



PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2025



**PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION FUND**

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INDEPENDENT AUDITORS' REPORT

Officers and Trustees
Parish Government Risk Management Agency
Workers' Compensation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Parish Government Risk Management Agency – Workers' Compensation Fund (the Fund), which comprise the statements of net position as of December 31, 2025 and 2024, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2025 and 2024, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- 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 Fund'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are 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 we 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 6 and the schedule of ten-year claims development on page 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplemental schedule of compensation, benefits, and other payments to chief executive officer on page 25 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2026 on our consideration of the Fund's internal control over financial reporting and on our tests of its 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 our 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 Fund'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 Fund's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 23, 2026



PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the Parish Government Risk Management Agency – Workers' Compensation Fund's (the Fund) financial performance presents a narrative overview and analysis of the Fund's financial activities. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. We encourage readers to consider the information presented here in conjunction with the Fund's financial statements, which follow this section.

Financial Highlights

- The assets of the Fund exceeded its liabilities at December 31, 2025 by \$4,688,677 compared to \$3,980,584 as of December 31, 2024, which is a 17.8% increase from the previous year. The assets of the Fund exceeded its liabilities at December 31, 2024 by \$3,980,584 compared to \$3,664,291 as of December 31, 2023, which is an 8.6% increase from the previous year.
- The Fund's total assets decreased by approximately \$172,000 or 2.0% from December 31, 2024 to December 31, 2025. Total assets as of December 31, 2024 decreased approximately \$504,000 or 5.7% from December 31, 2023.
- Total liabilities decreased approximately \$880,000 or 19.8% from December 31, 2024 to December 31, 2025. Total liabilities as of December 31, 2024 decreased approximately \$821,000 or 15.6% from December 31, 2023.
- The Fund reported earned premiums of \$1,844,166, \$1,734,570 and \$1,852,342 during the years ended December 31, 2025, 2024 and 2023, respectively.

Overview of the Financial Statements

This financial report consists of Management's Discussion and Analysis and the basic financial statements. The basic financial statements also include notes to the financial statements, which explain some of the information in the financial statements in more detail.

The basic financial statements of the Fund report information about the Fund using accounting methods similar to those used by the private sector. The Statements of Net Position include all of the Fund's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to the Fund's members and creditors (liabilities). The Statements of Net Position also provide the basis for computing the rate of return, evaluating the capital structure of the Fund and assessing the liquidity and financial flexibility of the Fund. All of the years' revenues and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Net Position. These statements measure the success of the Fund's operations over the years and can be used to determine whether the Fund has successfully recovered all its costs through its premiums and investment income, profitability and credit worthiness. The final required financial statements are the Statements of Cash Flows. The primary purpose of these statements is to provide information about the Fund's cash receipts and cash payments throughout the year. These statements report cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities.

The preparation of these financial statements requires the utilization of significant estimates, many of which will not be known for many years. Changes in estimates as well as the differences in actual results and estimated amounts will be included in the Statements of Revenues, Expenses and Changes in Net Position as these circumstances become known.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Fund

The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position report information in a way that the reader can determine if the Fund is in a better financial position as a result of the year's activities. These statements report the net position of the Fund and changes in them. Net position (difference between assets, deferred outflows, deferred inflows and liabilities) can be used to measure financial health or financial position. Over time, increases and decreases in the Fund's net position are one indicator as to whether its financial health is improving or deteriorating. There are other non-financial factors to consider, such as changes in economic conditions, healthcare costs, judicial environment, and new or changed government legislation.

