VILLAGE OF LISBON

Lisbon, Louisiana

Financial Statements

For the Year Ended December 31, 2025

VILLAGE OF LISBON
Lisbon, Louisiana

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For the Year Ended December 31, 2025

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Keeping you on course!

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Mayor and Board of Aldermen
Village of Lisbon
Lisbon, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the **Village of Lisbon** (the Village) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

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

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

Mayor and Board of Aldermen
Village of Lisbon
Lisbon, Louisiana

Accountants' Conclusion

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following supplementary information on page 22 be presented to supplement the basic financial statements.

Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

Such information, although not a required 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. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

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 required 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.

Supplementary Information

The accompanying schedule of compensation, reimbursements, benefits, and other payments to mayor and board of aldermen is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on such information.

Other Reporting of Legal and Regulatory Requirements

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated October 19, 2026, on the results of our agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on the Board's compliance with certain laws and regulations contained in the

accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance.

Woodard & Associates

(A Professional Accounting Corporation)

Monroe, Louisiana

October 19, 2026

BASIC FINANCIAL STATEMENTS

VILLAGE OF LISBON
Lisbon, Louisiana

Statement of Net Position
December 31, 2025

	Government activities	Business - Type activities	Total
Assets			
Cash	$ 42,421	$ 18,286	$ 60,707
Investments	31,308	-	31,308
Receivables	1,244	17,294	18,538
Restricted assets			
Restricted for water improvements	-	97,134	97,134
Restricted for meter deposits	-	21,960	21,960
Due from Grantor	-	2,540	2,540
Utility deposit	-	10	10
Capital assets (net)	30,550	2,787,004	2,817,554
Total assets	$ 105,523	$ 2,944,228	$ 3,049,751
Liabilities			
Accounts payable	563	6,369	6,932
Water meter security deposits payable	-	21,960	21,960
Total liabilities	$ 563	$ 28,329	$ 28,892
Net position			
Net investment in capital assets	30,550	2,787,004	2,817,554
Restricted for capital improvements	-	97,134	97,134
Unrestricted	74,410	31,761	106,171
Total net position	$ 104,960	$ 2,915,899	$ 3,020,859

See accompanying notes and independent accountants' review report

VILLAGE OF LISBON
Lisbon, Louisiana

Statement of Activities
For the Year Ended December 31, 2025

	Expenses	Program revenue: Charges for services	Program revenue: Capital grants and contributions	Net (expense) revenue and changes in net position: Government activities	Net (expense) revenue and changes in net position: Business-Type activities	Net (expense) revenue and changes in net position: Total
Government activities						
General government	$ 23,091	$ 5,075	$ -	$ (18,016)	$ -	$ (18,016)
Business - Type activities						
Water	224,338	118,842	237,974	-	132,478	132,478
Total government	$ 247,429	$ 123,917	$ 237,974	(18,016)	132,478	114,462
General revenue, transfers, and special items						
Revenue						
Franchise taxes				5,002	-	5,002
Investment earnings				773	-	773
Reimbursement				-	108	108
Other income				-	1,000	1,000
Insurance license				9,774	-	9,774
Transfers (net)				665	(665)	-
Total general revenue, transfers, and special items				16,214	443	16,657
Change in net position				(1,802)	132,921	131,119
Net position - beginning				106,762	2,782,978	2,889,740
Net position - ending				$ 104,960	$ 2,915,899	$ 3,020,859

See accompanying notes and independent accountants' review report

Statement C

VILLAGE OF LISBON
Lisbon, Louisiana

Balance Sheet - Government Fund
December 31, 2025

	General fund
Assets	
Cash	$ 42,421
Investments	31,308
Receivables	1,244
Total assets	$ 74,973
Liabilities and fund balance	
Liabilities - accounts payable	$ 563
Fund balance	
Fund balance - unassigned	74,410
Total liabilities and fund balance	$ 74,973

See accompanying notes and independent accountants' review report

VILLAGE OF LISBON
Lisbon, Louisiana

Reconciliation of the Government Fund
Balance Sheet to the Statement of Net Position
Dec 31, 2025

