestricted	125,918	202,733	(76,815)	377,743	(175,010)
Total Net Position	<u>\$ 4,686,775</u>	<u>\$ 4,988,852</u>	<u>\$ (302,077)</u>	<u>\$ 5,324,313</u>	<u>\$ (335,461)</u>

“Current and Other Assets” decreased \$94,212 compared to a decrease of \$18,033 in the prior year. The major component of change for Current and Other Assets in the prior year was a decrease of \$53,400 in total cash and cash equivalents partially offset by increases in accounts receivable of \$13,236, accrued billings of \$8,268, and inventory of \$12,037 as compared to a decrease of \$128,602 in total cash and cash equivalents partially offset by increases in accounts receivable of \$42,977, accrued billings of \$12,962, and \$6,451 in inventory and prepaid insurance in the current year.

“Capital Assets” decreased \$321,794 for the fiscal year ending December 31, 2025 primarily related to depreciation expense for the year of \$366,252 compared to a decrease of \$343,667 in the prior year primarily related to depreciation of \$383,705. These expenses were partially offset by the District’s purchased capital asset additions of \$44,458 that included \$5,884 in construction in progress, \$2,953 in equipment, \$1,218 in vehicles and \$34,403 in water utility system additions compared to prior year additions of \$40,038 that included \$36,568 in construction in progress, \$690 in equipment and \$2,780 in vehicles.

Total liabilities decreased by \$113,929 in the current year and \$26,239 in the prior year, primarily related to principal payments on long-term debt partially offset by increases in other liabilities.

**Condensed Statements of Revenues, Expenses and Changes in Net Position
2025 and 2024**

	2025	2024	Dollar Change	2023	Dollar Change
Revenues:					
Operating Revenues	\$ 1,450,623	\$ 1,172,906	\$ 277,717	\$ 1,151,797	\$ 21,109
Nonoperating Revenues	65,831	91,589	(25,758)	94,913	(3,324)
Total Revenues	<u>1,516,454</u>	<u>1,264,495</u>	<u>251,959</u>	<u>1,246,710</u>	<u>17,785</u>
Expenses:					
Depreciation Expense	366,252	383,705	(17,453)	382,050	1,655
Other Operating Expense	1,311,402	1,070,139	241,263	937,978	132,161
Nonoperating Expense	140,877	146,112	(5,235)	150,424	(4,312)
Total Expenses	<u>1,818,531</u>	<u>1,599,956</u>	<u>218,575</u>	<u>1,470,452</u>	<u>129,504</u>
Income (Loss) Before Contributions	<u>(302,077)</u>	<u>(335,461)</u>	<u>33,384</u>	<u>(223,742)</u>	<u>(111,719)</u>
Changes in Net Position	<u>(302,077)</u>	<u>(335,461)</u>	<u>33,384</u>	<u>(223,742)</u>	<u>(111,719)</u>
Beginning Net Position	4,988,852	5,324,313	(335,461)	5,548,055	(223,742)
Ending Net Position	<u>\$ 4,686,775</u>	<u>\$ 4,988,852</u>	<u>\$ (302,077)</u>	<u>\$ 5,324,313</u>	<u>\$ (335,461)</u>

While the Statement of Net Position shows the change in financial position of net position, the Statement of Revenues, Expenses, and Changes in Net Position provides answers to the nature and scope of these changes. The above table gives an indication of how Waterworks District No. 2 of St. Helena Parish is being conservatively managed.

Total "Operating Revenues" increased by \$277,717 compared to an increase of \$21,109 in the prior year. "Non-Operating Revenues" decreased \$25,758 compared to a decrease of \$3,324 in the prior year. Water sales increased by \$288,104 to \$1,273,925 as compared to a \$11,442 decrease to \$985,821 for the fiscal year ending December 31, 2024. The decrease in non-operating revenues for the year ending December 31, 2025 primarily related to a decrease in interest income.

"Other Operating Expenses" increased by \$241,263 to \$1,311,402 as compared to an increase of \$132,161 to \$1,070,139 for the prior fiscal year. Current year increases primarily relates to an increase in salaries and wages of \$105,569 and repairs and maintenance of \$58,016. Increases in various other operating expenses were partially offset by decreases in various operating expenses in the current fiscal year. In the prior year, increases primarily related to an increase in salaries and wages of \$101,047 and increases in various other operating expenses were partially offset by decreases in various operating expenses.

Total Net Position (total assets less total liabilities) decreased by \$302,077 for the fiscal year ending December 31, 2025 and decreased \$335,461 for the fiscal year ending December 31, 2024 as a result of the activity outlined above.

Budgetary Highlights

Waterworks District No. 2 of St. Helena Parish adopts an annual operating budget in accordance with requirements of the United States Department of Agriculture, Rural Utilities Service. This budget provides an estimate for the current fiscal year of the proposed expenditures and the revenues that will finance the operations of the District. The operating budget is adopted before the end of the prior fiscal year, and is amended by the Board of Commissioners after review of monthly budget-to-actual financial reports. A summary of the approved budget is presented below in condensed format summarizing major revenue and expenditure categories, and is followed by analysis of significant variations between budget and actual amounts. Although not presented as a part of the basic financial statements, a more detailed schedule for the current year is also presented in "Schedule 1 - Budgetary Comparison Schedule", as supplementary information, following the notes to the financial statements.

Budget vs. Actual - Fiscal Year ended December 31, 2025

	Budget Year ended December 31, 2025	Actual Year ended December 31, 2025	Favorable (Unfavorable) Variance
Revenues:			
Operating Revenues	\$ 1,446,000	\$ 1,450,623	\$ 4,623
Nonoperating Revenues	67,400	65,831	(1,569)
Total Revenues	<u>1,513,400</u>	<u>1,516,454</u>	<u>3,054</u>
Expenses:			
Depreciation Expense	414,000	366,252	47,748
Other Operating Expense	1,295,694	1,311,402	(15,708)
Nonoperating Expense	148,000	140,877	7,123
Total Expenses	<u>1,857,694</u>	<u>1,818,531</u>	<u>39,163</u>
Change in Net Position	<u>\$ (344,294)</u>	<u>\$ (302,077)</u>	<u>\$ 42,217</u>

Actual revenues met budgeted revenue. Actual Expenses were 2% lower than budgeted amounts.

Budget vs. Actual - Fiscal Year ended December 31, 2024

	Budget Year ended December 31, 2024	Actual Year ended December 31, 2024	Favorable (Unfavorable) Variance
Revenues:			
Operating Revenues	\$ 1,164,500	\$ 1,172,906	\$ 8,406
Nonoperating Revenues	89,900	91,589	1,689
Total Revenues	<u>1,254,400</u>	<u>1,264,495</u>	<u>10,095</u>
Expenses:			
Depreciation Expense	414,000	383,705	30,295
Other Operating Expense	1,065,454	1,070,139	(4,685)
Nonoperating Expense	152,000	146,112	5,888
Total Expenses	<u>1,631,454</u>	<u>1,599,956</u>	<u>31,498</u>
Change in Net Position	<u>\$ (377,054)</u>	<u>\$ (335,461)</u>	<u>\$ 41,593</u>

Actual revenues were 1% higher than budgeted revenue. Actual Expenses were 2% lower than budgeted amounts.

Other Significant Trends and Account Changes

Included within this section is first a listing and analysis of general trends and operating data affecting the operation of the District. This is followed by an analysis of any significant account changes, not included within other sections of the Management's Discussion and Analysis.

General Operating Data

The District had the following number of customers:

	2025	2024	Increase (Decrease)	2023	Increase (Decrease)
Customers					
Residential	2,930	2,897	33	2,853	44
Commercial and Dairy	74	77	(3)	69	8
Total Customers	<u>3,004</u>	<u>2,974</u>	<u>30</u>	<u>2,922</u>	<u>52</u>
Number of customers having a meter size larger than the residential size (3/4")	<u>59</u>	<u>59</u>	<u>-</u>	<u>59</u>	<u>-</u>

One key measure of the District's profitability, and the ability to generate positive cash flows, is the ability of the water system to collect accounts receivable on a timely basis. Presented below is an aged receivable listing for the fiscal years ending December 31, 2025 and 2024.

