LAKE BRUIN WATERWORKS DISTRICT NO. 1

Financial Statements & Supplemental Financial Information

December 31, 2025

Lake Bruin Waterworks District No. 1
St. Joseph, Louisiana

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December 31, 2025

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Lake Bruin Waterworks District No. 1
St. Joseph, Louisiana

We have reviewed the accompanying financial statements of Lake Bruin Waterworks District No. 1 (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Lake Bruin Waterworks District No. 1. 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

The management of the Lake Bruin Waterworks District No. 1 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's 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 AICPA. 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 Lake Bruin Waterworks District No. 1, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

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

Supplemental Information

The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Other Reporting Requirements

In accordance with the *Louisiana governmental Audit Guide* and the provisions of state law, we have issued a report dated June 2, 2026, on the results of our agreed-upon procedures, as listed in the table of contents.

The Vercher Group

Jena, Louisiana
June 2, 2026

Lake Bruin Waterworks District No. 1

PO Box 624
St. Joseph, LA 71340
Telephone: (318) 744-0310

MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the District, we offer readers of the Lake Bruin Waterworks District No. 1's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $670,707 (*net position*). Of this amount, $214,209 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.

- The District had total revenue of $329,539, including operating revenues of $326,051 and non-operating revenues of $3,488.

- The District had total expenses of $271,573, all of which were operating expenses.

- The total net position change for the District was positive in cash of $57,966.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The District is a special-purpose entity engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the District adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments.*

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The District's annual report consists of financial statements that show information about the District's fund, an enterprise fund.

Our accountant has provided limited assurance in his independent accountant's report, located immediately preceding this Management's Discussion and Analysis. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the independent accountant's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

The District's financial statements provide detailed information about the most significant funds. The District may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The District's enterprise fund uses the following accounting approach:

All of the District's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

Table 1
Balance Sheet

The following table represents a Comparative Balance Sheet as of December 31, 2025:

Assets	**2024**	**2025**	**% Change**
Current Assets	$ 135,484	$ 178,683	31.9
Restricted Assets	188,194	202,831	7.8
Capital Assets, Net	1,001,020	947,780	-5.9
Total Assets	1,324,698	1,329,294	0.4
Liabilities & Net Position			
Current Liabilities	68,808	76,881	11.8
Current Liabilities Payable from Restricted Assets	12,810	12,810	0.0
Non-Current Liabilities	630,339	568,896	-9.8
Total Liabilities	711,957	658,587	-7.5
Net Position			
Net Investment in Capital Assets	331,182	317,441	-4.2
Restricted by loan agreement	139,057	139,057	0.0
Unrestricted	142,502	214,209	50.4
Total Liabilities & Net Position	$ 612,741	$ 670,707	9.5

Table 2
Changes in Net Position

The following table represents the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended December 31, 2025:

	2024	**2025**	**% Change**
Operating Revenues	$ 220,254	$ 326,051	48.1
Non-Operating Revenues	1,988	3,488	75.5
Total Revenues	222,242	329,539	48.3
Operating Expenses	270,645	271,573	0.4
Non-Operating Expenses	-0-	-0-	0.0
Total Expenses	270,645	271,573	0.4
Increase (Decrease) in Net Position	(48,403)	57,966	219.8
Beginning Net Position	661,144	612,741	-7.4
Ending Net Position	$ 612,741	$ 670,707	9.5

See independent accountant's review report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2025, the District had $947,780 invested in capital assets, including the water system, machinery, and equipment.

Capital Assets at Year-End

		2024		2025
Water System, Machinery, & Equipment	$	1,354,036	$	1,354,036
Accumulated Depreciation		(353,016)		(406,256)
Total Capital Assets, Net	$	1,001,020	$	947,780

Long-term Debt

		2025
Note payable to the Drinking Water Revolving Fund (DWELF), in the original amount of $1,182,924, payable in semi-monthly installments beginning March 1 and September 1, including interest at 1.95%.	$	630,339
Total	$	630,339

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Lake Bruin Waterworks District No. 1, PO Box 624, St. Joseph, Louisiana 71340, telephone number (318) 744-0310.

See independent accountant's review report.

