

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Financial Statements
For the Year Ended December 31, 2025

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana
FOR THE YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Bunches Bend Protection District
East Carroll Parish, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major funds of the Bunches Bend Protection District, as of and for the year ended December 31, 2025, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Bunches Bend Protection District, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bunches Bend Protection District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bunches Bend Protection 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.

Board of Commissioners
Bunches Bend Protection District
East Carroll Parish, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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 of 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 Bunches Bend Protection District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Board of Commissioners
Bunches Bend Protection District
East Carroll Parish, Louisiana

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurances.

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

Supplementary Information

The Schedule of Compensation, Benefits and Other Payments to Agency Head is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2026 on our consideration of the Bunches Bend Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bunches Bend Protection District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Bunches Bend Protection District's internal control over financial reporting and compliance.

David M. Hunt, CPA (APAC)

West Monroe, Louisiana
February 16, 2026

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

STATEMENT OF NET POSITION
DECEMBER 31, 2025

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 17,084
Investments - Money Market Fund	448,190
Receivables	694,752
Restricted Assets - Cash Equivalents with Paying Agent	490,019
Utility Deposit	9,000
Capital Assets: Depreciable	<u>4,540,662</u>
Total Assets	<u>6,199,707</u>
<u>Liabilities</u>	
Accounts Payable	18,693
Long-Term Liabilities:	
Due Within One Year	270,000
Due in More Than One Year	<u>1,840,000</u>
Total Liabilities	2,128,693
<u>Net Position</u>	
Net Investment in Capital Assets	2,430,662
Net Position - Restricted for Debt Service	490,019
Net Position - Unrestricted	<u>1,150,333</u>
Total Net Position	<u>\$ 4,071,014</u>

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

BUNCHES BEND PROTECTION DISTRICT

East Carroll Parish, Louisiana

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities: Transportation	<u>\$ 289,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (289,697)</u>

General Revenues:

Taxes - Ad Valorem	697,843
Interest Earnings	42,673
Total General Revenues	<u>740,516</u>

Changes in Net Position 450,819

Net Position - Beginning 3,620,195

NET POSITION - ENDING \$ 4,071,014

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

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

BALANCE SHEET, GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Debt Service Fund	Total
<u>Assets</u>			
Cash and Cash Equivalents	\$ 8,700	\$ 8,384	\$ 17,084
Investments - Money Market Fund	448,190	-	448,190
Receivables	-	694,752	694,752
Restricted Assets - Cash Equivalents with Paying Agent	-	490,019	490,019
Utility Deposit	9,000	-	9,000
 <u>Total Assets</u>	<u>\$ 465,890</u>	<u>\$ 1,193,155</u>	<u>\$ 1,659,045</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 1,627	\$ 17,066	\$ 18,693
 <u>Fund Balance</u>			
Restricted	-	490,019	490,019
Assigned	-	686,070	686,070
Unassigned	464,263	-	464,263
 <u>Total Fund Balances</u>	<u>464,263</u>	<u>1,176,089</u>	<u>1,640,352</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 465,890</u>	<u>\$ 1,193,155</u>	<u>\$ 1,659,045</u>

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

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

BALANCE SHEET, GOVERNMENTAL FUNDS
DECEMBER 31, 2025

**Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position**

*Amounts reported for governmental activities in the Statement of Net Position are
different because:*

Fund Balance, Governmental Funds:	\$ 1,640,352
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	4,540,662
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(2,110,000)</u>
Net Position of Governmental Activities	<u>\$ 4,071,014</u>

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

BUNCHES BEND PROTECTION DISTRICT

East Carroll Parish, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>Operating Revenue</u>			
Taxes - Ad Valorem	\$ -	\$ 697,843	\$ 697,843
Interest Earned	14,248	28,425	42,673
	<hr/>	<hr/>	<hr/>
Total Operating Revenue	14,248	726,268	740,516
<u>Operating Expenditures</u>			
Current:			
Legal and Accounting	10,330	-	10,330
Levee Expenses	89,013	-	89,013
Advertising	18	-	18
Fees	3,100	20	3,120
Audit	8,000	-	8,000
Repairs and Maintenance	39,462	-	39,462
Utilities	23,718	-	23,718
Insurance	6,631	-	6,631
Retirement	-	17,067	17,067
Debt Service:			
Principal Payments	-	260,000	260,000
Interest Payments	-	86,850	86,850
	<hr/>	<hr/>	<hr/>
Total Operating Expenditures	180,272	363,937	544,209
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	(166,024)	362,331	196,307
<u>Other Financing Sources (Uses)</u>			
Transfers In (Out)	250,000	(250,000)	-
<u>Fund Balance - Beginning of the Year</u>	380,287	1,063,758	1,444,045
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCE - END OF THE YEAR</u>	\$ 464,263	\$ 1,176,089	\$ 1,640,352
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The accompanying notes are an integral part of this financial statement.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities**

