Village of Hosston
Hosston, Louisiana

Financial Statements
And
Report on Agreed-Upon Procedures

As of and for the Year Ended December 31, 2025

Village of Hosston, Louisiana
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COOK & MOREHART,
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Independent Accountants' Review Report

To the Honorable Kim Jaynes, Mayor
and the Village Council
Village of Hosston, Louisiana
Hosston, Louisiana

We have reviewed the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Hosston 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 of the Village of Hosston. 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 the 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 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 Village of Hosston and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' 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.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 23–24 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 the 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. The results of our review of the basic financial statements are not affected by this missing information.

Supplementary Information

The supplementary information included in the accompanying Schedule of Compensation Paid to Council Members and Mayor on page 25, the Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 26, and the Justice System Funding Schedule on pages 27-28 are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Cook & Morehart

Cook & Morehart,
Certified Public Accountants, LLC
June 29, 2026

Village of Hosston
Hosston, Louisiana
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 391,959	$ 135,397	$ 527,356
Restricted cash and cash equivalents		12,442	12,442
Investments	130,488		130,488
Receivables	19,320	12,554	31,874
Capital assets, net			
Non-depreciable	23,857	3,262	27,119
Depreciable (net)	369,570	620,287	989,857
Internal balances	(74,496)	74,496	
Total assets	860,698	858,438	1,719,136
Liabilities			
Accounts payable and accrued expenses	2,302	3,872	6,174
Unearned revenue	39,735		39,735
Payable from restricted assets:			
Customer deposits		12,442	12,442
Total liabilities	42,037	16,314	58,351
Net Position			
Net investment in capital assets	393,427	623,549	1,016,976
Unrestricted	425,234	218,575	643,809
Total net position	$ 818,661	$ 842,124	$ 1,660,785

See accompanying notes and independent accountants' review report

Village of Hosston
Hosston, Louisiana
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	$ 161,043	$ 49,980	$ 20,324	$	$ (90,739)	$	$ (90,739)
Public works	8,429				(8,429)		(8,429)
Public safety	26,272	11,972			(14,300)		(14,300)
Total governmental activities	195,744	61,952	20,324		(113,468)		(113,468)
Business-type activities							
Water	202,214	139,015		45,000		(18,199)	(18,199)
Total business-type activities	202,214	139,015		45,000		(18,199)	(18,199)
Total government	$ 397,958	$ 200,967	$ 20,324	$ 45,000	(113,468)	(18,199)	(131,667)
General revenues:							
Franchise taxes					59,244		59,244
Sales taxes					61,008		61,008
Interest and dividends					21,844	4,730	26,574
Miscellaneous					6,672	50	6,722
Total general revenues					148,768	4,780	153,548
Changes in net position					35,300	(13,419)	21,881
Net position, beginning					783,361	855,543	1,638,904
Net position, ending					$ 818,661	$ 842,124	$ 1,660,785

See accompanying notes and independent accountants' review report

Village of Hosston
Hosston, Louisiana
Balance Sheet
Governmental Fund
December 31, 2025

		General
Assets		
Cash and cash equivalents	$	391,959
Investments		130,488
Receivables		19,320
Total Assets	$	541,767
Liabilities and Fund Balance		
Liabilities:		
Accrued liabilities	$	2,302
Unearned revenue		39,735
Advance from enterprise fund		74,496
Total liabilities		116,533
Fund balance		
Unassigned		425,234
Total Fund Balance		425,234
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		393,427
Net Position of Governmental Activities	$	818,661

See accompanying notes and independent accountants' review report

Village of Hosston
Hosston, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2025

Revenues:		General
Franchise taxes	$	59,244
Sales taxes		61,008
Interest and dividends		21,844
Intergovernmental		20,324
Licenses and permits		49,980
Fines		11,972
Miscellaneous		6,672
Total revenues		231,044
Expenditures:		
Current		
General government		128,352
Public works		8,429
Public safety		25,143
Total expenditures		161,924
Net change in fund balance		69,120
Fund balance, beginning of year		356,114
Fund balance, end of year	$	425,234

