

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Annual Financial Statements

As of and for the Year Ended
December 31, 2024

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2024

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Opinion

I have audited the accompanying financial statements of Prairie Road Water District (the “District”), a component unit of Ouachita Parish, as of and for the year ended December 31, 2024, 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 financial position of Prairie Road Water District, as of December 31, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Prairie Road Water 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 opinion.

Responsibilities of Management for the Financial Statements

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

BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
Independent Auditor's Report
December 31, 2024

In preparing financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 Responsibilities 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
Independent Auditor's Report
December 31, 2024

- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 have 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 7 through 9 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 my 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head and Board of Commissioners and the Schedule of Prior Year Audit Findings are presented for the purpose of additional analysis and are 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, Reimbursements, Benefits, and Other Payments to Agency Head and Board of Commissioners and the Schedule of Prior Year Audit Findings are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

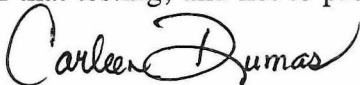
BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
Independent Auditor's Report
December 31, 2024

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated March 27, 2025, on my consideration of the District's internal control over financial reporting and on my tests of the District'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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report dated March 27, 2025, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



Calhoun, Louisiana
March 27, 2025

REQUIRED SUPPLEMENTAL INFORMATION

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

Our discussion and analysis of Prairie Road Water District's (hereafter referred to as the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the District's financial statements that begin on page 11.

BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of :

- a. Management's discussion and analysis (MD&A)
- b. Statement of net position
- c. Statement of revenues, expenses, and changes in net position
- d. Statement of cash flows
- e. Notes to the financial statements
- f. RSI other than MD&A, if applicable

The District is a special-purpose government engaged only in business-type activities.

Enterprise Fund Financial Statements

The Statement of Net Position and the Statement of Revenue, Expenses, and Changes in Net Position provides 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 revenue 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 them. 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 are an indicator of whether the District's financial position is improving or deteriorating.

The Statement of Cash Flows provides information on the changes in cash during the year. This statement reports the net cash provided or used by operating activities, capital and related financing activities, and investing activities.

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

**COMPARATIVE ANALYSIS OF
FINANCIAL DATA**

The District's net position increased by \$138,240 for 2024 due to \$48,107 in American Rescue Plan Act of 2021 ("ARPA") funding under cooperative endeavor agreements with the State of Louisiana, Division of Administration through the Office of Community Development (DOA-OCD) and the Ouachita Parish Police Jury. The grant funds were used as partial funding for the ground storage tank replacement project that was completed in June 2024. Operating revenue increased \$78,329 due to a rate increase that went into effect in November 2024. Operating expenses decreased \$21,186 from the prior year. The following presents an analysis of net position and changes in net position of the District's business-type activities:

	2024	2023
Assets		
Current assets	\$232,266	\$264,884
Restricted cash	102,163	141,266
Capital assets	<u>1,983,085</u>	<u>1,936,072</u>
Total assets	<u>2,317,514</u>	<u>2,342,222</u>
Liabilities		
Current liabilities	102,961	177,560
Liabilities payable from restricted assets	95,217	91,566
Long-term liabilities	<u>121,000</u>	<u>213,000</u>
Total liabilities	<u>319,178</u>	<u>482,126</u>
Net Position		
Net investment in capital assets	1,770,085	1,636,072
Restricted	16,120	49,700
Unrestricted	<u>212,131</u>	<u>174,324</u>
Total net position	<u>\$1,998,336</u>	<u>\$1,860,096</u>
	2024	2023
Operating revenue	\$675,476	\$597,147
Operating expenses	580,235	601,421
Non-operating revenue (expenses)	42,569	663,511
Change in net position	138,240	659,237
Net position - beginning	<u>1,860,096</u>	<u>1,200,859</u>
Net position - ending	<u>\$1,998,336</u>	<u>\$1,860,096</u>

OVERALL FINANCIAL POSITION

The District's increase in net position for 2024 was \$138,240. Unrestricted net position (those assets available to finance the daily operations of the District) was \$212,131 at year end, which was an increase of \$37,807 from the prior year. At year end the amount restricted for capital improvements was \$16,120, and the net investment in capital assets was \$1,770,085.