*Amounts reported for governmental activities in the Statement of Activities
are different because:*

Net change in fund balances - total governmental funds	\$	196,307
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	-	
Less current year depreciation	<u>(5,488)</u>	(5,488)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of activities.		<u>260,000</u>
Changes in net position of governmental activities	\$	<u><u>450,819</u></u>

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

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2025

INTRODUCTION

The Bunches Bend Protection District (the "District") was created by Article VI, Sections 19, 30, and 36 of the Constitution of Louisiana, effective July 15, 2012, as a special district and political subdivision of the State of Louisiana in East Carroll Parish. The District is governed by a six member board who are property owners in the district. Two members of the board are appointed by the governor; one member is appointed by a member of the House of Representatives representing the district; one member is appointed by a member of the Senate representing the district; and two members are appointed by the public utilities that own property in the district. Board members serve without benefit of compensation. The District is responsible for repairing, improving, and maintaining the Wilson Point Levee System in the Bunches Bend area. The District has no employees.

GASB Statement No. 14, *The Reporting Entity* and No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASE Statement No. 14*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these statements, the District is considered a component unit of the State of Louisiana. As a component unit, the accompanying financial statements may be included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. All of the interfund activity has been eliminated from these statements.

The statement of activities demonstrates the degree to which the direct expenses of specific functions are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes charges for services and grants or contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenue are reported as general revenue.

Separate financial statements are provided for governmental funds. Major governmental funds are included as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2025

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized when a fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt which are recognized when due.

In the governmental funds statements, property taxes are susceptible to accrual and thus counted as revenue for the current fiscal period if they are collected within 60 days of year-end. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the District and accounts for all financial resources except those required to be accounted for in the Debt Service Fund.

Debt Service

The Debt Service Fund accounts for the accumulation of resources for, and the retirement of, general long-term debt principal and interest.

C. Deposit

Cash includes amounts in demand deposits. State law limits the District's credit risk by restricting the district's investments to collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

The special accounts required by the bond resolution which are held by the paying agent are classified as restricted assets within the governmental funds because their use is completely restricted to the purposes set forth in the bond resolution.

D. Receivables

Receivables reported in the government-wide statement of net position include property tax receivables. Receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The District is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2025

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The District is authorized to levy and collect an ad valorem tax of 311 mills and an annual tax to be imposed on a per acre basis on land within the boundaries of the District in the amount of \$21 per acre levied on crop land defined by the Farm Service Agency of the United States Department of Agriculture and \$2 per acre on all other land within the boundaries of the District, for a duration of 30 years from the year of first assessment to be dedicated and used for all lawful purposes by the District including, but not limited to, funding for the repair, improvement, and maintenance of the Wilson Point Levee System in the Bunches Bend area.

The property taxes are collected by the East Carroll Parish Sheriff and remitted to the District on a monthly basis. The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Louisiana Economic Development's Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the year ended December 31, 2025, there were no such exemptions in effect that reduced the District's property tax revenue.

E. Capital Assets

Capital assets, which consist of levee improvements and a pumping station are reported in the governmental activities column in the government-wide financial statements. All of the District's capital assets are capitalized at historical cost. The District maintains a threshold level of \$100,000 or more for capitalizing infrastructure capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The pumping station is depreciated using the straight-line method over an estimated useful life of 25 years. Levee improvements are considered non-depreciable assets.

F. Long-term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the applicable governmental activities statement of net position.

G. Net Position/Fund Balance

Net position in government-wide financial statements is classified as net investment in capital assets, restricted, or unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments orb) imposed by law through constitutional provisions or enabling legislation.

In the governmental fund financial statements, fund balance is composed of three classifications designed to disclose the hierarchy of constraint placed on how fund balance can be spent.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2025

The governmental fund types classify fund balances as follows:

Restricted fund balance - this classification includes resources that are restricted to specific purposes externally imposed by creditors, grantors, or imposed by law.

Restricted for debt service - funds held in special accounts required by the bond resolution which are held by the paying agent for future debt service payments.

Assigned fund balance - portion of fund balance that the Board of Commissioners intends to be used for a specific purpose but is neither restricted nor committed.

Debt service - portion of fund balance that is intended for future debt service payments.