See accompanying notes and independent accountants' review report

Village of Hosston
Hosston, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2025

Net change in fund balance - governmental fund	$	69,120
Amounts reported for governmental activities in the Statement of Activities are different because:		
Government funds report 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. This is the amount by which depreciation ($33,820) exceeds capital outlay ($0) in the current period.		(33,820)
Change in net position of governmental activities	$	35,300

See accompanying notes and independent accountants' review report

Village of Hosston
Hosston, Louisiana
Statement of Net Position
Proprietary Fund
December 31, 2025

	Business-Type Activities Enterprise Fund Water Fund
Assets	
Current assets	
Cash and cash equivalents	$ 135,397
Accounts receivable	12,554
Cash and cash equivalents - restricted	12,442
Total current assets	160,393
Noncurrent assets	
Advance to general fund	74,496
Land	3,262
Water system	2,117,484
Less: accumulated depreciation	(1,497,197)
Total noncurrent assets	698,045
Total assets	858,438
Liabilities	
Current liabilities	
Accounts payable and accrued expenses	3,872
Payable from restricted assets:	
Customer deposits	12,442
Total current liabilities	16,314
Net position	
Net investment in capital assets	623,549
Unrestricted	218,575
Total net position	$ 842,124

See accompanying notes and independent accountants' review report

Village of Hosston
Hosston, Louisiana
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2025

	Business-Type Activities Enterprise Fund Water Fund
Operating Revenues	
Charges for services - water service charges	$ 139,015
Total operating revenues	139,015
Operating Expenses	
Contract labor	24,000
Miscellaneous	7,854
Office expense	2,185
Repair and maintenance	47,091
Safe drinking water fee	3,389
Personnel	20,800
Supplies	7,997
Telephone	2,011
Utilities	6,629
Professional fees	8,260
Insurance	10,504
Depreciation	61,494
Total operating expenses	202,214
Operating income (loss)	(63,199)
Non-Operating Revenues	
Interest income	4,730
Miscellaneous revenue	50
Total non-operating revenues	4,780
Income before capital contributions	(58,419)
Capital contributions	45,000
Change in net position	(13,419)
Total net position, beginning of year	855,543
Total net position, end of year	$ 842,124

See accompanying notes and independent accountants' review report

Village of Hosston
Hosston, Louisiana
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2025

	Business-Type Activities Enterprise Fund Water Fund
Cash Flows from Operating Activities	
Receipts from customers and users	$ 139,792
Cash payments to suppliers for goods and services	(116,108)
Cash payments to employees for services	(20,800)
Net cash provided by operating activities	2,884
Cash Flows from Investing Activities	
Interest income	4,730
Net cash provided by investing activities	4,730
Cash Flows From Non-Capital Financing Activities	
Net change in interfund loans	13,699
Other income	50
Net cash provided by non-capital financing activities	13,749
Cash Flows From Capital and Related Financing Activities	
Acquisition and construction of capital assets	(83,815)
Capital contributions	45,000
Net cash used in non-capital financing activities	(38,815)
Net (decrease) in cash, cash equivalents, and retricted cash	(17,452)
Cash, cash equivalents, and retricted cash beginning of year	165,291
Cash, cash equivalents, and retricted cash, end of year	$ 147,839
Cash and cash equivalents are reflected on the Statement of Net Position as follows:	
Cash and cash equivalents	$ 135,397
Cash and cash equivalents - restricted	12,442
Total	$ 147,839
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	$ (63,199)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	61,494
Accounts receivable	777
Payroll liabilities	3,812
Net cash provided by operating activities	$ 2,884

See accompanying notes and independent accountants' review report

Introduction

The Village of Hosston, Louisiana (The Village) was incorporated in 1968, under the provisions of the Lawrason Act. The Village is located in the Parish of Caddo. Elected officials of the Village of Hosston are a mayor and three (3) alderman who are elected every four years.