Condensed Statements of Net Position at December 31:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total assets	\$ 8,243,942	\$ 8,415,568	\$ 8,919,781
Total liabilities	<u>3,555,265</u>	<u>4,434,984</u>	<u>5,255,490</u>
Net position	<u>\$ 4,688,677</u>	<u>\$ 3,980,584</u>	<u>\$ 3,664,291</u>

All of the Fund's assets can be used for any lawful purpose consistent with the policies and guidelines established by the Board of the Fund. Assets consisted primarily of U.S. Government investments and securities, premiums and excess receivables. Total liabilities decreased approximately 19.8% from December 31, 2024, due to decreases in estimates inherent in liabilities for losses and loss adjustment expenses and decreases in due to affiliates. Net position increased approximately 17.8% from the prior year resulting from current period operating income. At the end of the current fiscal year, the Fund's net position totaled \$4,688,677 or approximately 283.2% of the current year expenses which was a \$708,093 increase from December 31, 2024. The Fund's net position increased \$316,293 from December 31, 2023 to December 31, 2024. At the end of December 31, 2024 the Fund's net position totaled \$3,980,584 or 240.9% of the 2024 expenses.

**Condensed Statements of Revenues, Expenses and Changes in Net Position
for the Years Ended December 31:**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenues	\$ 1,844,166	\$ 1,734,570	\$ 1,852,342
Operating expenses	<u>(1,655,765)</u>	<u>(1,652,719)</u>	<u>(2,348,799)</u>
Operating (loss) income	188,401	81,851	(496,457)
Non-operating income	<u>519,692</u>	<u>234,442</u>	<u>363,976</u>
Change in net position	<u>\$ 708,093</u>	<u>\$ 316,293</u>	<u>\$ (132,481)</u>

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Fund (continued)

During the year ended December 31, 2025, the Fund reported premium revenues of \$1,844,166 which increased \$109,596, or 6.3%, from December 31, 2024. The increase is a result of changes in covered payroll. During the year ended December 31, 2024, the Fund reported premium revenues of \$1,734,570 which decreased \$117,772 or 6.4% from 2023. This decrease is a result of the loss of one larger member offset by the addition of a smaller member as well as changes in covered payroll.

Investment income increased from December 31, 2024 to \$519,692 at December 31, 2025 as a result of more favorable changes in the estimated fair value in 2025 of the investment portfolio which is consistent with the overall market for similar investments. The investment income during the year ended December 31, 2024 of \$234,442 was a decrease from December 31, 2023 which had income of \$363,976. During 2025, the Fund reported total expenses of \$1,655,765, which consisted primarily of claims, administrative and service agent fees, and excess insurance premiums. Total expenses increased approximately \$3,000 or 0.2% from December 31, 2024 to December 31, 2025 primarily as a result of slight increases in losses and loss adjustment expenses and administrative fees, offset by slight decreases in service agent fees and excess insurance premiums. The slight increase in losses and loss adjustment expenses is due to decreases in excess insurance and recoveries offsetting claims expense in the current year. Total expenses from December 31, 2023 to December 31, 2024 decreased approximately \$696,000 or 29.6% as a result of decreases in losses and loss adjustment expenses and related insurance assessments and favorable development.

Financial Outlook

The Fund anticipates consistency in membership during the next fiscal year. Management emphasizes that the Fund's expenses are greatly impacted by claims losses and claims related expenses which are influenced by factors beyond management's control, including the rate of medical inflation, judicial rulings, and legislative changes.

Requests for Information

This financial report is designed to provide our members, investors, and creditors with a general overview of the Fund's finances, as well as demonstrate accountability for funds the Fund receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Parish Government Risk Management Agency – Workers' Compensation Fund, 707 North Seventh Street, Baton Rouge, Louisiana 70802 or 225-343-2835.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION FUND

STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Assets:		
Cash and cash equivalents	\$ 221,533	\$ 513,792
Investments	7,737,001	7,628,078
Premiums receivable, net	117,480	182,206
Excess insurance recoverable and other receivables on paid losses	32,135	40,509
Prepaid reinsurance premium	77,151	-
Accrued interest receivable	<u>58,642</u>	<u>50,983</u>
Total assets	<u>\$ 8,243,942</u>	<u>\$ 8,415,568</u>