Basic Financial Statements

Lake Bruin Waterworks District No. 1
St. Joseph, Louisiana
Statement of Net Position
December 31, 2025

		Enterprise Fund
Current Assets		
Cash & Cash Equivalents	$	78,807
Receivables (Net of Allowances for Uncollectibles)		26,279
Investments		73,597
Restricted Assets:		
Customer Deposits		12,810
Restricted Cash		190,021
Total Current Assets		381,514
Non-Current Assets		
Capital Assets (Net of Accumulated Depreciation)		947,780
Total Non-Current Assets		947,780
Total Assets		1,329,294
Current Liabilities		
Accounts Payable		11,302
Accrued Interest		4,136
Notes Payable-Current Portion		61,443
Customer Deposits (Payable from Restricted Assets)		12,810
Total Current Liabilities		89,691
Non-Current Liabilities		
Notes Payable		568,896
Total Non-Current Liabilities		568,896
Total Liabilities		658,587
Net Position		
Net Investment in Capital Assets		317,441
Restricted by loan agreements		139,057
Unrestricted		214,209
Total Net Position	$	670,707

See accompanying notes and independent accountant's review report.

Lake Bruin Waterworks District No. 1
St. Joseph, Louisiana
Statement of Revenues, Expenses, & Changes in Net Position
Year Ended December 31, 2025

		Enterprise Fund
Operating Revenues		
Water Revenue	$	326,051
Total Operating Revenues		326,051
Operating Expenses		
Utilities		25,022
Dues & Subscriptions		4,012
Contract Labor		1,260
Tech Hours		7,791
Insurance		6,056
Office Expense		539
Supplies		7,271
Postage		2,580
Legal & Professional		1,657
Management Fee		69,888
Repairs & Maintenance		11,342
Water Purchased		62,916
Reconnect Fees		4,830
Interest Expense		13,169
Depreciation		53,240
Total Operating Expenses		271,573
Operating Income (Loss)		54,478
Nonoperating Revenues (Expense)		
Interest Income		3,488
Total Nonoperating Revenues (Expenses)		3,488
Change in Net Position		57,966
Total Net Position - Beginning		612,741
Total Net Position - Ending	$	670,707

See accompanying notes and independent accountant's review report.

Lake Bruin Waterworks District No. 1
St. Joseph, Louisiana
Statement of Cash Flows
Year Ended December 31, 2025

		Enterprise Fund
Cash Flows From Operating Activities		
Receipts from Customers & Users	$	302,173
Payments to Suppliers		(194,067)
Net Cash Provided (Used) by Operating Activities		108,106
Cash Flows From Capital & Related Financing Activities		
Capital Contributions		-0-
Acquisition & Construction of Capital Assets		-0-
Principal Payment on Long-Term Debt		(53,273)
Interest Paid on Long-Term Debt		(13,169)
Net Cash Provided (Used) by Capital & Related Financing Activities		(66,442)
Cash Flows From Investing Activities		
Change in Investments		193,807
Net Cash Provided (Used) by Investing Activities		193,807
Net Increase (Decrease) in Cash & Cash Equivalents		235,471
Cash - Beginning of Year		46,166
Cash - End of Year	$	281,637
Reconciliation to Balance Sheet		
Cash and Cash Equivalents		78,807
Depreciation & Contingency Cash		52,803
Debt Service Reserve Cash		105,123
Bond Reserve Cash		32,094
Customer Deposits		12,810
Total Cash and Cash Equivalents	$	281,637

See accompanying notes and independent accountant's review report.

Lake Bruin Waterworks District No. 1
St. Joseph, Louisiana
Statement of Cash Flows
Year Ended December 31, 2025

Reconciliation

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating Income (Loss)	$ 57,966
Depreciation Expense	53,240
(Increase) Decrease in Accounts Receivable	(2,798)
Increase (Decrease) in Accounts Payable	(302)
TOTAL ADJUSTMENTS	50,140
NET CASH PROVIDED BY OPERATING ACTIVITIES	108,106

LISTING OF NONCASH INVESTING, CAPITAL, AND FINANCIAL ACTIVITIES

Contributions of Capital Assets	$ -0-

See accompanying notes and independent accountant's review report.

Notes to the Basic Financial Statements

Lake Bruin Waterworks District No. 1
St. Joseph, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

Lake Bruin Waterworks District No. 1 (the "District") was created by the Tensas Parish Police Jury as authorized by Louisiana Revised Statute 33:3811 for the purpose of supplying safe drinking water to the population of the District. The District is governed by a five-member board appointed by the police jury who serve without benefit of compensation. The District has no employees.