Effective January 7, 2019, the Village accepted the donation and quitclaim deed of the Hosston-Mira Water System and began operating the water system at that time. Activity of the water system is reflected in the accompanying financial statements in the business-type activities-enterprise fund.

(1) Summary of Significant Accounting Policies

The Village of Hosston's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Village of Hosston are discussed below.

A. Reporting Entity

As the municipal governing authority, for reporting purposes, the Village of Hosston is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Village of Hosston), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the Village of Hosston are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting and Standards Board established criteria for determining which component units should be considered part of the Village of Hosston for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and

   a. The ability of the Village to impose its will on that organization and/or

   b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.

2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

In addition, the GASB states that a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if *all* of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.

2. The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.

3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition, other organizations should be evaluated as potential component units if they are closely related to, or financially integrated with, the primary government.

Based on the criteria described above, there are no component units to be included as part of the reporting entity.

B. Basic Financial Statements – Government-Wide Statements

The Village of Hosston's basic financial statements include both government-wide (reporting the funds maintained by the Village of Hosston as a whole) and fund financial statements (reporting the Village of Hosston's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's general fund is classified as governmental activities. The Village's water services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental activities and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The Village of Hosston's net position is reported in three parts – invested in capital assets, net of related debt, restricted, and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village of Hosston's functions. The functions are also supported by general government revenues (franchise taxes, sales and use taxes, licenses and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations of providing water services. Program revenues consists of charges for services for the Village's water system.

The net costs (by function) are normally covered by general revenue (franchise taxes, sales and use taxes, license and permits, interest income, etc.).

This government-wide focus is more on the sustainability of the Village of Hosston as an entity and the change in the Village of Hosston's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Village of Hosston are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Village of Hosston:

1. Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Village of Hosston:

   a. General fund is the general operating fund of the Village of Hosston. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Proprietary Funds – the focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

   a. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of fund category) for the determination of major funds.

The following major funds are presented in the fund financial statements:

General Fund – accounts for all financial resources except those required to be accounted for in another fund.

Enterprise Fund – accounts for the provision of water services of the Village.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

   Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

   The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Budget and Budgetary Accounting

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Mayor prepares a proposed budget and submits same to Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

3. A public hearing is held on the proposed budget after publication of the call for the hearing.

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

5. Budgetary amendments involving the transfer of funds from one department, program or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.

6. All budgetary appropriations lapse at the end of each fiscal year.

7. The budget is adopted on a cash basis for all funds. Budgeted amounts in the accompanying statements are as originally adopted, or as amended by the Board of Aldermen.

F. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by R.S. 33:2955 and the Village's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. Capital Assets

Capital assets purchased or acquired with an original cost of $2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	5–39 years
Furniture and equipment	5–15 years
Water system	15–30 years

GASB requires the Village to report and depreciate new infrastructure assets effective July 1, 2003. Infrastructure assets include roads, bridges, traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required.

H. Revenues

Sales tax revenues are recorded in the period in which the underlying exchange has occurred. Fines, forfeitures, licenses, and permits are recognized in the period they are collected. Franchise taxes and interest income on demand and time deposits are recorded when earned. Federal and state grants are recorded when the Village is entitled to the funds.

I. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Restricted net position consists of assets that are restricted by limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted net position. When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Village's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

J. Sales Taxes

The Village passed an ordinance establishing a 1% sales tax, effective April 1, 2022, to be used to support the general fund.

K. Interfund Activity

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

L. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

M. Bad Debts

Uncollectible amounts due for customer's utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. For the year ending December 31, 2025, no allowance for doubtful accounts was recorded.

N. Statement of Cash Flows

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

O. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

2. Restricted – amounts that can be spent only for specific purpose due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

3. Committed – amounts that can be used only for the specific purpose as a result of constraints imposed by the Village Council (the Village's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the Village removes those constraints by taking the same type of action (i.e. legislation, resolution, or ordinance).