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Accounts Receivable					
Current	\$ 95,772	\$ 61,563	\$ 34,209	\$ 61,370	\$ 193
31-60 Days Past Due	24,919	25,415	(496)	22,377	3,038
61-90 Days Past Due	7,731	5,404	2,327	6,659	(1,255)
Over 90 Days Past Due	1,143	(5,794)	6,937	(17,054)	11,260
Subtotal	129,565	86,588	42,977	73,352	13,236
Allowance for Uncollectible Accounts	(2,112)	(2,112)	-	(2,112)	-
Net Accounts Receivable	<u>\$ 127,453</u>	<u>\$ 84,476</u>	<u>\$ 42,977</u>	<u>\$ 71,240</u>	<u>\$ 13,236</u>

Capital Assets and Debt Administration

Capital Assets

At the end of the fiscal year ending December 31, 2025, Waterworks District No. 2 of St. Helena Parish had \$8,075,262 (net of accumulated depreciation) recorded in capital assets compared to \$8,397,056 at the end of the fiscal year ending December 31, 2024. This includes water systems and improvements, investments in an office building, land, vehicles and maintenance equipment used to operate the water system. The changes in capital assets are presented in the table below.

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Capital Assets					
Land	\$ 57,231	\$ 57,231	\$ -	\$ 57,231	\$ -
Building & Improvements	281,344	281,344	-	281,344	-
Equipment	214,013	211,060	2,953	210,370	690
Furniture and Fixtures	81,624	81,624	-	81,624	-
Vehicles	202,052	200,834	1,218	198,054	2,780
Utility System	14,351,251	14,316,848	34,403	14,316,848	-
Construction in Progress	219,284	213,400	5,884	176,832	36,568
	15,406,799	15,362,341	44,458	15,322,303	40,038
Less: Accumulated Depreciation	(7,331,537)	(6,965,285)	(366,252)	(6,581,580)	(383,705)
Net Capital Assets	<u>\$ 8,075,262</u>	<u>\$ 8,397,056</u>	<u>\$ (321,794)</u>	<u>\$ 8,740,723</u>	<u>\$ (343,667)</u>

“Capital Assets” decreased by \$321,794 for the fiscal year ending December 31, 2025 as compared to a decrease of \$343,667 for the year ending December 31, 2024. The decreases were primarily related to depreciation expense for the current year of \$366,252 and \$383,705 for the prior year. These expenses were partially offset by the District’s purchased capital asset additions of \$44,458 that included \$5,884 in construction in progress, \$2,953 in equipment, \$1,218 in vehicles and \$34,403 in water utility system additions compared to prior year additions of \$40,038 that included \$36,568 in construction in progress, \$690 in equipment and \$2,780 in vehicles.

The current year and prior year’s increase in construction in progress costs relates to CWEF projects. The total CWEF costs were for engineering, planning, and construction costs paid directly by the District. The accepted projects will be donated by the St. Helena Parish Police Jury to the District for continued maintenance.

Long-Term Obligations

The primary source of long-term financing for Waterworks District No. 2 of St. Helena Parish is revenue bonds financed by the United States Department of Agriculture, Rural Utilities Service (RUS). Interest rates for long-term debt financed through RUS at December 31, 2025 and December 31, 2024, range from 2.25% to 6.375%, with initial payment terms for bonds generally at 40 years.

Bonds financed for Waterworks District No. 2 of St. Helena Parish do not generally require a specific debt to net income or net cash flow ratio, but bond restrictions do state that the District must set its water rates at a level necessary to fund debt service requirements and to pay for the normal operating expenses of the District. One measure of the operating performance of the District is the Debt to Net Position ratio. This measure, viewed over time, yields a comparison of how the District has maintained a workable ratio of total debt to net resources of the District. An increase over an extended period of time would indicate that the District is increasing debt in relation to its operating performance, and management should analyze other factors, such as overall profitability, to ensure that total debt is increased only in relation to the income that will be earned by financed expansions. As indicated, the ratio is only a measure of performance and should be reviewed over an extended period of time in combination with other factors that indicate the profitability of the District.

	2025	2024	2023
Total Long-Term Debt	\$ 4,580,352	\$ 4,708,293	4,831,820
Long-Term	4,447,826	4,580,357	4,708,298
Current	132,526	127,936	123,522
Total Net Position	\$ 4,686,775	\$ 4,988,852	5,324,313
Total Long-Term Debt to Net Position Ratio	0.98	0.94	0.91

Future Economic Plans

The Waterworks District No. 2 of St. Helena Parish's management approach is conservative, but is oriented towards meeting the long-range needs of the District. The Board actively monitors revenues and expenses and evaluates the costs of proposed expansion projects. The board's emphasis is on managing operating costs and generating the level of revenues that provides for the most efficient operation of the District.

Requests for Information

The financial report is designed to provide an overview of Waterworks District No. 2 of St. Helena Parish's finances and demonstrate the District's accountability. If you have questions regarding this report or need additional information, contact the District at Post Office Box 658, Greensburg, LA 70441. The phone number for the District is (985) 748-4657.

BASIC FINANCIAL STATEMENTS
BUSINESS-TYPE FINANCIAL STATEMENTS

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH

STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 93,944	\$ 222,546
Receivables, Net:		
Accounts	127,453	84,476
Accrued Billings	74,272	61,310
Other	285	16
Inventory	83,487	80,589
Prepaid Insurance	13,645	10,092
Total Current Assets	<u>393,086</u>	<u>459,029</u>
Noncurrent Assets:		
Restricted Assets:		
Restricted Cash and Cash Equivalents	1,212,385	1,240,654
Total Restricted Assets	<u>1,212,385</u>	<u>1,240,654</u>
Property, Plant, and Equipment:		
Land	57,231	57,231
Construction in Progress	219,284	213,400
Property, Plant and Equipment, Net	7,798,747	8,126,425
Total Property, Plant, and Equipment	<u>8,075,262</u>	<u>8,397,056</u>
Total Noncurrent Assets	<u>9,287,647</u>	<u>9,637,710</u>
Total Assets	<u>9,680,733</u>	<u>10,096,739</u>
Liabilities		
Current Liabilities (Payable From Current Assets):		
Accounts Payable	73,667	53,982
Compensated Absences Payable	14,754	14,702
Other Accrued Payables	23,118	22,508
Cash Overdraft	62,672	84,454
Total Current Liabilities (Payable From Current Assets)	<u>174,211</u>	<u>175,646</u>
Current Liabilities (Payable From Restricted Assets):		
Customer Deposits	134,925	129,625
Current Revenue Bonds Payable	132,526	127,936
Accrued Interest - RUS Bonds	11,513	13,673
Total Current Liabilities (Payable From Restricted Assets)	<u>278,964</u>	<u>271,234</u>
Long-Term Liabilities:		
Bonds Payable	4,447,826	4,580,357
Compensated Absences Payable	92,957	80,650
Total Long-Term Liabilities	<u>4,540,783</u>	<u>4,661,007</u>
Total Liabilities	<u>4,993,958</u>	<u>5,107,887</u>
Net Position		
Net Investment in Capital Assets	3,494,910	3,688,763
Restricted for Debt Service	1,065,947	1,097,356
Unrestricted	125,918	202,733
Total Net Position	<u>\$ 4,686,775</u>	<u>\$ 4,988,852</u>

The accompanying notes are an integral part of this statement.