LIABILITIES AND NET POSITION

Liabilities:		
Liability for losses and loss adjustment expenses	\$ 2,406,743	\$ 2,991,530
Insurance-related assessments payable	343,116	511,802
Due to affiliates	91,301	345,158
Unearned and retrospective premiums due	483,387	411,484
Accrued liabilities	<u>230,718</u>	<u>175,010</u>
Total liabilities	3,555,265	4,434,984
Net position, unrestricted	<u>4,688,677</u>	<u>3,980,584</u>
Total liabilities and net position	<u>\$ 8,243,942</u>	<u>\$ 8,415,568</u>

The accompanying notes are an integral part of these financial statements.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION FUND

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>OPERATING REVENUES</u>		
Premiums earned	\$ 1,844,166	\$ 1,734,570
Total operating revenues	<u>1,844,166</u>	<u>1,734,570</u>
<u>OPERATING EXPENSES</u>		
Losses and loss adjustment expenses	763,693	723,768
Service agent fees	284,712	320,208
Administrative expenses	277,368	254,848
Excess insurance premiums	268,274	300,652
Insurance-related assessments	61,718	53,243
Total operating expenses	<u>1,655,765</u>	<u>1,652,719</u>
<u>OPERATING INCOME</u>	188,401	81,851
<u>NON-OPERATING INCOME</u>		
Net investment income	519,692	234,442
	<u>519,692</u>	<u>234,442</u>
<u>CHANGE IN NET POSITION</u>	708,093	316,293
<u>NET POSITION - BEGINNING OF YEAR</u>	<u>3,980,584</u>	<u>3,664,291</u>
<u>NET POSITION - END OF YEAR</u>	<u>\$ 4,688,677</u>	<u>\$ 3,980,584</u>

The accompanying notes are an integral part of these financial statements.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION FUND

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Cash received from:		
Premium revenue collected	\$ 2,021,969	\$ 1,665,559
Excess insurance recoverable	89,294	111,028
Second Injury Fund and subrogation	106,320	341,758
Cash paid to:		
Suppliers of services	(126,073)	(67,043)
Claims and claims expenses	(1,622,393)	(1,893,004)
Service agents and management fees	(512,277)	(474,159)
Insurance-related assessments	(130,078)	(100,325)
Excess insurance premiums	(268,274)	(300,652)
Net cash used in operating activities	<u>(441,512)</u>	<u>(716,838)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Net investment income received	196,429	160,502
Purchases of investments	(2,190,531)	(1,438,304)
Proceeds from sales and maturities of investments	2,397,212	2,341,681
Net cash provided by investing activities	<u>403,110</u>	<u>1,063,879</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Advances from affiliates, net	(253,857)	(123,804)
Net cash used in financing activities	<u>(253,857)</u>	<u>(123,804)</u>
Net change in cash and cash equivalents	(292,259)	223,237
Cash and cash equivalents at beginning of year	513,792	290,555
Cash and cash equivalents at end of year	<u>\$ 221,533</u>	<u>\$ 513,792</u>
<u>Reconciliation of change in net position to net cash used in operating activities:</u>		
Operating income	188,401	81,851
Adjustments to reconcile operating income to net cash (used) provided by operating activities		
Premiums receivable	64,726	(78,184)
Excess insurance and other receivables on paid losses	22,026	(21,150)
Prepaid reinsurance premium	(77,151)	-
Liability for losses and loss adjustment expenses	(584,787)	(792,972)
Unearned premiums and retrospective premiums due	113,077	41,903
Assessments payable	(168,686)	53,243
Accrued liabilities	882	(1,529)
Net cash used in operating activities	<u>\$ (441,512)</u>	<u>\$ (716,838)</u>
<u>Noncash investing activities</u>		
Net change in fair value of investments	<u>\$ 314,894</u>	<u>\$ 74,767</u>

The accompanying notes are an integral part of these financial statements.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

(a) *Background and Financial Statement Presentation*

The Parish Government Risk Management Agency (PGRMA) Workers' Compensation Fund's (the Fund) was formed under Act No. 462 of 1979 with the general objectives are to formulate, develop, and administer, on behalf of the member local governmental subdivisions, a program of inter-local risk management, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Under Louisiana Revised Statutes 33:1341-1350 local governmental subdivisions joining the Fund must be members of the Policy Jury Association of Louisiana, Inc. (PJA); a member may withdraw from the Fund by giving proper notice. Fund underwriting and rate-setting policies have been established by the Board of the Fund, after consultation with the Fund's actuarial consultant. If the assets of the Fund were to be exhausted, members would only be responsible for their respective outstanding claims.