Total fund balances - Government Fund		$ 74,410
Amounts reported for government activities are not financial resources and, therefore, are not reported in the Government Fund		
Government capital assets	$ 108,860	
Less: accumulated depreciation	(78,310)	30,550
Total net position-Government activities		$ 104,960

See accompanying notes and independent accountants' review report

Statement D

VILLAGE OF LISBON
Lisbon, Louisiana

Statement of Revenue, Expenditures and Changes in Fund Balance - Government Fund
For the Year Ended December 31, 2025

	General Fund
Revenue	
Insurance premium taxes	$ 9,774
Franchise taxes	5,002
Rent	5,075
Investment earnings	773
Total revenue	20,624
Expenditures	
General government	
Current	
Operating services	16,250
Personnel services	4,891
Materials and supplies	1,545
Total expenditures	22,686
Other financing sources	
Transfers in	665
Total other financing sources	665
Net change in fund balance	(1,397)
Fund balance at beginning of year	75,807
Fund balance at end of year	$ 74,410

See accompanying notes and independent accountants' review report

VILLAGE OF LISBON
Lisbon, Louisiana

Reconciliation of the Statement of Revenue,
Expenditures, and Changes in Fund Balance
of Government Funds to the Statement of Activities
For the Year Ended December 31, 2025

Total net change in fund balances - Government Fund	$	(1,397)
Amount reported for government activities in the statement of activities are different because:		
Government fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		
Depreciation expense		(405)
Total change in net position - Government activities	$	(1,802)

See accompanying notes and independent accountants' review report

Statement E

VILLAGE OF LISBON
Lisbon, Louisiana

Statement of net position - Business - type activities
December 31, 2025

	Water System Enterprise Fund
Assets	
Current assets	
Cash	$ 18,286
Accounts receivable (net allowance for doubtful accounts)	17,294
Restricted assets	
Restricted for water improvements	97,134
Restricted for meter deposits	21,960
Due from Grantor	2,540
Total current assets	157,214
Noncurrent assets	
Utility deposit	10
Capital assets (net of accumulated depreciation)	2,787,004
Total assets	$ 2,944,228
Liabilities	
Current liabilities	
Accounts payable	$ 6,369
Meter deposit payable	21,960
Total current liabilities	$ 28,329
Net position	
Net investment in capital assets	$ 2,787,004
Restricted for capital improvements	97,134
Unrestricted	31,761
Total net position	$ 2,915,899

See accompanying notes and independent accountants' review report

Statement F

VILLAGE OF LISBON
Lisbon, Louisiana

Statement of Revenue, Expenses, and Changes in Net Position - Business- Type activities
For the Year Ended December 31, 2025

	Water System Enterprise Fund
Operating revenue	
Water sales	$ 118,842
Reimbursements	108
Other income	1,000
Total operating revenue	119,950
Operating expenses	
Depreciation	106,109
Salaries	49,510
Payroll taxes	3,794
Maintenance and repairs	18,475
Professional Fees	14,308
Utilities and telephone	13,032
Insurance	8,002
Contract labor	4,750
Sales tax	3,512
Postage	1,876
Office supplies	802
Dues and fees	168
Total operating expenses	224,338
Operating income (loss)	(104,388)
Capital contributions	
ARPA Federal grant	237,974
Transfers	
Transfer to General Fund	(665)
Change in net position	132,921
Net position - beginning	2,782,978
Net position - ending	$ 2,915,899

See accompanying notes and independent accountants' review report

VILLAGE OF LISBON
Lisbon, Louisiana

Statement of Cash Flows
For the Year Ended December 31, 2025

		Water System Enterprise Fund
Cash flows from operating activities		
Receipts from customers	$	111,784
Customer deposits, net		300
Payments to employees		(58,054)
Payments to suppliers		(58,011)
Net cash used by operating activities		(3,981)
Cash flows from non - capital financing activites		
Transfer to General Fund		(665)
Cash flow from capital and related financing activities		
Increase in capital assets		(223,778)
Federal grant		237,974
Due from grantor		38,638
Decrease in contracts payable		43,728
Net cash provided by capital and related financing activities		96,562
Net increase in cash		91,916
Cash at beginning of year		45,464
Cash at end of year	$	137,380
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	$	(104,388)
Adjustments		
Depreciation		106,109
Increase in accounts receivable		(8,166)
Increase in accounts payable		2,164
Increase in customer deposits		300
Total adjustments		100,407
Net cash used by operating activities	$	(3,981)
Cash and cash equivalents		
Cash	$	18,286
Restricted for water improvements		97,134
Restricted for meter deposits		21,960
Total cash and cash equivalents	$	137,380