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Water Sales	\$ 1,273,925	\$ 985,821
Service and Connection Fees	96,950	116,980
Penalties	44,084	34,834
Other Revenues	35,664	35,271
Total Operating Revenues	<u>1,450,623</u>	<u>1,172,906</u>
Operating Expenses		
Advertising	135	258
Bad Debts	13,832	9,568
Postage	18,790	15,432
Chemicals/Chlorination	36,233	33,990
Deferred Compensation Expense	32,276	23,632
Depreciation	366,252	383,705
Directors' Expense	5,520	4,980
Educational Expense	2,129	735
Employee Insurance	47,815	32,026
Fuel	5,684	2,666
Insurance	93,351	78,458
Meter Installations	28,500	42,750
Other	43,763	36,144
Payroll Taxes	43,679	33,753
Professional Fees:		
Accounting	20,395	20,300
Auditing	13,250	12,500
Legal Fees	113	158
Engineering Fees	-	642
Repairs and Maintenance	118,904	60,888
Salaries and Wages	568,068	462,499
Software - Maintenance Costs	2,520	2,520
Supplies - Office	16,500	7,036
Supplies - Water System	53,344	51,507
Telephone	13,828	12,818
Travel	396	-
Utilities	101,081	90,749
Vehicle Expenses	31,296	34,130
Total Operating Expenses	<u>1,677,654</u>	<u>1,453,844</u>
Operating Loss	<u>(227,031)</u>	<u>(280,938)</u>

(CONTINUED)

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Nonoperating Revenues (Expenses)		
Interest Income	50,257	74,302
Interest Expense	(140,877)	(146,112)
Bad Debt Recovery	7,426	4,154
Other Income	8,148	13,133
Total Nonoperating Revenues (Expenses)	<u>(75,046)</u>	<u>(54,523)</u>
Loss Before Contributions	<u>(302,077)</u>	<u>(335,461)</u>
Change in Net Position	(302,077)	(335,461)
Total Net Position, Beginning	<u>4,988,852</u>	<u>5,324,313</u>
Total Net Position, Ending	<u>\$ 4,686,775</u>	<u>\$ 4,988,852</u>

The accompanying notes are an integral part of this statement.

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities:		
Received from Customers	\$ 1,372,852	\$ 1,125,699
Received for Meter Deposit Fees	5,300	4,000
Other Receipts	35,395	35,255
Payments for Operations	(661,251)	(470,649)
Payments to Employees	(659,562)	(528,278)
Net Cash Provided by Operating Activities	<u>92,734</u>	<u>166,027</u>
Cash Flows From Noncapital Financing Activities:		
Recovery of Bad Debts	7,426	4,154
Other Receipts	8,148	13,133
Net Cash Provided by Noncapital Financing Activities	<u>15,574</u>	<u>17,287</u>
Cash Flows From Capital and Related Financing Activities:		
(Payments for) Capital Acquisitions	(44,458)	(40,038)
Principal Proceeds from (Repayments for) Long-Term Debt	(127,941)	(123,527)
Interest Payments for Long-Term Debt	(143,037)	(147,451)
Net Cash Used in Capital and Related Financing Activities	<u>(315,436)</u>	<u>(311,016)</u>
Cash Flows From Investing Activities:		
Receipt of Interest	50,257	74,302
Net Cash Provided by Investing Activities	<u>50,257</u>	<u>74,302</u>
Net Cash Increase (Decrease) in Cash and Cash Equivalents	<u>(156,871)</u>	<u>(53,400)</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,463,200</u>	<u>1,516,600</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,306,329</u>	<u>\$ 1,463,200</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and Cash Equivalents, Unrestricted	\$ 93,944	\$ 222,546
Cash and Cash Equivalents, Restricted	<u>1,212,385</u>	<u>1,240,654</u>
Total Cash and Cash Equivalents	<u>\$ 1,306,329</u>	<u>\$ 1,463,200</u>

(CONTINUED)

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating Loss	\$ (227,031)	\$ (280,938)
Adjustments to Reconcile Operating Loss to		
Net Cash Provided by Operating Activities:		
Depreciation	366,252	383,705
(Increase) Decrease in Accounts Receivable	(55,939)	(21,504)
(Increase) Decrease in Other Receivable	(269)	(16)
(Increase) Decrease in Inventory	(2,898)	(12,037)
(Increase) Decrease in Prepaid Insurance	(3,553)	(1,810)
Increase (Decrease) in Accounts Payable	19,685	(10,567)
Increase (Decrease) in Compensated Absences	12,359	26,271
Increase (Decrease) in Accrued Expenses	610	(5,531)
Increase (Decrease) in Cash Overdraft	(21,782)	84,454
Increase (Decrease) in Customer Deposits	<u>5,300</u>	<u>4,000</u>
Net Cash Provided by Operating Activities	\$ <u>92,734</u>	\$ <u>166,027</u>

The accompanying notes are an integral part of this statement.

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Introduction

Waterworks District No. 2 of St. Helena Parish was established July 1983, by an ordinance of the St. Helena Parish Police Jury, Greensburg, Louisiana. The ordinance enacted pursuant to Louisiana Revised Statutes 33:3813, describes and defines the boundaries of the water district, and provides for a five-member governing board of commissioners appointed by the St. Helena Parish Police Jury. The District currently serves 3,004 customers as of December 31, 2025 and served \$2,974 as of December 31, 2024, and operates in an area extending from Livingston Parish on the southern boundary and extending northward through Ward 5, Ward 3 north of Montpelier (bounded on the south by Ward 4), north to most of Ward 2, and parts of Ward 1 and 6. Waterworks District No. 2 of St. Helena Parish was thus created and constitutes a public corporation and political subdivision of the State of Louisiana, and has all the power and privileges granted by the Constitution and statutes of this state to such subdivision, including the authority to incur debt, to issue bonds, and to levy taxes and assessments.

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Waterworks District No. 2 of St. Helena Parish is considered a component unit of the St. Helena Parish Police Jury. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements, or separately reported as a discrete component unit. Under provisions of this statement, there are no component units of the District.

1. Summary of Significant Accounting Policies

A. Measurement Focus and Basis of Accounting and Financial Statement Presentation

These financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's financial statements are prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The District applies all GASB pronouncements including, but not limited to those described in the following paragraphs.

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, as amended. Statement No. 34, as amended, establishes standards for financial reporting, with presentation requirements including a statement of net position, a statement of activities, and a statement of cash flows. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are amended by GASB Statements, some of which are included in the following paragraphs. The District has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* that require capital contributions to the District to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Note 1J – Net Position*.

The District has also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The District did not have any deferred outflows or deferred inflows of resources at December 31, 2025 or December 31, 2024.

All activities of the District are accounted for in a single proprietary fund – the Enterprise Fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing authority is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. The District’s Enterprise fund accounts for the operations of the District’s water utility system.

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

The term measurement focus denotes what is being measured and reported in the District’s operating statement. Financial operations of the District are accounted for on the flow of economic resources measurement focus. With this measurement focus, all of the assets and liabilities, available to the District for the purpose of providing goods and services to the public, are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position includes all costs of providing goods and services during the period.

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user charges for the services provided by the proprietary funds. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

B. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of ninety days or less. State law limits the District to deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States, having principal offices in Louisiana.

C. Investments

Investments are limited by State Law and the District's investment policy. Investments are reported at fair value, except nonparticipating investment contracts which are reported at cost, if any. The District had no investments at December 31, 2025 or 2024.

D. Inventories

Inventories consist of materials and supplies and are recorded as an expense when consumed. Inventories are valued at cost using the first-in, first-out method.

E. Prepaid Items

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

F. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants. Additionally, funds held for customers' deposits are also classified as restricted assets.