4. Assigned – amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed.

5. Unassigned – all amounts not included in other spendable classifications.

The Village's policy is to apply expenditures against restricted fund balance and then to other, less-restricted classifications – committed and then assigned fund balances before using unassigned fund balances.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as assigned fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

P. Postretirement Benefits

The Village provides no postretirement benefits to its employees.

Q. Compensated Absences

The Village does not have a policy for compensated absences for its employees. All employees of the Town are part-time, hourly employees.

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the Village has no transactions that meet the definition of deferred outflows of resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the Village has no transactions that meet the definition of deferred inflows of resources.

S. Fair Value Measurements

Generally accepted accounting principles require disclosure to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs – The valuation is based on quoted market prices for identical assets or liabilities traded in active markets;

Level 2 inputs – The valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability;

Level 3 inputs – The valuation is determined by using the best information available under the circumstances and might include the government's own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on lowest level of any input that is significant to the fair value measurement.

(2) Cash, Cash Equivalents, and Investments

At December 31, 2025, the Village had cash, cash equivalents, and investments (book balances), totaling $670,286, as detailed below.

A. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2025 (book balances) totaled $539,798, of which $12,442 is shown as a restricted asset. 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. 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.

B. Investments

At December 31, 2025, the Village had investments totaling $130,488, consisting of investments in Louisiana Asset Management Pool (LAMP)

At December 31, 2025, the Village had investments totaling $130,488, in Louisiana Asset Management Pool (LAMP). The Louisiana Asset Management Pool (LAMP) is a local government investment pool. In accordance with GASB codification section I50.126, the investment in LAMP at the Village of Hosston is not categorized in the three risk categories provided by GASB because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

C. Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2025, $30,840 of the Village's bank balances totaling $664,439 was exposed to custodial credit risk as uninsured and collateral held by pledging bank's trust department not in Village's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

(3) Advance to General Fund

In 2020, the Village combined cash account for the General and Enterprise funds, which created an advance to the general fund and an advance from the enterprise fund. The balance due from the General fund to the Enterprise fund as of December 31, 2025 totaled approximately $74,496. This amount is shown in the accompanying fund financial statements as advance to enterprise fund and advance from general fund and is included in internal balances on the accompanying government-wide financial statements. The Village plans to reimburse the enterprise fund periodically until the balance is paid off.

(4) Capital Assets

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated					
Land	$ 23,857	$	$	$	$ 23,857
Total capital assets, not being depreciated	23,857				23,857
Capital assets, being depreciated					
Buildings and other improvements	455,049				455,049
Equipment and vehicles	160,444				160,444
Furnishings and fixtures	7,669				7,669
Roads, parks, recreation	57,149				57,149
Total capital assets being depreciated	680,311				680,311
Less accumulated depreciation for:					
Buildings and other improvements	(116,013)	(22,934)			(138,947)
Equipment and vehicles	(98,422)	(10,219)			(108,641)
Furnishings and fixtures	(7,669)				(7,669)
Roads, parks, recreation	(54,817)	(667)			(55,484)
Total accumulated depreciation	(276,921)	(33,820)			(310,741)
Total capital assets being depreciated, net	403,390	(33,820)			369,570
Governmental activities capital assets, net	$ 427,247	$ (33,820)	$	$	$ 393,427

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated				
Land	$ 3,262	$	$	$ 3,262
Total capital assets, not being depreciated	3,262			3,262
Capital assets, being depreciated				
Buildings and other improvements	4,000			4,000
Equipment and vehicles	46,085			46,085
Water system and improvements	1,983,584	83,815		2,067,399
Total capital assets, being depreciated	2,033,669	83,815		2,117,484
Less accumulated depreciation for:				
Buildings and other improvements	(4,000)			(4,000)
Water system and improvements	(1,431,703)	(61,494)		(1,493,197)
Total accumulated depreciation	(1,435,703)	(61,494)		(1,497,197)
Total capital assets being depreciated, net	597,966	22,321		620,287
Business-type activities capital assets, net	$ 601,228	$ 22,321	$	$ 623,549