GASB Statement No. 14, *The Reporting Entity,* 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 District is considered a component unit of the Tensas Parish Police Jury. As a component unit, the accompanying financial statements maybe included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component unit.

1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the activities of the primary government and its component units. For the most part, the effect of the Interfund activity has been removed from these statements. The District uses enterprise funds to account for its activities.

Separate financial statements are provided for the proprietary funds.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are 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.

The District reports the following major proprietary funds:

The Enterprise Fund is the District's primary operating fund. It accounts for all financial resources of the District.

Operating revenues and expenses have been reported separately from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The primary operating revenue of the District is derived from water revenue. Operating expenses for enterprise 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 non-operating revenues and expenses.

C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

D. DEPOSITS & INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificate of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the District are reported at fair value.

E. RECEIVABLES & PAYABLES

All trade and other receivables are shown net of an allowance for uncollectible.

F. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable columns in the government-wide financial statements. Capital assets are capitalized at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The entity maintains a threshold level of $1,500 or more for capitalizing capital assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense included during the current fiscal year was $-0-. Of this amount, $-0- was included as part of the cost of capital assets under construction in connection with construction projects.

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

Description	Estimated Lives
Water Plant	50 years
Vehicles	7 years
Equipment	7 years

G. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

H. ESTIMATES

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

2. CASH & INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. 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.

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 Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity's name.

At December 31, 2025, the District has cash and investments (bank balances) totaling $371,795 and were as follows:

Demand Deposits	$	298,198
Savings & Certificates of Deposits		73,597
Total	$	371,795

Deposits

It is the District's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The District's deposits are categorized to give an indication of the level of risk assumed by the District at year end. The categories are described as follows:

- ***Category 1*** – Insured or collateralized with securities held by the District or by its agent in the District's name.
- ***Category 2*** – Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- ***Category 3*** – Uncollateralized.

Amounts on deposit are secured by the following pledges:

Description		Market Value
FDIC (Category 1)	$	371,795
Securities (Category 2)		-0-
Total	$	371,795

Deposits were fully secured as of December 31, 2025.

These deposits are stated at cost, which approximated market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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.

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of Lake Bruin Waterworks District No. 1. For the purpose of the proprietary fund Statement of Cash Flows, "Cash and Cash Equivalents" include all demand savings accounts and certificates of deposit under 90 days.

3. RESTRICTED ASSETS

At December 31, 2025, restricted assets were applicable to the following:

Customer Deposits	$	12,810
Depreciation & Contingency Fund		52,803
Water Revenue Bond Reserve		32,094
Water Revenue Debt Service		105,124
Total	$	202,831

4. RECEIVABLES

The receivables as of December 31, 2025, were as follows:

Accounts Receivable	$	26,279
Total Receivables, Net	$	26,279

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2025, for the primary government is as follows:

Capital Assets:	**Beginning of Period**	**Additions**	**Deletions/ Transfers**	**End of Period**
Water system	$ 1,354,036	$ -0-	$ -0-	$ 1,354,036
Total Capital Assets	1,354,036	-0-	-0-	1,354,036
Less Accumulated Depreciation:	(353,016)	(53,240)	-0-	(406,256)
Total Business-Type Assets, Net	$ 1,001,020	$ (53,240)	$ -0-	$ 947,780

6. ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of $15,438 at December 31, 2025, were as follows:

Accrued Interest	$ 4,136
Accounts Payable	11,302
Total	$ 15,438

7. BOARD MEMBERS

Alphonse Coco-President
Paula Wilhite
Kim LeBlanc
Margaret Wilkerson
Donna Ratcliff

Board members are paid $0 per meeting when present.

NOTE 8 – LONG-TERM DEBT

		2025
Note payable to the Drinking Water Revolving Fund (DWELF), in the original amount of $1,182,924, payable in semi-monthly installments beginning March 1 and September 1, including interest at 1.95%.	$	630,339
Total	$	630,339

The following is the system's five-year debt requirement, including interest:

Year	Principal	Interest	Totals
2026	46,000	12,292	58,292
2027	47,000	11,395	58,395
2028	48,000	10,478	58,478
2029	49,000	9,542	58,542
2030	50,000	8,742	58,742
2031-2035	260,000	25,871	285,871
2036-2040	130,339	4,268	134,607
Totals	$ 630,339	$ 82,588	$ 712,927

NOTE 9- USE OF ESTIMATES

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

NOTE 10- SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date though, June 2, 2026, of the independent accountant's review report for potential recognition or disclosure in the financial statements.