G. Capital Assets

Capital assets of the District are defined by the District as assets with an initial, individual cost of more than \$500, and an estimated useful life in excess of one year. Capital assets are recorded at either historical cost or estimated historical cost. Donated assets, including water systems donated for continued maintenance by the District, are valued at their estimated fair market value

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

on the date donated. Depreciation of all exhaustible fixed assets is charged as an expense against operations. 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>
Buildings and Improvements	5 - 40 Years
Equipment	5 - 10 Years
Furniture and Fixtures	5 - 10 Years
Vehicles	5 - 7 Years
Utility System	10 - 40 Years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The District does not capitalize interest during the construction period on a prospective basis per GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

H. Compensated Absences

The District has the following policy related to vacation and sick leave:

During the fiscal year ending December 31, 2010, the Board of Commissioners approved a change in policy that allows the accumulation of vacation and sick leave as wages are paid every two weeks. The previous policy allowed all regular employees to earn four hours of vacation leave and eight hours of sick leave per month. Under the new policy, 1.85 hours of vacation (.93 hours for part time employees) and 3.7 hours of sick leave (1.85 for part time employees) are earned per two-week pay period. Unused vacation and sick leave is paid upon termination

The cost of leave privileges is computed in accordance with GASB Codification Section C60. During the year ending December 31, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. In accordance with GASB 101 and the Districts' compensated absences policies, the District's compensated absences liabilities in the financial statements are recognized as earned. Compensated absences are reported using the first-in/first-out flow assumption.

I. Long-Term Debt Obligations

Long-term liabilities are recognized within the Enterprise Fund. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

The District has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, are revised. This standard was

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

intended to compliment GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65.

The District had no debt refundings in the years ended December 31, 2025 and 2024. The District did not have any bond related costs in the year ending December 31, 2025 or 2024.

J. Net Position

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position** - The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Component of Net Position** - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Net position should be reported as restricted when constraints placed on net position use are either: (a.) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b.) Imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Component of Net Position** - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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

K. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. All prior period adjustments, if any, recorded in the current period have been reflected in prior period data presented wherever possible.

L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates, and as such, differences may be material.

2. Cash and Cash Equivalents

At December 31, the District has cash and cash equivalents (book balances) as follows:

	<u>2025</u>	<u>2024</u>
Demand Deposits	\$ <u>1,306,329</u>	\$ <u>1,463,200</u>

These deposits are stated at cost, which approximates market value. 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Even though the pledged securities may be considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. The District does not have a formal policy for custodial risk. At December 31, 2025, the District has \$1,290,807 in demand deposits (collected bank balances) for cash and cash equivalents, in one bank. The demand deposits are secured from risk by \$250,000 of federal deposit insurance and the remaining \$1,040,807 is secured from risk by pledged securities. The \$1,040,807 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

At December 31, 2024, the District had \$1,439,172 in demand deposits (collected bank balances) for cash and cash equivalents, in one bank. The demand deposits were secured from risk by \$250,000 of federal deposit insurance and the remaining \$1,189,172 was secured from risk by pledged securities. The \$1,189,172 was exposed to custodial credit risk because while the amount is secured by pledged securities, such securities were held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

3. Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the District or its agent in the District's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the District's name

The District had no investments at December 31, 2025 and 2024.

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

4. Receivables

Utility accounts receivable comprise the majority of proprietary fund receivables. The following is a summary of accounts receivables at December 31, 2025 and 2024:

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>
Accounts Receivable			
Current	\$ 95,772	\$ 61,563	\$ 34,209
31-60 Days Past Due	24,919	25,415	(496)
61-90 Days Past Due	7,731	5,404	2,327
Over 90 Days Past Due	<u>1,143</u>	<u>(5,794)</u>	<u>6,937</u>
Subtotal	129,565	86,588	42,977
Allowance for Uncollectible Accounts	<u>(2,112)</u>	<u>(2,112)</u>	<u>-</u>
Net Accounts Receivable	<u>\$ 127,453</u>	<u>\$ 84,476</u>	<u>\$ 42,977</u>

All customer receivables are reported at gross value and reduced by the portion that is expected to be uncollectible. Periodically, the board reviews the aging of receivables and determines the actual amount uncollectible. Per board approval, uncollectible amounts are written off against accounts receivable, and the allowance for doubtful accounts is adjusted to a reasonable estimate of uncollectability. In 2025, the board authorized write-offs for the fiscal year of \$13,832 and \$9,568 in fiscal year 2024.

Other Receivables totaled \$74,557 for the year ending December 31, 2025 and \$61,326 for the year ending December 31, 2024 and include primarily estimated unbilled revenues (accrued billings). Accrued billings amounts were \$74,272 and \$61,310 at December 31, 2025 and 2024, respectively.

5. Restricted Assets

Restricted assets were applicable to the following sources at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Restricted Cash and Cash Equivalents		
Customer Deposits	\$ 134,925	\$ 129,625
Bond Reserve Account - Rural Utility Service -RUS	270,552	280,013
Bond Depreciation and Contingency Account - RUS	192,709	194,619
Bond Sinking Account - RUS	260,114	287,259
Bond Short Lived Assets	<u>354,085</u>	<u>349,138</u>
Total Restricted Assets	<u>\$ 1,212,385</u>	<u>\$ 1,240,654</u>

6. Capital Assets

A summary of changes in capital assets during the fiscal year ending December 31, 2025 is as follows:

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

	Beginning Balance 12/31/24	Additions and Reclassifications	Deletions and Reclassifications	Ending Balance 12/31/25
Capital Assets				
Building & Improvements	\$ 281,344	\$ -	\$ -	\$ 281,344
Equipment	211,060	2,953	-	214,013
Furniture and Fixtures	81,624	-	-	81,624
Vehicles	200,834	1,218	-	202,052
Utility System	14,316,848	34,403	-	14,351,251
Total Capital Assets being Depreciated	15,091,710	38,574	-	15,130,284
Less Accumulated Depreciation	(6,965,285)	(366,252)	-	(7,331,537)
Net Capital Assets being Depreciated	8,126,425	(327,678)	-	7,798,747
Land	57,231	-	-	57,231
Construction in Progress	213,400	5,884	-	219,284
Total Capital Assets, Net	\$ 8,397,056	\$ (321,794)	\$ -	\$ 8,075,262

Total Capital Assets decreased by \$321,794 for the fiscal year ending December 31, 2025. The decreases were primarily related to depreciation expense for the current year of \$366,252. These expenses were partially offset by the District's purchased capital asset additions of \$44,458 that included \$5,884 in construction in progress, \$2,953 in equipment, \$1,218 in vehicles and \$34,403 in water utility system additions.

The current year increase in construction in progress costs relates to CWEF projects. The total CWEF costs were for engineering, planning, and construction costs paid directly by the District. The accepted projects will be donated by the St. Helena Parish Police Jury to the District for continued maintenance.

A summary of changes in capital assets during the fiscal year ending December 31, 2024 is as follows:

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

	Beginning Balance 12/31/23	Additions and Reclassifications	Deletions and Reclassifications	Ending Balance 12/31/24
Capital Assets				
Building & Improvements	\$ 281,344	\$ -	\$ -	\$ 281,344
Equipment	210,370	690	-	211,060
Furniture and Fixtures	81,624	-	-	81,624
Vehicles	198,054	2,780	-	200,834
Utility System	14,316,848	-	-	14,316,848
Total Capital Assets in Service	15,088,240	3,470	-	15,091,710
Less Accumulated Depreciation	(6,581,580)	(383,705)	-	(6,965,285)
Total Capital Assets being Depreciated	8,506,660	(380,235)	-	8,126,425
Land	57,231	-	-	57,231
Construction in Progress	176,832	36,568	-	213,400
Total Capital Assets, Net	\$ 8,740,723	\$ (343,667)	\$ -	\$ 8,397,056

Total Capital Assets decreased by \$343,667 for the fiscal year ending December 31, 2024. The decrease was primarily related to depreciation expense for the current year of \$383,705. These expenses were partially offset by the District's purchased capital asset additions of \$40,038 that included \$36,568 in construction in progress, \$690 in equipment and \$2,780 in vehicles. The increases in construction in progress costs relate to CWEF projects for the year ending December 31, 2024.

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

7. Accounts Payable and Accrued Liabilities

Payables at December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Accounts Payable:		
Vendors	\$ 40,417	\$ 21,482
Accrued Audit Fees	13,250	12,500
Accrued Accounting Fees	20,000	20,000
Total Accounts Payable	<u>\$ 73,667</u>	<u>\$ 53,982</u>
Accrued Liabilities:		
Compensated Absences	\$ 14,754	\$ 14,702
Accrued Wages	12,917	12,230
Other Accrued Liabilities	10,201	10,278
Total Accrued Liabilities	<u>\$ 37,872</u>	<u>\$ 37,210</u>

The District also had a cash overdraft of \$62,672 at December 31, 2025 and \$84,454 at December 31, 2024.