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

CAPITAL ASSETS AND DEBT

Capital Assets

At the end of the year, the District has capital assets (net of accumulated depreciation) totaling \$1,983,085. Capital assets include land, the water system, office building, parking lot, vehicles, and equipment costing \$1,000 or more. The District incurred \$151,825 in construction costs and engineering fees in connection with the ground storage tank replacement project that was completed in June 2024. Additional information about the District's capital assets is presented in Note 4 to the financial statements.

Debt

At the end of the year, the District has \$213,000 in outstanding long-term debt. Interest expense for the year was \$6,434. Additional information about the District's debt is presented in Note 5 to the financial statements.

ECONOMIC FACTORS

Operating revenue for 2025 is expected to increase due to a water rate increases that went into effect in November 2024 and January 2025. Operating expenses are expected to decrease due to carbon replacements that occurred during 2024.

BASIC FINANCIAL STATEMENTS

Statement A**PRAIRIE ROAD WATER DISTRICT**
Monroe, Louisiana**STATEMENT OF NET POSITION**
December 31, 2024**ASSETS**

Current assets:

Cash	\$88,822
Accounts receivable (net of allowance for uncollectible accounts)	99,133
Inventory	44,311
Total current assets	<u>232,266</u>

Noncurrent assets:

Restricted cash	102,163
Property, plant and equipment (net of accumulated depreciation)	1,983,085
Total noncurrent assets	<u>2,085,248</u>
Total assets	<u>2,317,514</u>

LIABILITIES

Current liabilities:

Accounts payable	44,588
Payroll taxes payable	1,403
Customer deposits	56,970
Total current liabilities	<u>102,961</u>

Liabilities payable from restricted assets:

Accrued interest payable	3,217
Current portion of revenue bonds payable	92,000
Total liabilities payable from restricted assets	<u>95,217</u>

Noncurrent liabilities - long-term debt - revenue bonds payable

	121,000
Total liabilities	<u>319,178</u>

NET POSITION

Net investment in capital assets	1,770,085
Restricted for capital improvements	16,120
Unrestricted	212,131
Total net position	<u>\$1,998,336</u>

See accompanying notes and independent auditor's report.

Statement B

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2024

OPERATING REVENUE

Water sales	\$642,476
Connection and reconnection fees	25,365
Other fees	2,667
Sewer collection fees	4,978
Other revenue	420
Total operating revenue	<u>675,906</u>

OPERATING EXPENSES

Accounting and audit	8,586
Bad debt expense	11,677
Bank and credit card fees	2,328
Billing services	5,579
Chlorine and chemicals	70,741
Commissioners fees	6,454
Depreciation	104,812
Dues and fees	4,420
Equipment rental	2,279
Fuel	8,395
Insurance	25,044
Lab services	2,700
Repairs	54,131
Office supplies and expense	7,796
Payroll taxes	13,352
Postage	1,420
Publication expense	2,096
Safe drinking water fee	10,186
Salaries	173,188
Sales tax	2,957
Supplies and parts	31,494
Taxes, licenses, and permits	291
Travel and mileage	2,251
Utilities and telephone	28,058
Total operating expenses	<u>580,235</u>
OPERATING INCOME	<u>95,671</u>

NON-OPERATING REVENUE (EXPENSES)

Interest income	896
Federal grant revenue	48,107
Interest expense	(6,434)
Total non-operating revenue (expenses)	<u>42,569</u>

CHANGE IN NET POSITION

NET POSITION - BEGINNING	<u>1,860,096</u>
NET POSITION - ENDING	<u><u>\$1,998,336</u></u>

See accompanying notes and independent auditor's report.

Statement C

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$648,275
Customer deposit receipts	4,665
Payments to suppliers	(364,698)
Payments to employees and commissioners	(179,642)
Net cash provided by operating activities	<u>108,600</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Principal paid on capital debt	(87,000)
Interest paid on capital debt	(7,783)
Federal grant proceeds	48,107
Construction of capital assets	(151,825)
Net cash used by capital and related financing activities	<u>(198,501)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	896
Decrease in restricted cash	39,103
Net cash provided by investing activities	<u>39,999</u>

NET DECREASE IN CASH	(49,902)
CASH AT BEGINNING OF YEAR	138,724
CASH AT END OF YEAR	<u><u>\$88,822</u></u>

**Reconciliation of Operating Income to Net Cash
Provided by Operating Activities**

Operating Income	\$95,671
Adjustments:	
Depreciation	104,812
Bad debt expense	11,677
Increase in accounts receivable	(27,631)
Increase in inventory	(1,330)
Decrease in accounts payable	(79,048)
Decrease in taxes payable	(216)
Increase in customer deposits	4,665
Total adjustments	<u>12,929</u>
Net cash provided by operating activities	<u><u>\$108,600</u></u>

See accompanying notes and independent auditor's report.