Depreciation expense for the year ended December 31, 2025 was charged as follows:

Governmental activities:	
General	$ 32,691
Public safety	1,129
	$ 33,820
Business-type activities	
Water	$ 61,494

(5) Receivables

Receivables at December 31, 2025 are as follows:

Governmental activities:		
Franchise tax	$	15,414
Sales tax		3,906
	$	19,320
Business-type activities:		
Water charges	$	12,554
	$	12,554

(6) Restricted Assets – Cash and Cash Equivalents

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

	Enterprise Fund
Customer deposits	$ 12,442

(7) Customers' Deposits

Deposits held for customers that are currently active on the water system total $12,442 at December 31, 2025.

(8) Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village attempts to minimize risk from significant losses through the purchase of insurance.

(9) Subsequent Events

In March 2026, the Village purchased new water meters totaling approximately $115,414. A portion of the cost of this project is expected to be funded through grant and other funds from the State of Louisiana.

Subsequent events have been evaluated through June 29, 2026, the date the financial statements were available to be issued.

(10) Unearned Revenue

Unearned revenue at December 31, 2025, consists of funds received from the State of Louisiana for infrastructure improvements which had not yet been used/expended. The Village plans to use those funds subsequent to December 31, 2025.

Village of Hosston
Hosston, Louisiana
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (Cash Basis) and Actual
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Positive
Revenues	Original	Final	Actual Amount	(Negative)
Franchise taxes	$ 49,071	$ 56,000	$ 56,586	$ 586
Sales tax	53,728	62,000	60,356	(1,644)
Interest earnings	18,270	20,800	23,904	3,104
Intergovernmental	84,368	80,000	60,059	(19,941)
Licenses and permits	56,534	56,900	57,521	621
Fines	1,600	10,600	11,972	1,372
Miscellaneous	555	2,225	6,673	4,448
Total revenues	264,126	288,525	277,071	(11,454)
Expenditures				
Current				
General government	219,306	234,020	134,352	99,668
Public works	9,219	9,850	8,429	1,421
Public safety	24,985	29,173	19,143	10,030
Total expenditures	253,510	273,043	161,924	111,119
Excess (deficiency) of revenues over expenditures	10,616	15,482	115,147	99,665
Fund balance, beginning of year	85,864	85,864	333,746	247,882
Fund balances, end of year	$ 96,480	$ 101,346	$ 448,893	$ 347,547

Village of Hosston
Hosston, Louisiana
Notes to Required Supplementary Information
December 31, 2025

The Village's budget is adopted on a cash basis for all funds. There was one amendment to the December 31, 2025 budget. Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all amendments. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	General Fund
Excess of revenues and other sources over expenditures and other uses (budget basis)	$ 115,147
Adjustments:	
Revenue accruals – net	(46,027)
Expenditure accruals - net	
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	$ 69,120

Village of Hosston
Hosston, Louisiana
Schedule of Compensation Paid to Council Members and Mayor
For the Year Ended December 31, 2025

Mayor:		
Kim Jaynes	$	9,600
Council Members:		
Misti Banks		1,500
Henry Blunt		1,500
Chrystal Carnley		1,625
	$	14,225

Village of Hosston
Hosston, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2025

Agency Head: Kim Jaynes, Mayor

Purpose	Amount
Salary	$ 9,600
Per diem	1,739
Mileage	90
Conference travel	2,450
Registration fees	1,263
Reimbursements	449
Conference fees	450

Village of Hosston
Justice System Funding Schedule - Collecting/Disbursing Schedule
Cash Basis Presentation
As Required by La. R.S. 24:515.2