See accompanying notes and independent accountants' review report

Introduction

The Village of Lisbon (the Village) was incorporated under the provisions of the Lawrason Act. The Village is governed by the mayor-board of aldermen form of government. The mayor and three aldermen serve four-year terms which expire on December 31, 2025. The Village has three part-time employees.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity,* and No. 39, *Determining Whether Certain Organizations Are Component Units – an amendment of GASB 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 Village is considered a primary government since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14 and 39, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Village has no component units.

Note 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 the activities of the Village. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business – type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, licenses, and other items not properly included among program revenue are reported instead as general revenue.

Separate financial statements are provided for governmental funds and business – type activities funds. All individual governmental funds and individual enterprise funds are reported 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, as are the business - type fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenue is considered to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Franchise taxes and charges for services associated with the current fiscal period were susceptible to accrual and were recognized as revenue of the current fiscal period. All other revenue items were measurable and available only when cash was received by the Village.

The Village reports the following governmental fund

General Fund

The General fund is the general operating fund of the Village and accounts for all financial resources of the general government.

The Village reports the following business – type activity fund

Water System Enterprise Fund

The Water System Enterprise fund accounts for the operations of the Village water system.

The Village applies all applicable GASB pronouncements. Other accounting literature is evaluated for applicability in accordance with the GASB hierarchy of generally accepted accounting principles.

As a general rule, the effect of interfund activity is eliminated from the government – wide financial statements.

Program revenues consist primarily of charges for services and fees associated with providing governmental and business - type activities. General revenues include franchise taxes, insurance premium taxes, occupational licenses, investment earnings, and other revenues not directly associated with a particular function or program.

The Water System Enterprise Fund distinguishes operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing water services in connection with the fund's principal ongoing operations. Operating revenues consist primarily of charges for water sales, meter installation fees, and related service charges. Operating expenses include the cost of providing water services, administrative expenses, and depreciation of capital assets. Revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

C. Cash and Cash Equivalents

Cash and restricted cash include amounts in interest-bearing and noninterest-bearing demand deposits and other investments with original maturities of three months or less. State law limits the Village's credit risk by restricting the Village's investments to collateralized certificates of deposits, and government – backed securities.

D. Investments

The Village invests in certificates of deposits which are recorded at cost with terms not to exceed 12 months. The interest rate risk is limited by the short nature of the investments.

E. Receivables

All receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The Village is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole. Past due accounts are written off when they are considered uncollectible by management.

F. Restricted Assets

Funds that are set aside as required by the merger agreement with Middle Fork Water System, Inc., as well as assets that are restricted by constraints placed by grantors are classified as restricted assets on the statement of net position because their use is limited as well as meter deposits because they are being held for customers.

G. Capital Assets

Capital Assets, which include the original water system and improvements, construction in progress, land, buildings, and equipment are reported in the applicable governmental or business - type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost. Approximately 99 percent of the Village's capital assets have been capitalized at cost, and the remaining 1 percent have been capitalized at estimated cost based on the historical cost of similar assets. Donated assets are recorded at fair market value on the date of donation. The Village maintains a threshold level of $1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The Village has elected not to report general infrastructure assets such as roads, bridges, sidewalks, etc., constructed prior to January 1, 2002.

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

	Estimated Lives
Infrastructure – water system and improvements	25 years
Buildings	25 – 40 years
Equipment	5 – 15 years

H. Net Position/Fund Balance

For the government – wide statement of net position, net position is reported as restricted when constraints are placed on net position by either of the following ways:

1. externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or

2. imposed by law through constitutional provisions or enabling legislation.

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which funds can be spent. Fund balance should be reported as restricted when constraints on the use of the funds meet the same criteria as restricted net position in the government-wide statement of net position as noted in the previous paragraph. Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the board of aldermen are reported as committed fund balance. Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The board of aldermen is authorized to assign amounts to a specific purpose. Unassigned fund balance

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

At December 31, 2025, the Village had only unassigned fund balance in the General Fund.