The District maintains a cash account, totaling \$75,716 at December 31, 2025 and \$72,910 at December 31, 2024, to fund the related accrued leave obligation of \$107,711 and \$95,352, respectively. The District's policy is to periodically transfer cash to fund the cash leave account in an amount equal to the accrued leave obligation.

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

8. Long-Term Obligations

The following is a summary of long-term obligation transactions for the year ended December 31, 2025:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Long-Term Debt					
1987 Water Revenue Bonds	\$ 46,034	\$ -	\$ 10,933	\$ 35,101	\$ 11,631
1994 Water Revenue Bonds	163,773	-	13,156	150,617	13,813
1999 Water Revenue Bonds	118,715	-	5,766	112,949	6,045
2000 Water Revenue Bonds	168,312	-	7,730	160,582	8,085
2013 Water Revenue Bonds	2,257,741	-	47,388	2,210,353	49,010
2016 Water Revenue Bonds	1,953,718	-	42,968	1,910,750	43,942
Total Bonds	4,708,293	-	127,941	4,580,352	132,526
Compensated Absences	95,352	12,359 *	-	107,711	14,754
Total Long-Term Debt	\$ 4,803,645	\$ 12,359	\$ 127,941	\$ 4,688,063	\$ 147,280

* presented net

The following is a summary of long-term obligation transactions for the year ended December 31, 2024:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Long-Term Debt					
1987 Water Revenue Bonds	\$ 56,312	\$ -	\$ 10,278	\$ 46,034	\$ 10,933
1994 Water Revenue Bonds	176,302	-	12,529	163,773	13,156
1999 Water Revenue Bonds	124,214	-	5,499	118,715	5,766
2000 Water Revenue Bonds	175,702	-	7,390	168,312	7,730
2013 Water Revenue Bonds	2,303,559	-	45,818	2,257,741	47,385
2016 Water Revenue Bonds	1,995,731	-	42,013	1,953,718	42,966
Total Bonds	4,831,820	\$ -	123,527	4,708,293	127,936
Compensated Absences	69,081	26,271 *	-	95,352	14,702
Total Long-Term Debt	\$ 4,900,901	\$ 26,271	\$ 123,527	\$ 4,803,645	\$ 142,638

* presented net

Bonds payable balances as of December 31, 2025 are as follows:

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

	<u>Bonds Payable</u> <u>End of Year</u>	<u>Due Within</u> <u>One Year</u>
Revenue Bond \$ 198,000		
Water System- RUS Bonds 91-03 sold to Rural Utility Service		
Dated 9/12/1988 due in annual installments of principal and interest of		
\$13,868 through 1/26/2028, interest at 6.375%	\$ 35,101	\$ 11,631
Revenue Bond \$ 360,000		
Water System- RUS Bonds 91-05 sold to Rural Utility Service		
Dated 5/26/1994 due in annual installments of principal and interest of		
\$21,344 through 1/26/2034, interest at 5.0%	150,617	13,813
Revenue Bond \$ 200,000		
Water System- RUS Bonds 91-07 sold to Rural Utility Service		
Dated 8/26/1999 due in annual installments of principal and interest of		
\$940 through 8/26/2039, interest at 4.75%	112,949	6,045
Revenue Bond \$ 278,000		
Water System- RUS Bonds 91-09 sold to Rural Utility Service		
Dated 7/1/2000 due in monthly installments of principal and interest of		
\$1,262 through 7/26/2040, interest at 4.5%	160,582	8,085
Revenue Bond \$ 2,659,000		
Water Revenue Bonds Series 2013 sold to Rural Utility Service		
Dated 2/19/2014 due in monthly installments of principal and interest of		
\$10,238 through 1/26/2054, interest at 3.375%	2,210,353	49,010
Revenue Bond \$ 2,238,000		
Water Revenue Bonds Series 2016 sold to Rural Utility Service		
Dated 9/20/2016 due in monthly installments of principal and interest of		
\$7,207 through 9/20/2056, interest at 2.25%	1,910,750	43,942
	<u>\$ 4,580,352</u>	<u>\$ 132,526</u>

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

The annual requirements to amortize all debt outstanding as of December 31, 2025, including interest payments of \$2,072,920 are as follows:

Year Ending 12/31/25	1987 Water Revenue Bonds \$198,000			1994 Water Revenue Bonds \$360,000			1999 Water Revenue Bonds \$200,000		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 11,631	\$ 2,238	\$ 13,869	\$ 13,813	\$ 7,531	\$ 21,344	\$ 6,045	\$ 5,235	\$ 11,280
2027	12,372	1,496	13,868	14,504	6,840	21,344	6,339	4,941	11,280
2028	11,098	708	11,806	15,229	6,115	21,344	6,647	4,633	11,280
2029	-	-	-	15,991	5,353	21,344	6,969	4,311	11,280
2030	-	-	-	16,790	4,554	21,344	7,308	3,972	11,280
2031 to 2035	-	-	-	74,290	9,391	83,681	42,216	14,184	56,400
2036 to 2040	-	-	-	-	-	-	37,425	3,382	40,807
2041 to 2045	-	-	-	-	-	-	-	-	-
2046 to 2050	-	-	-	-	-	-	-	-	-
2051 to 2055	-	-	-	-	-	-	-	-	-
2056 to 2060	-	-	-	-	-	-	-	-	-
	<u>\$ 35,101</u>	<u>\$ 4,442</u>	<u>\$ 39,543</u>	<u>\$ 150,617</u>	<u>\$ 39,784</u>	<u>\$ 190,401</u>	<u>\$ 112,949</u>	<u>\$ 40,658</u>	<u>\$ 153,607</u>

Year Ending 12/31/25	2000 Water Revenue Bonds \$278,000			2013 Water Revenue Bonds \$2,659,000		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 8,085	7,061	\$ 15,146	\$ 49,010	\$ 73,847	\$ 122,857
2027	8,456	6,690	15,146	50,689	72,167	122,856
2028	8,844	6,301	15,145	52,427	70,429	122,856
2029	9,251	5,895	15,146	54,224	68,632	122,856
2030	9,676	5,470	15,146	56,083	66,773	122,856
2031 to 2035	55,468	20,259	75,727	310,600	303,680	614,280
2036 to 2040	60,802	6,385	67,187	367,609	246,671	614,280
2041 to 2045	-	-	-	435,081	179,199	614,280
2046 to 2050	-	-	-	514,937	99,343	614,280
2051 to 2055	-	-	-	319,693	15,394	335,087
2056 to 2060	-	-	-	-	-	-
	<u>\$ 160,582</u>	<u>\$ 58,061</u>	<u>\$ 218,643</u>	<u>\$ 2,210,353</u>	<u>\$ 1,196,135</u>	<u>\$ 3,406,488</u>

Year Ending 12/31/25	2016 Water Revenue Bonds \$2,238,000			Total		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 43,942	\$ 42,541	\$ 86,483	\$ 132,526	\$ 138,453	\$ 270,979
2027	44,942	41,542	86,484	137,302	133,676	270,978
2028	45,964	40,520	86,484	140,209	128,706	268,915
2029	47,009	39,475	86,484	133,444	123,666	257,110
2030	48,077	38,407	86,484	137,934	119,176	257,110
2031 to 2035	257,288	175,132	432,420	739,862	522,646	1,262,508
2036 to 2040	287,893	144,527	432,420	753,729	400,965	1,154,694
2041 to 2045	322,139	110,281	432,420	757,220	289,480	1,046,700
2046 to 2050	360,459	71,961	432,420	875,396	171,304	1,046,700
2051 to 2055	403,337	29,083	432,420	723,030	44,477	767,507
2056 to 2060	49,700	371	50,071	49,700	371	50,071
	<u>\$ 1,910,750</u>	<u>\$ 733,840</u>	<u>\$ 2,644,590</u>	<u>\$ 4,580,352</u>	<u>\$ 2,072,920</u>	<u>\$ 6,653,272</u>

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

9. Flow of Funds, Restrictions on Use

Under the terms of the bond issued on September 20, 2016, related to the permanent financing of the Phase V North project, the bonds are payable as to principal and interest solely from the income and revenues derived from the operations of the water system of the District after provisions have been made for the payment of reasonable and necessary expenses of administering, operating, and maintaining of the system. Total interest expense from all water revenue bonds equaled \$140,877 for the year ending December 31, 2025 and \$146,112 for the year ending December 31, 2024. The gross water sales revenue recognized during the current fiscal year was \$1,273,925 and \$985,821 for the prior fiscal year. Bond covenants related to all parity bonds, including the 2001 Water Revenue Refunding Bonds and all issues of the United States Department of Agriculture (USDA)-Rural Utility Service (RUS), and requirements for maintaining a Bond Sinking Fund, a Debt Service Reserve Fund, and a Short-Lived Assets Fund are described below.