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2024

INTRODUCTION

Prairie Road Water District (the "District") was created by the Ouachita Parish Police Jury on May 8, 1972, as authorized by Louisiana Revised Statute 33:3811 for the purpose of supplying safe drinking water to the population of the District. The District is governed by a five member board appointed by the police jury to serve indefinite terms of office. The District's commissioners are paid \$100 for each meeting they attend. The District has four employees and serves approximately 881 customers.

GASB Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14* established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Statements, the District is considered a component unit of Ouachita Parish. 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. Financial Statements

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of :

1. Management's discussion and analysis (MD&A)
2. Statement of net position
3. Statement of revenue, expenses, and changes in net position
4. Statement of cash flows
5. Notes to the financial statements
6. RSI other than MD&A, if applicable

The District is a special-purpose government engaged only in business-type activities.

PRAIRIE ROAD WATER DISTRICT
Notes to the Financial Statements

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

Enterprise fund 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.

Enterprise funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenue of the District consists of water sales, connection and reconnection fees, other fees and revenue, and sewer collection fees. Operating expenses for enterprise funds include the costs of the services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

C. Deposits

Cash includes petty cash and amounts in interest-bearing demand deposits. State law and the District's investment policy 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.

D. Receivables

Accounts receivable consist of amounts due from customers for water service provided prior to year end. Receivables for water sales are shown net of an allowance for uncollectible accounts. The allowance is an estimate based on the amount of receivables that are collected in the month following the month billed. Payment is due on or before the 15th of the month following the month of service. Non-payment within 15 days of the due date will result in service disconnection. Past due amounts are written off and turned over to a collection agency when they are considered uncollectible by management.

E. Inventory

Inventory consists of parts and supplies, valued at cost, using the first-in, first-out-method. Inventory is recorded using the "purchase method" whereby supplies are charged as expenses when acquired. Inventory on hand at the end of the year is reported as an asset.

PRAIRIE ROAD WATER DISTRICT
Notes to the Financial Statements

F. Restricted Assets

Amounts that are required by loan resolutions to be set aside in reserve accounts are classified as restricted assets on the balance sheet because their use is limited. It is the District's policy to first expend restricted assets when an expense is incurred for which both restricted and unrestricted assets are available.

G. Property, Plant, and Equipment

Property, plant, and equipment, which includes land, the water system and improvements, buildings, parking lot, vehicles, and equipment, are reported in the enterprise fund financial statements. All of the District's property, plant, and equipment are capitalized at historical cost. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital contributions of constructed assets are recorded at cost when the project is completed and the asset is put into service by the District.

Capital assets, except land, are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - water system	25 years
Buildings	25 years
Parking lot	20 years
Vehicles and equipment	5 - 15 years

H. Compensated Absences

The District's full-time employees earn from 5 to 15 days of vacation leave per year depending upon length of service. New employees must work one year before they are entitled to vacation time. Vacation must be taken in the calendar year earned. Full-time employees earn 4 days of sick leave per year after 90 days continuous employment. Sick leave may not be accumulated. In addition, full-time employees earn 1 paid birthday per calendar year, after 90 days continuous employment.

PRAIRIE ROAD WATER DISTRICT
Notes to the Financial Statements

I. Long-term Debt

Long-term debt, such as revenue bonds payable, is reported as a liability on the statement of net position.

J. 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 and expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2024, the District has petty cash, cash, and restricted cash in interest bearing checking accounts totaling \$190,985. 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. At December 31, 2024, the District has \$193,312 in deposits (collected bank balances). These deposits are fully secured from risk by \$250,000 in federal deposit insurance.

