

BUNCHES BEND PROTECTION DISTRICT

East Carroll Parish, Louisiana

ANNUAL FINANCIAL STATEMENTS

December 31, 2023

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

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Independent Auditor's Report

BOARD OF COMMISSIONERS
BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and major funds of Bunches Bend Protection District, a component unit of the State of Louisiana, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major funds of Bunches Bend Protection District, as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit Guide issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Bunches Bend Protection District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 and the budgetary comparison information on page 22 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bunches Bend Protection District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head and Board of Commissioners is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head and Board of Commissioners is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 3, 2024 on my consideration of Bunches Bend Protection District's internal control over financial reporting and on my tests of the it's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bunches Bend Protection District's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Brunches Bend Protection District's internal control over financial reporting and compliance.

Xueqin Chen

Lake Charles, Louisiana
May 3, 2024

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

Our discussion and analysis of Bunches Bend Protection District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the District's financial statements that begin on page 8.

BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 8 and 9 provide information about the activities of the District and present a long-term view of the District's financial position. The fund financial statements presented on pages 10 through 13 provide information on how the operations of the District are financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements.

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities provide information in a way that shows the change in the District's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and the changes in net position. Net position - the difference between assets (what the District owns) and liabilities (what the District owes) is a way to measure the financial position of the District. Over time, increases or decreases in the District's net position is an indicator of whether the District's financial position is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, the District reports only governmental activities due to the fact that the District is engaged in one governmental program - public safety - flood control that is financed by property taxes.

Fund Financial Statements

The fund financial statements begin on page 10 and provide more detailed information about the District's funds. The District has a General Fund and a Debt Service Fund which are reported as major governmental funds.

Governmental funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Governmental funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental funds statements provide a detailed short-term view of the District's operations. Governmental funds information helps to determine whether there are more or fewer financial resources that are available to be spent in the near future.

The differences between governmental activities reported in the Statement of Net Position and the Statement of Activities and the governmental funds reported in the fund financial statements are

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2023

reported in reconciliation at the bottom of the fund financial statements.

COMPARATIVE ANALYSIS OF FINANCIAL DATA

Government-Wide

The District's net position increased by \$410,572 during 2023. Total revenue was \$35,297 more than the prior year revenue due to an increase in assessed value of taxable property in the District and increase in interest earnings. Total expenses were \$150,326 less than the prior year expenses due to decreases in repairs and maintenance expenses. The following presents an analysis of net position and changes in net position of the District's governmental activities:

	GOVERNMENTAL ACTIVITIES	
	2023	2022
Assets		
Current assets	\$ 811,442	\$ 710,310
Restricted assets	425,623	394,801
Utility deposit	9,000	9,000
Capital assets	4,551,638	4,557,126
Total assets	5,797,703	5,671,237
 Liabilities		
Current liabilities	271,951	306,057
Long-term liabilities	2,370,000	2,620,000
Total liabilities	2,641,951	2,926,057
 Net Position		
Net investment in capital assets	1,923,671	1,683,445
Restricted - debt service	425,623	394,801
Unrestricted	806,458	666,934
Total net position	\$ 3,155,752	\$ 2,745,180

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2023

Expense:	2023	2022
General government - retirement system contribution	\$ 13,983	\$ 13,543
Public safety - flood control	100,695	244,460
Debt service	104,175	111,176
Total expense	218,853	369,179
General revenue:		
Property taxes	599,428	586,289
Interest earnings	29,997	7,839
Total revenue	629,425	594,128
Change in net position	410,572	224,949
Net position - beginning	2,745,180	2,520,231
Net position - ending	\$ 3,155,752	\$ 2,745,180

Governmental Funds

Total revenue increased \$35,297 in 2023 due to increased property taxes and interest earnings. Total expenditure decreased by \$150,326 due to a decrease in repairs and maintenance and utilities expenditures during the current year.

OVERALL FINANCIAL POSITION

The District's net position increased \$410,572 as a result of this year's operations. Unrestricted net position (those assets available to finance the daily operations of the district) was \$806,458 at year end. The amount restricted for debt service was \$425,623 and the net investment in capital assets was \$1,923,671 at year end.

DISTRICT'S FUNDS

At the end of the year, the District's General Fund reported an unassigned fund balance of \$15,325. Total fund balance increased \$3,789 for the year. The Debt Service Fund had a restricted fund balance of \$425,623 and an assigned fund balance of \$791,133. The increase in total fund balance for the year was \$166,557.

GENERAL FUND BUDGETARY HIGHLIGHTS

At year end, actual expenditures were \$55 more than budgeted expenditures. The District amended its budget one time during the year.

**BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2023**

CAPITAL ASSETS AND DEBT

Capital Assets

At the end of the year, the District had capital assets (net of accumulated depreciation) totaling \$4,551,638. There were no additions or deletions during the year. Additional information about the District's capital assets is presented in Note 5 to the financial statements.

Debt

At year end the District had \$2,620,000 in outstanding long-term debt that was issued to finance the improvements to the Wilson Point Levee System. Additional information about the District's debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS

The District expects its 2024 General Fund revenue and other financing sources and expenditures to be the same as 2023. The 2024 revenue and expenditures in the Debt Service Fund should be approximately the same as 2023.

Basic Financial Statements

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

STATEMENT OF NET POSITION
December 31, 2023

	Statement A
	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Cash	\$ 281,738
Receivables	529,704
Restricted assets - cash equivalents with paying agent	425,623
Utility deposit	9,000
Capital assets,(net of accumulated depreciation)	<u>4,551,638</u>
TOTAL ASSETS	<u>5,797,703</u>
<u>LIABILITIES</u>	
Accounts payable	13,984
Accrued interest payable	7,967
Long-term liabilities:	
Due within one year	250,000
Due in more than one year	<u>2,370,000</u>
TOTAL LIABILITIES	<u>2,641,951</u>
<u>NET POSITION</u>	
Net investment in capital assets	1,923,671
Restricted - debt service	425,623
Unrestricted	<u>806,458</u>
TOTAL NET POSITION	<u>\$ 3,155,752</u>

See accompanying notes and independent auditor's report.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

STATEMENT OF NET POSITION
For the Year Ended December 31, 2023

	Statement B
	<u>GOVERNMENTAL ACTIVITIES</u>
Expenses:	
General government - retirement system contribution	\$ 13,983
Public safety - flood control	100,695
Debt service	<u>104,175</u>
Total governmental activities	<u>218,853</u>
Program revenue	<u>NONE</u>
Net (expense) revenue	<u>(218,853)</u>
General revenue:	
Property taxes	599,428
Interest earnings	<u>29,997</u>
Total general revenue	<u>629,425</u>
Change in net position	410,572
Net position - beginning	<u>2,745,180</u>
Net position - ending	<u>\$ 3,155,752</u>

See accompanying notes and independent auditor's report.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

Statement C

	GENERAL FUND	DEBT SERVICE	TOTAL
<u>ASSETS</u>			
Cash	\$ 6,325	\$ 275,413	\$ 281,738
Receivables	-	529,704	529,704
Restricted assets - cash equivalents with paying agent	-	425,623	425,623
Utility deposit	9,000	-	9,000
Total Assets	\$ 15,325	\$ 1,230,740	\$ 1,246,065
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ -	\$ 13,984	\$ 13,984
Total Liabilities	-	13,984	13,984
Fund Balance:			
Restricted	-	425,623	425,623
Assigned	-	791,133	791,133
Unassigned	15,325	-	15,325
Total fund balances	15,325	1,216,756	1,232,081
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,325	\$ 1,230,740	\$ 1,246,065

See accompanying notes and independent auditor's report.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

BALANCE SHEET - GOVERNMENTAL FUNDS (Contd.)
December 31, 2023

	Statement C
	TOTAL
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position:	
Total Fund Balances – Governmental Funds	\$ 1,232,081
Amount reported for net position of governmental activities in the Statement of Net Position (Statement A) is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	4,551,638
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(2,620,000)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported in the funds	<u>(7,967)</u>
Net position of governmental activities (Statement A)	<u>\$ 3,155,752</u>

(Concluded)

See accompanying notes and independent auditor's report.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

Statement D

	GENERAL FUND	DEBT SERVICE	TOTAL
<u>REVENUE</u>			
Property taxes	\$ -	\$ 599,428	\$ 599,428
Interest earnings	-	29,997	29,997
Total revenue	-	629,425	629,425
<u>EXPENDITURES</u>			
General government - retirement system contribution	-	13,983	13,983
Public safety - flood control:			
Legal and accounting	7,309	-	7,309
Levee expenses	66,201	-	66,201
Fees	3,100	20	3,120
Audit	3,585	-	3,585
Utilities	9,178	-	9,178
Insurance	6,528	-	6,528
Debt service:			
Bond principal		245,000	245,000
Bond interest	-	104,175	104,175
Total expenditures	95,901	363,178	459,079
EXCESS (Deficiency) OF REVENUE OVER EXPENDITURES	(95,901)	266,247	170,346
OTHER FINANCING SOURCES (Uses):			
Transfers in (out)	99,690	(99,690)	-
NET CHANGE IN FUND BALANCE	3,789	166,557	170,346
FUND BALANCE AT BEGINNING OF YEAR	11,536	1,050,199	1,061,735
FUND BALANCE AT END OF YEAR	\$ 15,325	\$ 1,216,756	\$ 1,232,081