	Amount for 01/01/2025 - 06/30/2025	Amount for 07/01/2025 - 12/31/2025
1. Beginning Cash Balance	-	-
2. Collections		
a. Civil Fees	-	-
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	681	561
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	5,778	4,952
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collected	6,459	5,513
3. Deductions: Collections Retained by the Village of Hosston		
I. Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
II. Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
III. Other Amounts "Self-Disbursed" [Enter amounts on appropriate collection type lines]		
a. Civil Fees	-	-
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	-	-
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	5,778	4,952
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees [excluding amounts reported in bullets I and II above]	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collections Retained by the Village of Hosston	5,778	4,952
4. Deductions: Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits		
a. Collection/Processing Fees Paid to Third Party Entities	-	-
b. Civil Fee Refunds	-	-
c. Bond Refunds	-	-
d. Restitution Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	-	-
e. Other Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	-	-
Total Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits	-	-
5. Deductions: Total Disbursements to Other Governments & Nonprofits	681	561
6. Total Amounts Disbursed/Retained	6,459	5,513
7. Ending Cash Balance	-	-
8. Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
9. Other Information:		
I. Ending Balance of Amounts Assessed but Not Yet Collected [i.e. total ending receivable balances]	-	-
II. Total Waivers During the Fiscal Period [i.e. non-cash reduction of receivable balances, such as time served or community service]	-	-

Village of Hosston

Justice System Funding Schedule - Disbursements to Other Governments & Nonprofits Form

Cash Basis Presentation

As Required by La. R.S. 24:515.2

5. Details of Disbursements To Other Governments & Nonprofits (Do not include amounts retained by your entity in this table.)

Agency Receiving Money	Disbursement Description [Fund, Program, etc.] (Optional)	Legal Authority to Disburse Money	Disbursement Type	Amount for 01/01/2025 - 06/30/2025	Amount for 07/01/2025 - 12/31/2025
Louisiana Department of Health	§2633. Traumatic Head and Spinal Cord Injury Trust Fund	R.S. 46:2633	f. Criminal Court Costs/Fees	45	15
Department of the Treasury		CCRP 887 (F)(1)	f. Criminal Court Costs/Fees	27	20
Supreme Court	§86. Judicial College; education account; sources of funds	R.S. 13:86	f. Criminal Court Costs/Fees	14	10
LA Commission on Law Enforcement and Administration of Criminal Justice		R.S. 46:1816(D)	f. Criminal Court Costs/Fees	45	39
Criminalistics Laboratory North Louisiana		R.S. 40:2266.1.1	f. Criminal Court Costs/Fees	550	477

Village of Hosston
Hosston, Louisiana
Schedule of Prior Year Audit Findings
December 31, 2025

Summary Schedule of Prior Audit Findings

There was one finding reported for the year ended December 31, 2024.

2024-001 – Material Weakness – Segregation of Duties

Finding: During our audit, we noted that one individual was responsible for receiving funds, depositing funds, recording transactions in the general ledger, posting receipts in the subsidiary billing software, and reconciling the bank accounts. In addition, there was no evidence of review or approval with regards to customer account balances in the subsidiary water billing software. Furthermore, a report of all billing adjustments posted in the subsidiary billing software was not printed and reviewed on a periodic basis by someone independent of the receipt and posting functions.

Current Status: A review was performed for the year ended December 31, 2025.

Due to the size of the Village and the workload involved, it is not feasible to hire more than one employee to run our business office. The Village has implemented additional controls where possible.

Summary Schedule of Current Year Findings
For Louisiana Legislative Auditor
December 31, 2025

Summary Schedule of Current Year Findings

There were no findings for the current year as it relates to the Review/Attestation report for the year ended December 31, 2025.

COOK & MOREHART,
Certified Public Accountants, LLC

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MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Report
On Applying Agreed–Upon Procedures

To the Honorable Kim Jaynes, Mayor
and the Village Council
Village of Hosston, Louisiana
Hosston, Louisiana

We have performed the procedures enumerated below on the Village of Hosston (the Village) compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the 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 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:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding $60,000, or public works exceeding $250,000. Compare the documentation for these expenditures to Louisiana Revised Statue (R.S.) 38:221-2286 (the public bid law) and report whether the expenditures were made in accordance with these laws.