3. ACCOUNTS RECEIVABLE

At December 31, 2024, the District has receivables, net of allowance for uncollectible accounts, of \$99,133 as follows:

Billed water sales	\$79,340
Unbilled water sales	31,057
Sewer collection fee	413
Less: allowance for uncollectible accounts	<u>(11,677)</u>
Total receivables	<u>\$99,133</u>

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2024, is as follows:

PRAIRIE ROAD WATER DISTRICT
Notes to the Financial Statements

	Balance at January 1, 2024	Increases	Decreases	Balance at December 31, 2024
Capital assets not being depreciated:				
Land	\$25,791			\$25,791
Construction in progress	660,375	\$151,825	(\$812,200)	
	<u>686,166</u>	<u>151,825</u>	<u>(\$812,200)</u>	<u>25,791</u>
Capital assets being depreciated:				
Water system	2,357,389	812,200		3,169,589
Buildings	134,185			134,185
Parking lot	20,650			20,650
Vehicles and equipment	77,279			77,279
Total capital assets being depreciated	<u>2,589,503</u>	<u>812,200</u>	<u>NONE</u>	<u>3,401,703</u>
Less accumulated depreciation for:				
Water system	1,213,670	92,801		1,306,471
Buildings	53,680	2,684		56,364
Parking lot	15,996	1,032		17,028
Vehicles and equipment	56,251	8,295		64,546
Total accumulated depreciation	<u>1,339,597</u>	<u>104,812</u>	<u>NONE</u>	<u>1,444,409</u>
Total assets being depreciated, net	<u>1,249,906</u>	<u>707,388</u>	<u>NONE</u>	<u>1,957,294</u>
Total assets, net	<u>\$1,936,072</u>	<u>\$859,213</u>	<u>(\$812,200)</u>	<u>\$1,983,085</u>

The ground storage tank replacement project was completed in June 2024. Depreciation expense of \$104,812 for the year ended December 31, 2024, was reported on the statement of revenue, expenses, and changes in net position.

5. LONG-TERM DEBT

The following is a summary of revenue bonds payable transactions for the year ended December 31, 2024:

PRAIRIE ROAD WATER DISTRICT
Notes to the Financial Statements

	Direct Borrowings- Revenue Bonds
Balance at January 1, 2024	\$300,000
Additions	NONE
Reductions	(87,000)
Balance at December 31, 2024	<u>\$213,000</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 at December 31, 2024:

Current portion	\$92,000
Long-term portion	<u>121,000</u>
Total	<u>\$213,000</u>

All outstanding debt at December 31, 2024, in the amount of \$213,000, is revenue bonds payable with maturities from 2025 until 2027 and interest rates from 2.90% to 3.35%. The interest payable in the next fiscal year is \$5,005. The Series 2014 Water Revenue Refunding Bonds were purchased by Origin Bank and the Series 2015 Water Revenue Bonds were purchased jointly by Origin Bank and the Louisiana Public Facilities Authority. Both series of revenue bonds are secured by a pledge of the income and revenue of the District after the payment of all reasonable and necessary expenses of operating and maintaining the water system. The owners of the revenue bonds have the right to appoint a third party to take possession of the water system and operate, maintain, manage, and control the water system in the event that the District should default on the payment of interest on or principal of the bonds as they become due, or fail to fund the reserve accounts as established in the bond resolutions. The individual debt is as follows:

	\$383,000 Water Revenue Bonds	\$426,000 Water Revenue Refunding Bonds
Original issue date	04/02/15	01/07/14
Interest rate	2.90%	3.35%
Final payment due	01/01/27	01/01/26
Interest to maturity	\$6,902	\$1,457
Principal outstanding	\$156,000	\$57,000
Funding source	Water revenue	Water revenue

PRAIRIE ROAD WATER DISTRICT
Notes to the Financial Statements

The principal and interest payments are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2025	\$92,000	\$5,005	\$97,005
2026	67,000	2,571	69,571
2027	54,000	783	54,783
Total	<u>\$213,000</u>	<u>\$8,359</u>	<u>\$221,359</u>

6. RESTRICTED CASH

The bond resolutions for the 2014 Water Revenue Refunding Bonds and the 2015 Water Revenue Bonds discussed in Note 5 above, require the District to set aside certain amounts in reserve accounts. At December 31, 2024, the District has a total of \$102,163 set aside for the loan reserve accounts that are reported as restricted cash in the accompanying financial statements.