Bond Sinking Fund

- a. There shall be established a "Water System Revenue Bond and Sinking Fund" - sufficient in amount to pay the principal and interest on outstanding revenue bonds as they become due and payable. Payments are to be made from the Operating Fund (Revenue Fund) of the District, to the "Revenue Sinking Fund" by the 20th of each month, in an amount equal to 1/12 of the interest and principal falling due on the next bond payment date. Monies in the "Revenue Sinking Fund" are deposited as Trust Funds, and are exclusively pledged for the purpose of paying principal and interest on the Revenue Bonds.
- b. The District made all of the required deposits for the RUS Bonds and for the 2001 Water Revenue Refunding Bonds, issued in parity with the RUS Bonds, maintaining a total of \$260,114 at December 31, 2025 and \$287,259 at December 31, 2024.

Debt Service Reserve Fund

- a. Bond reserve deposit requirements are as modified by the RUS letter of conditions dated August 30, 2011 for the Phase V South project, and January 17, 2012 for the Phase V North Project. Permanent financing was obtained September 20, 2016 for the Phase V North project. With final USDA financing obtained, payment requirements have been established for the Bond Reserve deposit requirement, and are as stated in Section "d" following.
- b. The Letter of Conditions above for the Phase V South and Phase V North projects state that the District must establish and fund monthly a debt service reserve fund equal to 10% of the monthly payment each month over the life of the loan until you accumulate one annual installment. This reserve is required to establish an emergency fund for maintenance and repairs and debt repayment should the need arise. Prior issues of USDA debt, and the 2001 Water Revenue Refunding Bonds, required that there shall be set aside into a "Utility System Revenue Bond Reserve Fund" and into a separate "Depreciation and Contingency Fund a sum equal to five percent of the monthly bond payment after the construction project becomes revenue producing, and deposits shall continue until there is accumulated therein an amount equal to the highest succeeding annual debt service

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

payment in any future year. Such amounts, per the Letter of Conditions above for the Phase V South and Phase V North projects, are to be deposited by the 20th of each month and may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund as to which there would otherwise be default, and for emergency and repairs.

In order to maintain consistency with funding requirements, the District continues to deposit the total 10% requirement for the debt service fund as required for the Phase V South and Phase V North issues, but splits the amount as 5% to the "Utility System Revenue Bond Reserve Fund" and 5% to the "Depreciation and Contingency Fund." Combined payment requirements for the RUS bond issues and the 2001 Water Revenue Refunding Bonds, at 5% of loan amounts, was \$1,129 per month for 2025 and 2024, per USDA requirement.

- c. The twelve required monthly payments to the "Revenue Bond Reserve Fund" were made for the year 2025 and 2024 with a balance maintained of \$270,552 at December 31, 2025, compared to a balance of \$280,013 at December 31, 2024.
- d. The twelve required monthly payments to the "Depreciation & Contingency Fund" were made for the year 2025 and 2024. The balance in the "Depreciation and Contingency Fund" at December 31, 2025 was \$192,709, compared to \$194,619 at December 31, 2024.
- e. All the revenues received in any year and not required to be paid in such year into any of the noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

Short-Lived Assets Fund

- a. In addition to required deposits, as stated above, for the Phase V South and Phase V North projects, a depreciation reserve for short-lived assets is to be established with deposits of \$2,639 required per month. Deposit requirements for the short-lived assets fund began in February 2015, per USDA requirement for the Phase V South Bonds (Water Revenue Bonds, Series 2013). The twelve required monthly deposits for depreciation reserve for short-lived assets were made for the year 2025 and 2024. The balance at December 31, 2025 was \$354,085, compared to \$349,138 at December 31, 2024.

10. Restricted Net Position

At December 31, 2025, Waterworks District No. 2 of St. Helena Parish has \$1,065,947 in Restricted Net Position, restricted for debt service, compared to \$1,097,356 at December 31, 2024. This represents the District's funds restricted by revenue bond debt covenants, contracts with customers for deposits, and the unspent portion of capital debt related to amounts restricted for capital projects less liabilities related to these restricted funds. A liability relates to restricted assets if the asset results from incurring the liability or if the liability will be liquidated with the restricted assets.

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

11. Litigation and Claims

There is no pending litigation as of December 31, 2025 or 2024.

12. Deferred Compensation Plan

On November 12, 2009, the Board of Commissioners of the Waterworks District No. 2 of St. Helena Parish approved the participation in a deferred compensation plan and for the employer to make contributions of six percent of gross wages. The District participates in the *Louisiana Public Employees Deferred Compensation Plan*. The contribution by the employer will be re-established by the Board of Commissioners before the beginning of each fiscal year. Under the terms of the *Louisiana Public Employees Deferred Compensation Plan*, an employee may contribute up to a maximum of 25 percent of adjusted gross income, not to exceed \$18,000 per calendar year. A special "catch-up" provision may be used to save up to \$15,000 per year for the three years prior to retirement.

As reported by the State of Louisiana Deferred Compensation Program, for the fiscal year ending December 31, 2025, the aggregate account balance of employees of Waterworks District No. 2 of St. Helena Parish participating in the plan was \$550,423 or the fiscal year ending December 31, 2025, compared to \$557,399 for the fiscal year ending December 31, 2024. Employer contributions for the fiscal year ending December 31, 2025 totaled \$32,276, compared to \$23,632 for the fiscal year ended December 31, 2024. The District has no financial or fiscal responsibility to the deferred compensation plan. There was no liability outstanding at year end 2025 or 2024. Employees are 100% vested in contributions and as such there are no forfeitures reflected in the expense.

13. Subsequent Events

Subsequent events have been evaluated by management through June 18, 2026, the date the financial statements were available to be issued. No other events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2025.

OTHER SUPPLEMENTARY INFORMATION

Schedule 1

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
BUDGET (GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues:			
Water Sales	\$ 1,265,000	\$ 1,273,925	\$ 8,925
Service and Connection Fees	100,000	96,950	(3,050)
Late Payment Penalties	45,000	44,084	(916)
Other	36,000	35,664	(336)
Total Operating Revenues	<u>1,446,000</u>	<u>1,450,623</u>	<u>4,623</u>
Operating Expenses:			
Advertising	1,000	135	865
Bad Debts	13,800	13,832	(32)
Postage	18,000	18,790	(790)
Chemicals/Treatment	35,000	36,233	(1,233)
Deferred Compensation	32,500	32,276	224
Depreciation	414,000	366,252	47,748
Director's Expense	5,640	5,520	120
Educational Expense	1,500	2,129	(629)
Employee Insurance	46,000	47,815	(1,815)
Fuel	6,000	5,684	316
Insurance	97,000	93,351	3,649
Meter Installations	30,000	28,500	1,500
Other	44,254	43,763	491
Payroll Taxes	44,000	43,679	321
Professional Fees:			
Accounting	22,000	20,395	1,605
Auditing	12,500	13,250	(750)
Legal Fees	500	113	387
Engineering Fees	1,500	-	1,500
Repairs and Maintenance	115,000	118,904	(3,904)
Salaries and Wages	565,000	568,068	(3,068)
Software - Maintenance Costs	2,500	2,520	(20)
Supplies - Office	11,500	16,500	(5,000)
Supplies - Water System	48,000	53,344	(5,344)
Telephone	15,000	13,828	1,172
Travel	500	396	104
Utilities	96,000	101,081	(5,081)
Vehicle Expenses	31,000	31,296	(296)
Total Operating Expenses	<u>1,709,694</u>	<u>1,677,654</u>	<u>32,040</u>
Operating Income (Loss)	<u>(263,694)</u>	<u>(227,031)</u>	<u>36,663</u>