I. 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.

Note 2 – Stewardship, compliance, and accountability

Budget Information

The Village uses the following practices:

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is generally formally adopted by the mayor and board of aldermen at the December board meeting each year. The budget is established and controlled by the mayor and board of aldermen at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be extended. Encumbrance accounting is not utilized by the Village. Budgeted amounts included in the accompanying financial statement include the original adopted budget. There were no budget amendments during the year.

The General Fund's actual expenditures and other financing uses exceeded budgeted expenditures for the year ended December 31, 2025, as follows:

	Original Budget	Actual	Unfavorable Variance
General Fund	$22,355	$22,686	$(331)

Note 3 – Cash

At December 31, 2025, the Village has cash and restricted cash (book balances) as follows:

General checking	$	42,421
Water revenue - checking		18,286
Water improvements - restricted		97,134
Meter security deposits - restricted		21,960
Total	$	179,801

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by the Federal Deposit Insurance Corporation (FDIC) 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. At December 31, 2025, the Village has $211,109 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance.

Note 4 - Investments

Investments at December 31, 2025, consist of nonnegotiable certificates of deposit with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost. The Village's interest rate risk is limited by the investment of funds for periods not to exceed 12 months.

At December 31, 2025, the Village has investments (book balance) as follows:

Certificate of deposits	Maturity date	Cost	Accrued Interest	Total
CD – First bank	7/29/2026	$ 30,663	$ 645	$ 31,308

The Village's investments in certificates of deposits were fully collateralized by Federal Deposit Insurance at December 31, 2025.

Note 5 – Receivables

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

	General Fund	Water System Enterprise Fund	Total
Franchise taxes	$ 994		$ 994
Rent	250		250
Billed water sales		$ 14,825	14,825
Unbilled water sales		2,469	2,469
Allowance for doubtful accounts	-	-	-
Total	$ 1,244	$ 17,294	$ 18,538

Note 6 – Due from Grantor

On April 12, 2022, the Village entered into a cooperative endeavor agreement with the State of Louisiana, Division of Administration to provide funding for the Village's water system improvement project. The United States Treasury's Coronavirus State and Local Fiscal Recovery Fund program directs funds to the states, who are tasked with allocating and making funds available for, among other purposes, water infrastructure projects. The agreement with DOA provides that it will disburse a total of up to $3,338,235 to the Village for its water system improvement project. Funds are disbursed by DOA based on monthly pay applications that are submitted by the Village. The total of the project is $2,889,995, but the Village has only received $2,887,455, resulting in $2,540 being due from the DOA at year end.

Note 7 – Capital Assets

Capital assets and depreciation 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
Government activities				
Capital assets not being depreciated – land	$ 1,000	-	-	$ 1,000
Capital assets being depreciated - buildings	107,860	-	-	107,860
Less accumulated depreciation for buildings	77,905	$ 405		78,310
Total assets being depreciated, net	29,995	405	-	29,550
Total capital assets (net)	$ 30,955	$ 405	-	$ 30,550
Business – type activities				
Capital assets not being depreciated - Land	$ 1,705	-	-	$ 1,705
Construction in progress	2,666,218	-	$2,666,218	-
Total assets not being depreciated	2,667,923	-	2,666,218	1,705
Capital assets being depreciated				
Water sector grant improvements	-	$2,889,995	-	2,889,995
Water system and improvements	104,163	-	-	104,163
Less accumulated depreciation				
Water system and improvements	102,751	143	-	102,894
Water sector grant improvements	-	105,966	-	105,966
Total assets being depreciated, net	1,412	2,783,886	-	2,785,298
Total capital assets (net)	$2,669,335	$2,783,886	$2,666,218	$ 2,787,004

Depreciation expense for the year ended December 31, 2025 for the governmental activities (general fund) was $405, and for the business - type activities (water fund) was $106,109. During 2025 the water system improvement project was completed and the associated construction in progress costs were closed out into capital assets (water sector grant improvements).

Note 8 – Risk Management

The Village purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past four fiscal years.