Unassigned fund balance - the residual classification and represents the General Fund balance that has not been restricted, committed, or assigned to a specific purpose.

The District considers restricted amounts to be spent first when an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available. The District considers assigned amounts to be spent first when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

H. 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 certain reported amounts of assets and liabilities, disclosures, and revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Information

The District uses the following budget practices:

The Board of Commissioners adopts an annual budget for the General Fund generally in October prior to the beginning of the fiscal year. The budget is prepared on the modified accrual basis of accounting. The budget is established and controlled by the Board of Commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The budgetary comparison schedule included as supplemental information in the accompanying financial statements includes the original budget amounts and all subsequent budget amendments during the year. There was one budget amendment during the year.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2025

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2025, the District has cash in demand deposits (book balances) totaling \$17,084. The District also has cash equivalents held by the paying agent in the amount of \$938,209. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank and deposited with an unaffiliated bank. At December 31, 2025, the District had \$955,293 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$590,858 of pledged securities held by the Federal Reserve Bank.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2025:

	TOTAL
Property taxes	\$ 694,752
Allowance for doubtful accounts	NONE
Total	\$ 694,752

5. CAPITAL ASSETS

Capital asset activity as of and for the year ended December 31, 2025, is as follows:

	Balance at January 1, 2025	Increases	Decreases	Balance at December 31, 2025
Governmental activities:				
Capital assets not being depreciated:				
Levee improvements	\$ 4,456,520	\$ -	\$ -	\$ 4,456,520
Capital assets being depreciated:				
Pumping station	137,190	-	-	137,190
Less accumulated depreciation for:				
Pumping station	47,560	5,488	-	53,048
Total assets being depreciated, net	89,630	(5,488)	-	95,118
Total capital assets	\$ 4,546,150	(5,488)	\$ -	\$ 4,540,662

Depreciation expense of \$5,488 for the year ended December 31, 2025 was charged to the public safety - flood control governmental function.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2025

6. INTERFUND TRANSFERS

The Debt Service Fund accounts for the proceeds of the property tax that is to be used for the payment of principal and interest on the District's revenue bonds and for the funding of the repair, improvement, and maintenance of the Wilson Point Levee System in the Bunches Bend area. During the year, the Debt Service Fund transferred \$250,000 to the General Fund to pay expenditures incurred in connection with the repair, improvement, and maintenance of the levee.

7. LONG-TERM DEBT

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

	Revenue Bonds from Direct Borrowings
Balance at January 1, 2025	\$ 2,370,000
Additions	-
Reductions	<u>(260,000)</u>
Balance at December 31, 2025	<u>\$ 2,110,000</u>

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term debt as of December 31, 2025:

	Revenue Bonds from Direct Borrowings
Current portion	\$ 270,000
Long-term portion	<u>1,840,000</u>
Total	<u>\$ 2,110,000</u>

Long-term debt from direct borrowings at December 31, 2025, in the amount of \$2,370,000 consists of \$5,000,000 2012 revenue bonds that are payable solely from and secured by an irrevocable pledge and dedication of tax revenue authorized by Act 570 of the Louisiana Legislature. The bond resolution provides that in an event of default, the owners of the bonds or the paying agent on their behalf shall be entitled to exercise all rights and powers for which provision is made in the resolution or in any provision of law. The bond proceeds were used to finance the repairs, improvements, and maintenance of the Wilson Point Levee System in the Bunches Bend area. The bonds have maturities from 2026 until 2032 and have interest rates between of 3.25 % and 3.75 %.

BUNCHES BEND PROTECTION DISTRICT
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Notes to the Financial Statements (continued)
For the Year Ended December 31, 2025

All principal and interest requirements are funded in accordance with Louisiana law by the annual property tax levy within the District and are due as follows:

Year Ending December 31,	Principal Payments	Interest Payments	Total
2026	\$ 270,000	\$ 77,750	\$ 347,750
2027	280,000	68,300	348,300
2028	290,000	58,500	348,500
2029	300,000	47,625	347,625
2030	310,000	36,375	346,375
2031 - 2032	<u>660,000</u>	<u>37,313</u>	<u>697,313</u>
Total	<u>\$ 2,110,000</u>	<u>\$ 325,863</u>	<u>\$ 2,435,863</u>

8. RESTRICTED ASSETS – CASH EQUIVALENTS WITH PAYING AGENT

The paying agent agreement between the District and Whitney Bank relating to the \$5,000,000 2012 revenue bonds provides that Whitney Bank maintain the following accounts on behalf of the District:

- A. Tax Revenue Fund - The District shall deposit the proceeds of the tax levy in the Tax Revenue Fund as promptly as possible after receipt. The funds may be disbursed by the paying agent in the manner provided by the bond resolution.
- B. Debt Service Fund - At least three days prior to the payment date, the paying agent must transfer from the Tax Revenue Fund to the Debt Service Fund the amount needed to pay the principal and interest due on the payment date. All funds in the Debt Service Fund are to be used solely to pay the principal of, premium, if any, and interest on the bonds.
- C. Debt Service Reserve Fund - The Debt Service Reserve Fund was funded with proceeds from the bond issue and must at all times equal or exceed the maximum annual principal and interest due on the bonds. The Debt Service Reserve Fund may be used to prevent a default in the payment of principal or interest on the bonds, if funds in the Debt Service Fund are insufficient for this purpose, to pay principal and interest and redemption premium of the bonds in the event that all outstanding bonds are redeemed; or to effect partial redemption of the bonds.

At December 31, 2025, Whitney Bank held \$490,019 in cash equivalents in the following accounts on behalf of the District:

Tax Revenue Fund	\$ 127,366
Debt Service Fund	268
Debt Service Reserve Fund	<u>362,385</u>
Total	<u>\$ 490,019</u>

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2025

D. RISK MANAGEMENT

The District purchased commercial insurance to reduce the risk of loss resulting from liability claims or property damage. There has been no significant reduction in insurance coverage from coverage in the prior year. There have been no settlements in any of the past three fiscal years.

E. SUBSEQUENT EVENTS

Bunches Bend Protection District has evaluated subsequent events through February 16, 2026, the date on which the financial statements were available to be issued.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance With</u> <u>Final Budget</u> <u>Over(Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Operating Revenue</u>				
Interest Revenue	\$ 6,780	\$ 14,303	\$ 14,248	\$ (55)
<u>Operating Expenditures</u>				
Legal and Accounting	14,700	10,528	10,330	198
Levee Expenses	51,416	69,763	89,013	(19,250)
Advertising	89	18	18	-
Fees	3,100	3,100	3,100	-
Audit	6,000	8,000	8,000	-
Repairs and Maintenance	-	58,712	39,462	19,250
Utilities	7,385	23,718	23,718	-
Insurance	6,535	6,630	6,631	(1)
Total Expenditures	<u>89,225</u>	<u>180,469</u>	<u>180,272</u>	<u>197</u>
<u>Excess (Deficiency) of Revenues Over</u>				
<u>Expenditures</u>	(82,445)	(166,166)	(166,024)	(252)
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	-	250,000	250,000	-
<u>Fund Balance - Beginning of the Year</u>				
	<u>380,287</u>	<u>380,287</u>	<u>380,287</u>	<u>-</u>
<u>FUND BALANCE - END OF THE YEAR</u>				
	<u>\$ 297,842</u>	<u>\$ 464,121</u>	<u>\$ 464,263</u>	<u>\$ (252)</u>

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

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Bunches Bend Protection District's office during the month of December for comments from taxpayers. The budget is then legally adopted by the District and amended during the year, as necessary. The budget is established and controlled by the District at the object level of expenditure. Appropriations lapse at year end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

BUNCHES BEND PROTECTION DISTRICT

East Carroll Parish, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

The Schedule of Compensation, Benefits, and Other Payments to the Agency Head and Board of Commissioners is presented in compliance with Louisiana Revised Statute 24:513 A(3) and House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The agency head as well as the board members serve without benefit of compensation.

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

Board of Commissioners
Bunches Bend Protection District
East Carroll Parish, Louisiana

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund, of the Bunches Bend Protection District (the District), a component unit of the State of Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Bunches Bend Protection District's basic financial statements, and have issued our report thereon dated February 16, 2026.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

David M. Nault, CPA (APAC)

West Monroe, Louisiana
February 16, 2026

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Board of Commissioners
 Bunches Bend Protection District
 East Carroll Parish, Louisiana

We have audited the financial statements of the Bunches Bend Protection District, a component unit of the State of Louisiana as of and for the year ended December 31, 2025, and have issued our report thereon dated February 16, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2025, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

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

Internal Control

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

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards – N/A

Material Weakness Identified ___yes ___no
 Significant Deficiencies not considered to be
 Material Weaknesses ___ yes ___no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified ___ Qualified ___
 Disclaimer ___ Adverse ___

Are there findings required to be reported in accordance with the Uniform Guidance, Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

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

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section II - Financial Statement Findings

No findings noted for this section.

Section III - Management Letter

No management letter was issued.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DEEMBER 31, 2025

Section I - Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.