Administration of the Fund is vested in the Executive Board of PJA. PJA is a statewide organization composed of the police juries/parish governing authorities of Louisiana and is incorporated as a non-profit corporation under the laws of the State of Louisiana.

The Fund has contracted with a service company to administer the Fund's day-to-day affairs, subject to the superior authority of the Executive Board. The service company performs marketing, complete claims administration and reporting, including the processing and defense of claims brought against Fund members, and services in the areas of underwriting, risk management, loss control and data information services.

The various PGRMA Funds (group health and workers' compensation) are all affiliated through common membership and management control. Although all of these entities are related parties, their respective net assets are available only to the individual entity for its operations. For this reason each entity is presented as a separate "stand alone" entity in accordance with Governmental Accounting Standards Board (GASB) Statement No. 10 and Statement No. 14.

(b) *Basis of Accounting*

The financial statements of the Fund have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent they have been made authoritative under Governmental Accounting Standards Statement (GASB) NO. 62, *Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA pronouncements*.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Basis of Accounting* (continued)

The Fund is a proprietary fund type and is presented as a business type activity. Proprietary fund types are used to account for governmental activities that are similar to those found in the private sector where the determination of operating income and changes in net position are necessary or useful for sound financial administration. GAAP used for proprietary funds are generally those applicable to similar businesses in the private sector (accrual basis of accounting). Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

Since the business of the Fund is essentially that of an insurance company having a business cycle greater than one year, the statement of net position is not presented in a classified format.

(c) *Operating / Non-operating Revenues and Expenses*

Operating revenues consist of member premiums as these revenues are generated from the Fund's operations and are needed to carry out its statutory purpose. All expenses incurred for that purpose are classified as operating expenses. Investment income and other revenues and expenses which are ancillary to the Fund's statutory purpose are classified as non-operating.

(d) *Investments*

Investments are reported at estimated fair value. Estimated fair value is based on the last reported sales price if available; if not available, fair value is based on estimated fair value. Realized and unrealized gains and losses on investments recorded at estimated fair value are included in net investment income. Investments include money market accounts, repurchase agreements and U.S. Government Agency and Treasury obligations.

(e) *Premium Income and Premiums Receivable*

Premiums are recognized as income over the term of the policies as they become earned. Any adjustments to annual premiums are considered to be a change in estimate and are recognized in the year they become known. The Fund also enters into retrospectively rated policies with certain insureds whereby the ultimate premium for each period is determined based on the insureds loss experience. Retrospective premiums are adjusted over a three year period subsequent to the coverage period and accounted for as adjustments to premiums.

The Fund considers premiums receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to operations when that determination is made. Collections on accounts previously written off are included in other income as received.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Liability for Losses and Loss Adjustment Expenses*

The Fund provides workers' compensation coverage to members for claims incurred during the policy period regardless of when the claims are reported to the Fund. The Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the liability coverage involved. Estimated amounts of excess insurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim's costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors.

A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and on other factors that are considered to be appropriate modifiers of past experience.

Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The carrying amount of liabilities for claims losses and claims expenses is presented at present value in the financial statements. The costs associated with new and renewed contracts and acquisition costs are immaterial to the financial statements and are expensed when incurred.

(g) *Cash and Cash Equivalents*

Cash and cash equivalents included in the Statements of Net Position and Cash Flows consists of checking and other depository instruments with original maturities of three months or less.