Note 9 – Subsequent Events

The Village has evaluated subsequent events through October 19, 2026, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

Schedule 1

VILLAGE OF LISBON
Lisbon, Louisiana

Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance Favorable (Unfavorable)
Budgetary fund balance, beginning of year	$ 75,807	$ 75,807	$ -
Revenue			
Franchise tax	4,500	5,002	502
Insurance licenses	9,800	9,774	(26)
Rent	3,400	5,075	1,675
Interest earnings	200	773	573
Total revenue	17,900	20,624	2,724
Expenses			
Janitorial	-	725	(725)
Salaries	4,800	4,000	800
Payroll taxes	375	336	39
Repairs and maintenance	1,000	620	380
Insurance	6,680	6,679	1
Utilities	8,000	7,770	230
Professional fees	500	456	44
Civic center expense	1,000	853	147
Miscellaneous	-	692	(692)
Reimbursement	-	555	(555)
Total expenses	22,355	22,686	(331)
Other financing - transfers in	-	665	665
Excess of revenue over expenditures	(4,455)	(1,397)	3,058
Fund balance at end of year	$ 71,352	$ 74,410	$ 3,058

OTHER SUPPLEMENTAL INFORMATION

Schedule 2

VILLAGE OF LISBON
Lisbon, Louisiana

Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Mayor and Board of Aldermen
For the Year Ended December 31, 2025

Agency Head - Wayne Tanner- Mayor	$	500
Aldermen		
Eric Gaston		350
Vincent Ory		350
Chris Moore		350
	$	1,550

VILLAGE OF LISBON
Lisbon, Louisiana

Schedule of Findings
For the year ended December 31, 2025

2025-001 Inadequate Segregation of Accounting Duties

Criteria or Specific Requirement

Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

Conditions Found

The accounting duties of billing, collecting, depositing, and posting customer payments to customers' accounts are performed by one part-time individual for the Village.

Cause

The small size of the Village and its limited revenues dictate limited personnel, including accounting help.

Effect

The Village's internal control environment could be weakened or undermined, thus increasing the risk of a material misstatement in the financial statements, as well as the susceptibility to potential fraud. Also, errors or irregularities may not be detected on a timely basis.

Recommendation

We recommend incorporating board members into the internal control environment to the greatest degree feasible.

Management's Response

We will incorporate board members into the internal control environment to the greatest degree possible. Clerk will add a request for check form to be signed and completed with each relevant check.

2025-002 Noncompliance with Local Government Budget Act

Criteria or Specific Requirement

According to the Louisiana Local Government Budget Act (R.S. 39:1301-1315), each political

subdivision must prepare a comprehensive budget presenting a complete financial plan for each fiscal year for the general fund and each special revenue fund. The Act requires budgets to be approved on specific timeframes and that they be revised when actual results reflect a negative variance from budget.

Conditions Found

Noncompliance with the Local Government Budget Act that specifies that the budget be approved prior to the end of the previous fiscal year.

Cause

The Village did not adopt the 2025 budget until March 2025. We noted that the 2026 budget was adopted on time.

Effect

Noncompliance with state law.

Recommendation

The Village should conduct meetings on a regular basis and improve board oversight throughout the year.

Management's Response

The board has made note of this and will have a budget approved on time going forward and will amend the budget when necessary. The 2025 budget was late in being amended due in large part to the Village having to replace two aldermen.

VILLAGE OF LISBON
Lisbon, Louisiana

Status of Prior Year Findings
For the year ended December 31, 2025

The following is a summary of the status of prior year financial statement and federal award findings included with Ms. Dumas's audit report dated April 24, 2025, covering the audit engagement of the financial statements of the Village of Lisbon as of and for the year ended December 31, 2024.

Section II – Financial Statement Findings

2024-001 Inadequate Segregation of Accounting Duties (first reported in 2023)

Criteria

Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

Condition

One employee is responsible for performing all accounting duties for the Village.

Status

Refer to Finding 2025 – 001

2024-002 Noncompliance with Local Government Budget Act (first reported in 2024)

Criteria

Louisiana Revised Statute (R.S.) 39:1311 requires the governing authority of the Village to amend its General Fund budget when actual expenditures exceed budgeted expenditures by five percent or more. R.S. 39: 1309 requires that all action necessary to adopt and finalize the General Fund budget be completed prior to January 1 of the ensuing fiscal year.