**7. TRANSFER AND COLLECTION AGREEMENT WITH
GREATER OUACHITA WATER COMPANY**

On November 9, 2011, Greater Ouachita Water Company transferred the water well and water distribution system in Huntington Park and Prairie Ridge Park Subdivisions to the District. As consideration for this transfer, the District agreed to maintain and operate the water systems in these subdivisions and provide water service to all customers located there. The District also entered into a sewer billing and collection agreement with Greater Ouachita Water Company for the sewerage system in these subdivisions. The contract automatically renews from year to year unless cancelled by either party upon giving the other party 120 days notice prior to the end of any one year term. The District is paid 10% of the total amount collected from sewer customers which totaled \$4,978 for 2024.

8. COMMITMENTS UNDER CONTRACTS

In April 2023, the District entered into an agreement with Calgon Carbon Corporation to provide turn-key carbon exchange services to the District at the Miller Road well site. The agreement provides for 24 monthly payments of \$3,513 beginning July 1, 2023. The agreement also contains an early payout option which allows the District to make a lump sum payment of \$40,800 after making the 12th monthly payment. The District elected not to take the early payout option. The amount due under the contract at December 31, 2024, is \$24,591, that is included in accounts payable in the accompanying financial statements.

PRAIRIE ROAD WATER DISTRICT
Notes to the Financial Statements

9. RISK MANAGEMENT

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

10. CONTINGENCIES

On May 2, 2022, the Louisiana Department of Health (LDH) issued an administrative order citing the District with certain violations of state primary drinking water regulations during the period March 14, 2019 through October 31, 2021, and ordered the District to take certain remedial actions to comply with all applicable rules, regulations, and standards, including but not limited to, the regulations contained within the Louisiana State Sanitary Code. State law provides that if the District fails to comply with any provision of the administrative order, LDH may assess a penalty up to a maximum of \$917 per day, for each day the District is not in compliance. Additionally, if LDH finds it necessary to refer the matter for civil action, the court may impose a civil penalty not to exceed \$3,000 per day for each day of violation and for each act of violation. The District responded to LDH with its plans to remedy the violations which includes the ground storage tank replacement project. The ground storage tank replacement project was completed in June 2024. The administrative order has not been officially cleared by LDH as of December 31, 2024. In addition, the District's 2023 water grade from LDH was an "F". LDH cited violations of federal and state water quality standards and unresolved infrastructure deficiencies as the basis for the 2023 water grade. The District anticipates that its LDH 2024 water grade will be much improved due to the completion of the ground storage tank replacement project in June 2024 and the completion of a water rate study and implementation of water rate increases in November 2024 and January 2025.

The District expended a total of \$82,075 in ARPA funding under cooperative endeavor agreements with the State of Louisiana DOA-OCD and with the Ouachita Parish Police Jury. These expenses are subject to audit and adjustment by grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grant funds, refunds of any money received may be required. In the opinion of the District's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grant funds; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

11. SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 27, 2025, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION SCHEDULES

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 2024

**SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
AND BOARD OF COMMISSIONERS**

The schedule of compensation, reimbursements, benefits, and other payments to 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. As provided by Louisiana Revised Statute 33:3819, the commissioners receive \$100 for each board meeting they attend.

PRIOR YEAR AUDIT FINDINGS

2. The follow-up and corrective action taken on all prior year audit findings is presented in Schedule

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD AND BOARD OF COMMISSIONERS
For the Year Ended December 31, 2024

BOARD COMPENSATION

Agency Head - Herbert Munholland (Deceased) - President	\$1,200
George Courteau	1,400
James Johnson	1,200
William Whitfield	1,400
Isaac White	<u>1,254</u>
Total	<u><u>\$6,454</u></u>

Schedule 2

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended December 31, 2024

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Status of Finding</u>
2023-001	2005	Inadequate Segregation of Accounting Duties	Unresolved - see 2024-001 in current year findings.
2023-002	2023	Failure to Obtain State Bond Commission Approval Prior to Incurring Debt	Resolved.

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.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**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
PRAIRIE ROAD WATER DISTRICT
Monroe, 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 Prairie Road Water District (the "District"), a component unit of Ouachita Parish, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Prairie Road Water District's basic financial statements and have issued my report thereon dated March 27, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the 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 opinion 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.

BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
Internal Control Over Financial Reporting
and on Compliance and Other Matters, etc.
December 31, 2024

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. I identified a certain deficiency in internal control, described in the accompanying Schedule of Current Year Findings and Management's Planned Corrective Action as item 2024-001, that I consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in my audit and described in the accompanying Schedule of Current Year Findings and Management's Planned Corrective Action. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

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.