   The were no expenditures made during the year ended December 31, 2025 exceeding $60,000 for materials and supplies or $250,000 for public works.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics).

   The Village provided us with the required list.

3. Obtain from management a listing of all employees paid during the fiscal year.

   The Village provided us with the required list.

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

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

   The Village provided the listings. No vendors appeared on both lists.

Budgeting

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

   The Village provided us with a copy of the original and amended budgets.

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.

   We traced the adoption of the original budget to the minutes of a meeting held on December 17, 2024, which indicated that the budget had been adopted by the Council. We traced the adoption of the amended budget to the minutes of a meeting held on December 16, 2025, which indicated that the budget had been adopted by the Council.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues fail to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

   We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues were not 5% less than budgeted revenues.

   Actual expenditures did not exceed budgeted expenditures by more than 5%.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select 6 disbursements and obtain documentation from management for those disbursements. Compare the selected disbursements to the supporting documentation, and:

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

   We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

   (b) report whether the six disbursements are coded to the correct fund and general ledger account;

   All six disbursements were properly coded to the correct fund and general ledger account.

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

   Inspection of documentation supporting each of the six selected disbursements indicated the six disbursements were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through LSA-RS 42:13 (the open meetings law); and report whether there are any exceptions.

    The Village posted its meetings and agendas as required by LSA-RS 42:11 through 42:28 (the open meetings law). No exceptions noted.

Debt

11. Obtain bank deposits 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.

    We inspected copies of all bank deposits slips for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board. 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.

    A reading of the minutes and inspection of payroll disbursements of the Village for the year ended December 31, 2025 indicated no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

State Audit Law

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

    The Village provided for a timely report in accordance with R.S. 24:513.

14. Inquire of management and report whether the Village 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 Village was not in compliance with R.S. 24:513 (the audit law).

    Not applicable. The Village was in compliance with R.S. 24:513.

Prior Comments and Recommendations

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

    There was one prior year finding in regards to segregation of duties. Due to the size of the Village and the workload involved, it is not feasible to hire more than one employee to run our business office. The Village has implemented additional controls where possible.

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 engagement 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 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 contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statue 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 Statue 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Cook & Morehart

Cook & Morehart,
Certified Public Accountants, LLC
June 29, 2026

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

March 2, 2026 (Date Transmitted)

Cook and Morheart (CPA Firm Name)

1215 Hawn Ave (CPA Firm Address)

Shreveport, LA 71107 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of ____________________(date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [X] No [ ] N/A [ ]

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 R.S. 42:1101-1124.

Yes [X] No [ ] N/A [ ]

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 R.S. 42:1119.

Yes [X] No [ ] N/A [ ]

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [X] No [ ] N/A [ ]

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 R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [X] No [ ] N/A [ ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [X] No [ ] N/A [ ]

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

Yes [X] No [ ] N/A [

We did not enter 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).

Yes [X] No [ ] N/A [ ]

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 executive officer.

Yes [X] No [ ] N/A [ ]

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 [ ] N/A [ ]

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [X] No [ ] N/A [ ]

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 R.S. 39:1410.60-1410.65.

Yes [X] No [ ] N/A [ ]

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, R.S. 14:138, and AG opinion 79-729.

Yes [X] No [ ] N/A [ ]

Prior-Year Comments

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

Yes [X] No [ ] N/A [ ]

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 [ ] N/A [ ]

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

Yes [X] No [ ] N/A [ ]

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

Yes [X] No [ ] N/A [ ]

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

Yes [X] No [ ] N/A [ ]

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 [ ] N/A [ ]

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

Yes [X] No [ ] N/A [ ]

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 [ ] N/A [ ]

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 [ ] N/A [ ]

The previous responses have been made to the best of our belief and knowledge.

Hayden King _____ Secretary 3/2/26 Date

Misti Banks _____ Treasurer 3/2/26 Date

Kim Haynes _____ President 3/2/26 Date