(CONTINUED)

Schedule 1

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
BUDGET (GAAP) BASIS AND ACTUAL (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 Budget	2025 Actual	Variance Favorable (Unfavorable)
Nonoperating Revenues (Expenses):			
Interest Income	50,000	50,257	257
Interest Expense	(148,000)	(140,877)	7,123
Bad Debt Recovery	5,500	7,426	1,926
Other Income	11,900	8,148	(3,752)
Total Nonoperating Revenues (Expenses)	<u>(80,600)</u>	<u>(75,046)</u>	<u>5,554</u>
Income (Loss) Before Contributions and Transfers	<u>(344,294)</u>	<u>(302,077)</u>	<u>42,217</u>
Change in Net Position	<u>(344,294)</u>	<u>(302,077)</u>	<u>42,217</u>
Total Net Position, Beginning	<u>4,988,852</u>	<u>4,988,852</u>	<u>-</u>
Total Net Position, Ending	<u>\$ 4,644,558</u>	<u>\$ 4,686,775</u>	<u>\$ 42,217</u>

See Independent Auditor's Report.

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH

SCHEDULE OF INSURANCE COVERAGES

FOR THE YEAR ENDED DECEMBER 31, 2025

Insurance Company / Policy Number	Coverage	Amount	Period
Munich Re Specialty Insurance Affiliate Company			
Policy # T9A2CP0001090-00	Commercial General Liability:		1/22/2025 to 1/22/2026
	Aggregate Policy Limit	\$ 3,000,000	
	Per Occurrence	1,000,000	
	Personal Injury and Advertising Injury	1,000,000	
	Damage to Rented Property	1,000,000	
	Wrongful Acts:		1/22/2025 to 1/22/2026
	Per Claim	1,000,000	
	Aggregate	3,000,000	
	Crime Coverage :		1/22/2025 to 1/22/2026
	Employee Theft Coverage per occurrence	250,000	
	Forgery or Alteration Coverage per occurrence	250,000	
	Theft - Inside per occurrence	250,000	
	Robbery - Inside per occurrence	100,000	
	Theft - Outside per occurrence	250,000	
	Computer Fraud Coverage per occurrence	250,000	
	Funds Transfer Fraud/Money Order Coverage per occurrence	250,000	
	Property Coverage:		1/22/2025 to 1/22/2026
	Real Property & Business Personal Property, as scheduled	5,888,114	
	Mobile Equipment	79,800	
Policy # T9A6FF0000026-00	Commercial Excess Liability:		1/22/2025 to 1/22/2026
	Per Claim	2,000,000	
	Aggregate	2,000,000	
	Business Auto Liability:		1/22/2025 to 1/22/2026
	Bodily Injury and Property Damage	1,000,000	
	Commercial General Liability:		1/22/2025 to 1/22/2026
	Per Claim	1,000,000	
	Aggregate	3,000,000	
	Employment Practices Liability:		1/22/2025 to 1/22/2026
	Per Claim	1,000,000	
	Aggregate	3,000,000	
Policy # T9A2CA0000270-00	Business Auto Coverage:		1/22/2025 to 1/22/2026
	Combined Single Limit Liability	1,000,000	
	Uninsured Motorists Coverage	1,000,000	
	Comprehensive and Collision Coverage, as Scheduled	Scheduled	
Louisiana Workers' Compensation 17223-S	Workmen's Compensation at statutory limits Employer's Liability		4/17/2025 to 4/17/2026
		1,000,000	

See Independent Auditor's Report.

Schedule 3

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH

SCHEDULE OF COMPENSATION PAID TO BOARD OF COMMISSIONERS

FOR THE YEAR ENDED DECEMBER 31, 2025

<u>Name and Title / Contact Number</u>	<u>Address</u>	<u>Compensation Received</u>	<u>Term Expiration</u>
Wilbert Knox, President (225) 222-4401	11491 Hwy 38 Greensburg, LA 70441	\$ 1,200	7/26/29
Charles Spears, Board Member (225) 445-5452	3551 Pumping Station Rd Greensburg, LA 70441	1,020	7/26/28
Lee Warner, Secretary-Treasurer (985) 974-3101	1001 Hwy 441 Holden, LA 70744	1,200	7/26/26
Terry Addison, Board Member (225) 278-2947	P.O. Box 52 Greensburg, LA 70441	1,020	7/26/30
James Baker, Board Member (985) 517-1248	936 McDaniel Rd Amite, LA 70422	1,080	7/26/27
		<u>\$ 5,520</u>	

See Independent Auditor's Report.

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH**SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD**

FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Wilbert Knox, President

<u>Purpose</u>	<u>Compensation Received</u>
Per Diem - Board Member	\$ <u>1,200</u>

See Independent Auditor's Report.

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH

SCHEDULE OF WATER RATES

FOR THE YEAR ENDED DECEMBER 31, 2025

Water	
Residential Rates	Commercial Rates
\$ 19.00 - First 2,000 Gallons	\$ 43.00 - First 8,000 Gallons
4.00 - Per 1,000 Gallons of Water over 2,000	\$ 4.00 - Per 1,000 Gallons of Water over 8,000 Gallons

See Independent Auditor's Report.

Schedule 6

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH

SCHEDULE OF WATER CUSTOMERS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>
Customers			
Residential	2,930	2,897	33
Commercial and Dairy	74	77	(3)
Total Customers	<u>3,004</u>	<u>2,974</u>	<u>30</u>
Number of customers having a meter size larger than the residential size (3/4")	<u>59</u>	<u>59</u>	<u>-</u>

See Independent Auditor's Report.

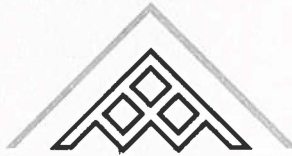
**OTHER INDEPENDENT AUDITOR'S REPORT
and OTHER MATTERS**

**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

ANTHONY B. BAGLIO, CPA
PRESIDENT

MEMBER

American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants



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ANTHONY B. BAGLIO, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

June 18, 2026

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

Board of Commissioners
Waterworks District No. 2 of St. Helena Parish
Greensburg, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Waterworks District No. 2 of St. Helena Parish, Greensburg, Louisiana, a component unit of the St. Helena Parish Police Jury, as of and for the years ended December 31, 2025 and 2024 and the related notes to the financial statements, which collectively comprise Waterworks District No. 2 of St. Helena Parish, Greensburg, Louisiana's basic financial statements, and have issued my report thereon dated June 18, 2026.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Waterworks District No. 2 of St. Helena Parish, Greensburg, Louisiana's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Waterworks District No. 2 of St. Helena Parish, Greensburg, Louisiana's internal control. Accordingly, I do not express an opinion on the effectiveness of Waterworks District No. 2 of St. Helena Parish, Greensburg, Louisiana's internal control.