Condition

General Fund actual expenditures and other financing uses exceeded budgeted expenditures and other financing uses by $50,205 (380%). The General Fund budget for 2024 was adopted by the Board of Aldermen on February 13, 2024.

Status
Partially resolved. The Village's actual expenditures did not exceed the final budget by five percent or more during 2025; however, the Village did not timely adopt its 2025 budget. Refer to Finding 2025-002.

VILLAGE OF LISBON
Lisbon, Louisiana

Status of Prior Year Findings
For the year ended December 31, 2025

Section III - Federal Award Findings

2024-003 Failure to Maintain Complete Accounting Records for Federal Awards (first reported in 2023)

Criteria

Title 2 U. S. *Code of Federal Regulations* (CFR) Section 200.303, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires that the Village establish and maintain internal control over federal awards that provide reasonable assurance that the Village is managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award. One of the objectives of internal control over compliance is to ensure that federal transactions are properly recorded and accounted for in order to permit the preparation of reliable financial statements including the Schedule of Expenditures of Federal Awards.

Condition

Expenditures from federal grant revenue were not recorded in the Village's accounting records and there were several posting errors related to the recording of the federal grant revenue.

Status

All federal award revenue and expenditures were recorded as transactions of the Water System Enterprise Fund in QuickBooks.

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Keeping you on course!

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Aldermen, Village of Lisbon,
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the Village of Lisbon's (the "Village"), compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2025, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide.* The Village's management is responsible for its financial records and compliance with applicable laws and regulations.

The Village 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 Village's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2025. Additionally, the Louisiana Legislative Auditor 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) Public Bid Law

A. Obtain documentation for all expenditures made during the year for materials and supplies exceeding $60,000, and public works exceeding $250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code), R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

Result: No exceptions were identified as a result of this procedure.

2) Code of Ethics for Public Officials and Public Employees

A. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).
B. Obtain a list of all employees paid during the fiscal year.

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

Result: No exceptions were identified as a result of this procedure.

3) Budgeting

A. Obtain a copy of the legally adopted budget and all amendments.
B. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.
C. Compare the revenues and expenditures of the final budget to actual revenues and expenditures.
   i. Report whether actual revenues failed to meet budgeted revenues by 5% or more.
   ii. Report whether actual expenditures exceeded budgeted amounts by 5% or more.

Result: The Village failed to adopt the 2025 budget before the deadline of the end of the previous year. The Village did not adopt its budget until March 2025. Therefore, the Village was noncompliant with the Local Government Budget Act. Please refer to Finding 2025-002 in the Schedule of Findings.

4) Accounting and Reporting

A. Obtain the list of all disbursements made during the fiscal year.
B. Randomly select six disbursements and obtain documentation from management for these disbursements.
C. Compare the selected disbursements to the supporting documentation, and:
   i. Report whether the six disbursements agree to the amount and payee in the supporting documentation.
   ii. Report whether the six disbursements are coded to the correct fund and general ledger account.
   iii. Report whether the six disbursements were approved in accordance with management's policies and procedures.

Result: No exceptions were identified as a result of this procedure.

5) Meetings

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

Result: No exceptions were identified as a result of this procedure.

6) Debt

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

Result: No exceptions were identified as a result of this procedure.

7) Advances and Bonuses

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

Result: No exceptions were identified as a result of this procedure.

8) State Audit Law

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

Result: No exceptions were identified as a result of this procedure.

9) Prior–Year Comments

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

Result: The prior year's report included three findings. One finding (2024 – 001) has not been resolved by management, and a second finding (2024 – 002) was only partially resolved in 2025 and 2024-003 was resolved. See the Status of Prior Year Findings for the year ended December 31, 2025.

Management's Responses to Results

We will consider the results of the agreed-upon procedures report and take action as deemed necessary and feasible.

Restriction on Use

We were engaged by the Village to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's

of which would be the expression of an opinion or conclusion, respectively, on the Village's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the Village's compliance with certain laws and regulations, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

Woodard & Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

October 19, 2026