(Continued)

See accompanying notes and independent auditor's report.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (Contd.)
For the Year Ended December 31, 2023

Statement D

	TOTAL
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities:	
Net change in fund balances - governmental funds	\$ 170,346
Amount reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay expenditures in the current period.	(5,488)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of activities.	245,000
Governmental funds recognize interest expense when it is paid rather than when it is incurred.	714
Change in net position of governmental activities (Statement B)	\$ 410,572

(Concluded)

See accompanying notes and independent auditor's report.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 2023

INTRODUCTION

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it is both measurable and available. Revenue is considered to be available when it is collectible within

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2023

the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized when a fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt which are recognized when due.

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

The District reports the following major governmental funds:

General Fund

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

Debt Service

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

C. Deposit

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

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

D. Receivables

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

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The District is authorized to levy and collect an ad valorem tax of 311 mills and an annual tax to be imposed on a per acre basis on land within the boundaries of the District in the amount of \$21 per acre levied on crop land defined by the Farm Service Agency of the United States Department of Agriculture and \$2 per acre on all other land within the boundaries of the District, for a duration of 30 years from the year of first assessment to be dedicated and used

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2023

for all lawful purposes by the District including, but not limited to, funding for the repair, improvement, and maintenance of the Wilson Point Levee System in the Bunches Bend area. The property taxes are collected by the East Carroll Parish Sheriff and remitted to the District on a monthly basis. The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Louisiana Economic Development's Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the year ended December 31, 2023, there were no such exemptions in effect that reduced the District's property tax revenue.

E. Capital Assets

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

F. Long-term Debt

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

G. Net Position/Fund Balance

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

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

The governmental fund types classify fund balances as follows:

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

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

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2023

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

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

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

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

H. Estimates

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Information

The District uses the following budget practices:

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

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2023, the District has cash in demand deposits (book balances) totaling \$281,738. The District also has cash equivalents held by the paying agent in the amount of \$425,623. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank and deposited with an unaffiliated bank. At December 31, 2023, the District had \$707,361 in deposits (collected

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2023

bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$207,361 of pledged securities held by the Federal Reserve Bank.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2023:

	TOTAL
Property taxes	\$ 529,704
Allowance for doubtful accounts	NONE
Total	\$ 529,704

5. CAPITAL ASSETS

Capital asset activity as of and for the year ended December 31, 2023, is as follows:

	Balance at January 1, 2023	Increases	Decreases	Balance at December 31, 2023
Governmental activities:				
Capital assets not being depreciated:				
Levee improvements	\$ 4,456,520	\$ -	\$ -	\$ 4,456,520
Capital assets being depreciated:				
Pumping station	137,190	-	-	137,190
Less accumulated depreciation for:				
Pumping station	36,584	5,488	-	42,072
Total assets being depreciated, net	100,606	(5,488)	-	95,118
Total capital assets	\$ 4,557,126	(5,488)	\$ -	\$ 4,551,638

Depreciation expense of \$5,488 for the year ended December 31, 2023 was charged to the public safety - flood control governmental function.

6. INTERFUND TRANSFERS

The Debt Service Fund accounts for the proceeds of the property tax that is to be used for the payment of principal and interest on the District's revenue bonds and for the funding of the repair, improvement, and maintenance of the Wilson Point Levee System in the Bunches Bend area. During the year, the Debt Service Fund transferred \$99,690 to the General Fund to pay expenditures incurred in connection with the repair, improvement, and maintenance of the levee.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2023

7. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31, 2023:

	Revenue Bonds from Direct Borrowings
Balance at January 1, 2023	\$ 2,865,000
Additions	-
Reductions	(245,000)
Balance at December 31, 2023	<u>\$ 2,620,000</u>

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term debt as of December 31, 2023:

	Revenue Bonds from Direct Borrowings
Current portion	\$ 250,000
Long-term portion	<u>2,370,000</u>
Total	<u>\$ 2,620,000</u>

Long-term debt from direct borrowings at December 31, 2023, in the amount of \$2,620,000 consists of \$5,000,000 2012 revenue bonds that are payable solely from and secured by an irrevocable pledge and dedication of tax revenue authorized by Act 570 of the Louisiana Legislature. The bond resolution provides that in an event of default, the owners of the bonds or the paying agent on their behalf shall be entitled to exercise all rights and powers for which provision is made in the resolution or in any provision of law. The bond proceeds were used to finance the repairs, improvements, and maintenance of the Wilson Point Levee System in the Bunches Bend area. The bonds have maturities from 2024 until 2032 and have interest rates between of 3.25 % and 3.75 % .