Board of Commissioners
Waterworks District No. 2 of St. Helena Parish
Greensburg, Louisiana

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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Waterworks District No. 2 of St. Helena Parish's, Greensburg, Louisiana's financial statements are free of material misstatement, I 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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, are 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Anthony B. Baglio, CPA
A Professional Accounting Corporation
Hammond, Louisiana

June 18, 2026

SCHEDULE OF CURRENT YEAR AUDIT FINDINGS

**Waterworks District No. 2 of St. Helena Parish
Greensburg, Louisiana**

**SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
As of and for the Year Ended December 31, 2025**

SECTION 1 – SUMMARY OF AUDITOR'S RESULTS

I have audited the financial statements of Waterworks District No. 2 of St. Helena Parish, Greensburg, Louisiana as of and for the year ended December 31, 2025, and have issued my report thereon dated June 18, 2026. I conducted my 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. My audit of the financial statements as of December 31, 2025, resulted in an unqualified opinion.

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weaknesses identified. ☐ Yes ☒ No

Significant deficiencies identified not
Considered to be material weaknesses? ☐ Yes ☒ No

Compliance

Noncompliance material to financial
statements noted? ☐ Yes ☒ No

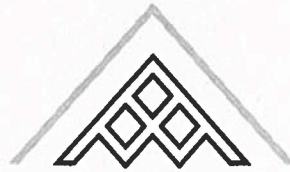
STATEWIDE AGREED-UPON PROCEDURES

ANTHONY B. BAGLIO, CPA
PRESIDENT

MEMBER

American Institute of Certified Public Accountants

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A PROFESSIONAL ACCOUNTING CORPORATION

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2025**

Board of Commissioners
Waterworks District No. 2 of St. Helena Parish
and the Louisiana Legislative Auditor

I 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 year ended December 31, 2025. Waterworks District No. 2 of St. Helena Parish's management is responsible for those C/C areas identified in the SAUPs.

Waterworks District No. 2 of St. Helena Parish 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 year ended 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.

Budgeting is addressed in the District's Financial and Operating Procedures Manual.

Statewide Agreed-Upon Procedures
(continued)

- 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.

Purchasing is addressed in the District's Financial and Operating Procedures Manual.

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

Disbursements are addressed in the District's Financial and Operating Procedures Manual.

- 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).

Receipts/Collections are addressed in the District's Financial and Operating Procedures Manual.

- 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.

Payroll/Personnel is addressed in the District's Financial and Operating Procedures Manual.

- 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.

Contracting is addressed in the District's Financial and Operating Procedures Manual.

Statewide Agreed-Upon Procedures
(continued)

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

Travel and Expense Reimbursement is addressed in the District's Financial and Operating Procedures Manual.

- 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).

Credit Cards (and debit cards, fuel cards, purchase cards, if applicable) are addressed in the District's Financial and Operating Procedures Manual.

- 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.

Ethics is addressed in the District's Financial and Operating Procedures Manual.

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

Debt Service is addressed in the District's Financial and Operating Procedures Manual.

- 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.

Information Technology Disaster Recovery/Business Continuity is addressed in the District's Financial and Operating Procedures Manual.

Statewide Agreed-Upon Procedures
(continued)

- 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.

Prevention of Sexual Harassment is addressed in the District's Financial and Operating Procedures Manual.

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.

No exceptions noted.

- 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.*

The budget-to-actual comparison is required to be presented to the Board quarterly. First quarter was presented August 14, second quarter September 11, third quarter December 30, and fourth quarter in June 2026 with the presentation of the year end compilation report.

- 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.

Not applicable. The general fund did not have negative unrestricted fund balance.

Statewide Agreed-Upon Procedures
(continued)

- 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.

No prior audit findings.

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);

The bank reconciliations on the selected accounts were done within the two (2) month period and approved by the Board.

- 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 or electronically logged); and

No exceptions noted.

- 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.

No exceptions noted.

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).

The Water District only has one deposit site (office) and obtained management's representation that the listing is complete.

Statewide Agreed-Upon Procedures
(continued)

- 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;

The District maintains two (2) cash drawers, one for each collection window. These drawers are not shared by those collecting money.

- 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;

The person responsible for collecting cash is responsible for preparing/making bank deposits, however, management is responsible for reconciling documentation to the deposits.

- 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

The person responsible for collecting cash is not responsible for posting collecting entries to the general ledger.

- 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.

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.

The people who have access to cash are covered by an insurance policy for theft.

Statewide Agreed-Upon Procedures
(continued)

- 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.

The District uses the customer billing card as the receipt with customer assigned account numbers.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

The customer billing card receipts were traced to the deposit slips with no exceptions.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.
 - 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).

No exceptions noted.
 - v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

5) Non-Payroll Disbursements (excluding card purchases, 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).

Statewide Agreed-Upon Procedures
(continued)

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;

Management and board members are involved in initiating a purchase request, approving a purchase and placing an order making the purchase.

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

All invoices are approved by the Board at monthly meetings, and two (2) board member signatures are required for each check.

- 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;

The person responsible for processing payments is prohibited from adding/modifying vendor files except when approved by the manager and Board.

- 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

After two board members sign the checks, they are given to the manager to mail.

- 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.

No exceptions noted.

Statewide Agreed-Upon Procedures
(continued)

- 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

No exceptions noted.

- 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.

No exceptions noted of the five (5) disbursements selected.

- 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.*

The electronic disbursement was approved by the Board at the monthly meeting.

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

Statewide Agreed-Upon Procedures
(continued)

- 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

Approved by Board at monthly meetings.

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

No late fees were incurred 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.

No exceptions noted.

- 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.

Terminated employees had no access to the debit card.

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

Statewide Agreed-Upon Procedures
(continued)

- 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 (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

Actual expenses were reimbursed.

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

No exceptions noted.

- 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

No exceptions noted.

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

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

The Water District had two (2) professional service agreements.

- 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;

Not applicable.

- 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);

Approved by the Board.

Statewide Agreed-Upon Procedures
(continued)

- 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

Not applicable.

- 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.

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.

Obtained a list of employees and management's representation the list is complete. Selected five (5) employees and matched salaries to personnel records.

- 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);

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Statewide Agreed-Upon Procedures
(continued)

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

No exceptions noted.

- 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.

There were two (2) employees with termination payments. Two were selected with no exceptions.

- 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) have been paid, and any associated forms have been filed, by required deadlines.

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
- Two of the five employees completed one (1) hour of ethics training.*
- 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.
- No change in policy.*
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Manager is the ethics designee.

Statewide Agreed-Upon Procedures
(continued)

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 bond notes and other debt instruments issued during the fiscal year.

- 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).

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.

Per management there were no misappropriations of public funds or assets during the fiscal year.

- 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.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures:

Statewide Agreed-Upon Procedures
(continued)

- 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.

I performed the procedure and discussed the results with management.

- 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.

I performed the procedure and discussed the results with management.

- 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.

I performed the procedure and discussed the results with management.

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

I performed the procedure and discussed the results with management.

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

- 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.

I performed the procedure and discussed the results with management.

Statewide Agreed-Upon Procedures
(continued)

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.

All five (5) employees had the sexual harassment training.

- 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).

Posted on bulletin board in management's office.

- 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;

Seven employees and five board members obtained the training which would be 100%

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

None.

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

None.

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

None.

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

Not applicable.

Statewide Agreed-Upon Procedures
(continued)

I am engaged by Waterworks District No. 2 of St. Helena Parish to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I am 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 SAUP's. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of Waterworks District No. 2 of St. Helena parish and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

The 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.



Anthony B. Baglio, CPA
Hammond, Louisiana

June 18, 2026

**MANAGEMENT'S RESPONSE TO EXCEPTIONS
STATEWIDE AGREED-UPON PROCEDURES**

WATERWORKS DISTRICT NO. 2 OF ST. HELENA PARISH
For the Year Ended December 31, 2025

Management's Response to exceptions to statewide agree-upon procedure sections:

2) *Board or Finance Committee*

- 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.*

The budget-to-actual comparison is required to be presented to the Board quarterly.

First quarter was presented August 14, second quarter September 11, third quarter December 30, and fourth quarter in June 2026 with the presentation of the year end compilation report.

Management's Response: Management will attempt to present the Budget Comparison on a more timely basis.

15) *Ethics*

- 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

Two of the five employees completed one (1) hour of ethics training.

Management's Response: Management will attempt to have the proper ethics training for each employee/official.