Other Information

Lake Bruin Waterworks District No. 1
St. Joseph, Louisiana

Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer For the Year Ended December 31, 2025

Lake Bruin Waterworks District No. 1
Alphonse Coco, President

Purpose		Amount
Salary	$	-0-
Benefits-Insurance		-0-
Benefits-Retirement		-0-
Benefits (List any other here)		-0-
Car Allowance		-0-
Vehicle Provided by Government		-0-
Per Diem		-0-
Reimbursements		-0-
Travel		-0-
Registration Fees		-0-
Conference Travel		-0-
Continuing Professional Education Fees		-0-
Housing		-0-
Un-vouchered Expenses*		-0-
Special Meals	$	-0-

*An example of an un-vouchered expense would be a travel advance.

See independent accountant's review report.

Other Reports

MANAGEMENT LETTER COMMENTS

During the course of our review, we observed conditions and circumstances that may be improved. Below are findings noted for improvement and our recommendation for improvement.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No items to report.

LAKE BRUIN WATERWORKS DISTRICT NO. 1
ST. JOSEPH, LOUISIANA

STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Lake Bruin Waterworks District No. 1, St. Joseph, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their financial report for the year ended December 31, 2024.

PRIOR YEAR FINDINGS

No items identified.

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MEMBERS

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Association of Certified Fraud Examiners

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Lake Bruin Waterworks District No. 1

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Lake Bruin Waterworks District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Lake Bruin Waterworks District No. 1's compliance with certain laws and regulations during the year ended December 31, 2025, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below whether for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding $30,000, and public works exceeding $250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

   *During our review of expenditures, we found no such expenditures.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

   *Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

   *Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

   *None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

5. 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. Report whether any vendors appear on both lists.

*Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

*The District is an enterprise fund and budgeting is not required. The District prepares a budget on its operations on a governmental fund basis and therefore is not comparable to the financial statements on an enterprise fund basis.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

*Not applicable.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

*Not applicable.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

*We examined supporting documentation for the six selected documents, and they all agreed.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

*All of the payments were properly coded to the correct fund and correct general ledger account.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

*All disbursements were approved in accordance with management's policies and procedures.

Meetings

10. 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.

> *Discussions with the clerk and our review of the minutes found that the agendas for the meetings were posted.

Debt

11. 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.

> *The District did not enter into any long-term debt this fiscal year.

Advances and Bonuses

12. 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.

> *We inspected payroll records and minutes for the year and noted no instances which would indicate payments to employees that constitute bonuses, advances, and gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

> *The District's report is due on June 30, 2026, and was submitted in a timely manner.

14. 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).

> *The District did not enter into any new contracts this fiscal year.

Prior-Year Comments

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

> *Prior year report, dated June 9, 2025 did not include a management letter comment.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Lake Bruin Waterworks District No. 1 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

The Vercher Group

Jena, Louisiana
June 2, 2026

Lake Bruin Waterworks District No. 1
LOUISIANA ATTESTATION QUESTIONNAIRE

The Vercher Group
A Professional Group of
Certified Public Accountants
P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
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In connection with your review of our financial statements as of December 31, 2025, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations to you.

These representations are based on the information available to us as of June 2, 2026, (date of completion/representations).

Public Bid Law
It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [x] No [ ]

Code of Ethics for Public Officials and Public Employees
It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [x] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [x] No [ ]

Budgeting
We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-15) or the budget requirements of LSA-RS 39:1331-1342.

Yes [x] No [ ]

Accounting and Reporting
All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [x] No [ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, as applicable.

Yes [x] No [ ]

We have had our financial statements reviewed in accordance with RS 24:513.

Yes [x] No [ ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief financial officer.

Yes [x] No [ ]

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [x] No [ ]

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [x] No [ ]

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [x] No [ ]

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [x] No [ ]

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [x] No [ ]

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [x] No [ ]

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes [x] No [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [x] No [ ]

We have provided you with all relevant information and access under the terms of our agreement.

Yes [x] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [x] No [ ]

We are not aware of any material misstatements in the information we have provided to you.

Yes [x] No [ ]

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes [x] No [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [x] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Title: President

Signature: [signature]

Date: 06/19/2026