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

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2023

Year Ending December 31,	Principal Payments	Interest Payments	Total
2024	\$ 250,000	\$ 95,600	\$ 345,600
2025	260,000	86,850	346,850
2026	270,000	77,750	347,750
2027	280,000	68,300	348,300
2028	290,000	58,500	348,500
2029 - 2033	<u>1,270,000</u>	<u>121,312</u>	<u>1,391,312</u>
Total	<u>\$ 2,620,000</u>	<u>\$ 508,312</u>	<u>\$ 3,128,312</u>

8. RESTRICTED ASSETS – CASH EQUIVALENTS WITH PAYING AGENT

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

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

At December 31, 2023, Whitney Bank held \$425,623 in cash equivalents in the following accounts on behalf of the District:

Tax Revenue Fund	\$ 54,383
Debt Service Fund	6,368
Debt Service Reserve Fund	<u>364,872</u>
Total	<u>\$ 425,623</u>

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2023

9. RISK MANAGEMENT

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

10. SUBSEQUENT EVENTS

Bunches Bend Protection District has evaluated subsequent events through May 3, 2024, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2023

Schedule 1

	Budgetd Amounts		Actual Amounts (Budgetary Base - GAAP)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE	NONE	NONE	NONE	NONE
EXPENDITURES				
Legal and accounting	\$ 6,920	\$ 7,255	\$ 7,309	\$ (54)
Levee expense	54,085	66,201	66,201	-
Advertising	12	-	-	-
Fees	3,100	3,100	3,100	-
Audit	3,424	3,585	3,585	-
Utilities	45,840	9,178	9,178	-
Insurance	6,340	6,527	6,528	(1)
Total expenditures	<u>119,721</u>	<u>95,846</u>	<u>95,901</u>	<u>(55)</u>
EXCESS (Deficiency) OF REVENUE OVER EXPENDITURES	(119,721)	(95,846)	(95,901)	(55)
OTHER FINANCING SOURCES:				
Transfers in	<u>119,721</u>	<u>138,523</u>	<u>99,690</u>	<u>38,833</u>
NET CHANGE IN FUND BALANCE	-	42,677	3,789	38,888
FUND BALANCE AT BEGINNING OF YEAR	NONE	NONE	<u>11,536</u>	NONE
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>\$ 15,325</u>	<u>NONE</u>

There was one budget amendment during the year ended December 31, 2023.

OTHER SUPPLEMENTAL INFORMATION SCHEDULES

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

OTHER SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended December 31, 2023

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

BUNCHES BEND PROTECTION DISTRICT
East Canoll Parish, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
AND BOARD OF COMMISSIONERS
For the Year Ended December 31, 2023

Schedule 2

BOARD COMPENSATION

Agency Head - Thomas A. Parker - President	NONE
David Oswalt	NONE
Steve H. Brown	NONE
Frederick H. Schneider, IV	NONE
Gary Giddings	NONE
Shannon Baker	NONE
Jordan Yates	<u>NONE</u>
Total	<u><u>NONE</u></u>

Independent Auditor's Report
Required by *Government Auditing Standards*

The following independent auditor's report on internal control over financial reporting and on compliance and other matters is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



X.C. CPA. L.L.C.

Certified Public Accountant

www.xc-cpa.com

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

BOARD OF COMMISSIONERS
BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

I have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor, the financial statements of the governmental activities and major funds of Bunches Bend Protection District (the "District"), a component unit of the State of Louisiana, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Bunches Bend Protection District's basic financial statements and have issued my report thereon dated May 3, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Xueqin Chen

Lake Charles, Louisiana

May 3, 2024

**BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana**

**Schedule of Current Year Findings and Responses
For the Year Ended December 31, 2023**

Section I - Summary of Auditor's Reports

Financial Statements

1. Type of auditor's report issued - Unmodified.
2. Internal control over financial reporting:
Material weaknesses identified? – No
Significant deficiencies identified? – No
3. Noncompliance material to financial statements noted? – No
4. No management letter was issued.

Section II - Financial Statement Findings

None.

**BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana**

**Schedule of Prior Year Findings
For the Year Ended December 31, 2023**

Summary of Prior Year Findings

None