Calhoun, Louisiana
March 27, 2025

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Schedule of Current Year Findings and
Management's Planned Corrective Action
For the Year Ended December 31, 2024

Section I - Summary of Auditor's Reports

Financial Statements

1. Type of auditor's report issued - Unmodified.
2. Internal control over financial reporting:

Material weakness(es) identified? - Yes
3. Noncompliance material to financial statements noted? - No

Section II - Financial Statement Findings

2024-001. Inadequate Segregation of Accounting Duties

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

Condition: The accounting duties of billing, collecting, depositing, and posting customer payments to customers accounts may be performed by any of the office employees of the District. Although it was noted that more than one employee balances the cash receipts at the end of each day, all other duties may be performed by any office employee creating a situation whereby the duties are not adequately segregated.

Cause: Limited number of employees due to the small size of the District.

Effect: Errors or irregularities may not be detected within a timely period.

Recommendation: None.

BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
Schedule of Current Year Findings and
Management's Planned Corrective Action

**Management's Planned
Corrective Action:**

It is not economically feasible to correct this deficiency based on the size of the District and its limited revenues.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

LOUISIANA LEGISLATIVE AUDITOR:

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period January 1, 2024 through December 31, 2024. Prairie Road Water District's (the "District") management is responsible for those C/C areas identified in the SAUPs.

The District 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 C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
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LOUISIANA LEGISLATIVE AUDITOR
Independent Accountants Report on
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December 31, 2024

- iii. ***Disbursements***, including processing, reviewing, and approving.
- iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- vii. ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (determining the reasonableness of fuel card purchases).
- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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PRAIRIE ROAD WATER DISTRICT
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LOUISIANA LEGISLATIVE AUDITOR
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- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results of procedure: The written ethics policy did not include the subcategory for the requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No other exceptions were found as a result of this procedure.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

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- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results of procedure: Monthly profit and loss statements were presented for the Enterprise Fund but quarterly budget-to-actual comparisons were not presented.

No other exceptions were found as a result of this procedure.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
 - iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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PRAIRIE ROAD WATER DISTRICT
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Results of procedure: Two of the five bank reconciliations selected included checks that have been outstanding for more than 12 months and there was no evidence of management researching the items.

No other exceptions were found as a result of this procedure.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees that are responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

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- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Results of procedure:

The two employees who are responsible for cash collections share the same cash drawer.

The employee who is primarily responsible for cash collections also prepares the bank deposit; however, another employee is responsible for reconciling the collection documentation to the deposit.

The employee who is primarily responsible for cash collections can post collections to the subsidiary ledgers; however, another employee is responsible for reconciling subsidiary ledgers to the deposits and posting to the general ledger.

The employee responsible for reconciling cash collections to the general ledger and subsidiary ledgers may also collect cash without another employee verifying the reconciliation.

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No other exceptions were found as a result of this procedure.

5. Non-Payroll Disbursements (excluding credit card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payments or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

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- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was a) approved by only those persons authorized to disburse funds (e.g. sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Results of procedure: The involvement of at least two employees is not a requirement for making a purchase.

The employee responsible for processing payments is also responsible for adding/modifying vendor files.

The employee responsible for processing payments is also responsible for mailing the checks to vendors.

No other exceptions were found as a result of this procedure.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards) - (No Testing Required)

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions) - (No Testing Required)

8) Contracts - (No Testing Required)

9. Payroll and Personnel - (No Testing Required)

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10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A above, obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results of procedure: One of the selected employees did not complete the required ethics training during 2024.

No other exceptions were found as a result of this procedure.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by the debt covenants (including contingency funds, short-lived asset funds, or other funds required by debt covenants).

Results of procedure: Annual transfers into the Sinking Fund were \$10,054 less than required by the bond resolution.

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No other exceptions were found as a result of this procedure.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation (s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1. concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results of procedure: No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity - (No Testing Required)

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;

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- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Results of procedure: No exceptions were found as a result of this procedure.

Management's Response We will consider the results of the statewide agreed-upon procedures report and take action as deemed necessary and feasible.

I was engaged by the District to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was 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 those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Calhoun, Louisiana
March 27, 2025