(h) *Excess Insurance and Other Reimbursements*

The Fund uses excess insurance agreements to reduce its exposure to large losses on insured events. Excess insurance permits recovery of a portion of losses from excess reinsurers, although it does not discharge the primary liability of the Fund as the direct insurer of the risks reinsured. The Fund does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by excess insurers. Additionally, the Fund is reimbursed by the Second Injury Fund of the State of Louisiana (SIF) for certain claims. Such reimbursable claims arise when a covered participant has returned to the workforce after experiencing a covered disability and is disabled for a second time with a similar injury. The Fund also does not report liabilities for claims expected to be reimbursed by SIF.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) *Income Taxes*

The Fund is exempt from federal income taxes under Sections 7701 and 115(1) of the Internal Revenue Code.

(j) *Insurance Related Assessments*

The Fund is subject to assessments made by the Second Injury Fund and the Office of Workers' Compensation based on benefits paid each year. The Fund recognizes these assessments as expenses when related claim benefits are incurred rather than paid. Changes in accruals for insurance are adjusted in the year assessment changes are available.

(k) *Use of Estimates*

Management of the Fund has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates and assumptions. For example, significant estimates and assumptions are used in estimating its insurance liabilities, fair values of investments and accruals. If future experience differs materially for these estimates and assumptions, the financial statements could be affected.

2. RELATED PARTY TRANSACTIONS

In addition to the Fund, PGRMA has established a Group Health and Life Fund to provide healthcare and life insurance benefits. Both self-insurance programs are under common administration, utilize the same service company, and are comprised of Louisiana local governmental subdivisions. Transactions that occur between these programs are accounted for in the due to/from affiliate accounts.

During 2025 and 2024, the Fund incurred management fee expense to PJA in the amount of \$150,414 and \$153,951, respectively.

Amounts due to/from affiliates at December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Due to Police Jury Association	\$ -	\$ (153,951)
Due to Group Health Fund	(91,301)	(191,207)
	<u>\$ (91,301)</u>	<u>\$ (345,158)</u>

The amounts due to/from affiliates are unsecured, non-interest bearing and have no specified repayment terms.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION

NOTES TO FINANCIAL STATEMENTS

3. LIABILITY FOR LOSSES AND LOSS ADJUSTMENT EXPENSES

The following represents activity in the Fund's liability for losses and loss adjustment expense for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Liability for unpaid losses at beginning of year (gross)	\$ 3,152,741	\$ 3,991,200
Less: excess insurance recoverable	<u>161,211</u>	<u>206,698</u>
Liability for unpaid losses at beginning of year (net)	<u>2,991,530</u>	<u>3,784,502</u>
Net incurred related to:		
Current year	1,289,065	1,394,110
Prior years	<u>(525,372)</u>	<u>(670,342)</u>
Total incurred	<u>763,693</u>	<u>723,768</u>
Net paid related to:		
Current year	295,842	281,704
Prior years	<u>1,052,638</u>	<u>1,235,036</u>
Total paid	<u>1,348,480</u>	<u>1,516,740</u>
Liability for unpaid losses at end of year (gross)	2,525,733	3,152,741
Less: excess insurance recoverable	<u>118,990</u>	<u>161,211</u>
Liability for unpaid losses at end of year (net)	<u>\$ 2,406,743</u>	<u>\$ 2,991,530</u>

In addition to the unpaid claims covered by the excess insurers, there are \$32,135 and \$40,509, respectively, of paid claims which are considered receivable from excess carriers at December 31, 2025 and 2024, respectively.

During 2025 and 2024, the Fund experienced favorable development on unpaid claims liabilities established in prior years. In establishing claims liability reserves, management considers facts currently known, historical claims information, industry average loss data, and the present state of laws and coverage. However, the process of establishing loss reserves is a complex and imprecise science that reflects significant judgmental factors. Management believes that the aggregate loss reserves at December 31, 2025 are adequate to cover claims for losses that have occurred. Management can give no assurance that the ultimate claims incurred through December 31, 2025 will not vary from the above estimates, and such differences could be significant.

The Fund's claims liabilities have been discounted at December 31, 2025 and 2024 based on the Fund's anticipated payout patterns and a discount rate assumption of 3.57% and 3.18%, respectively, which management expects to approximate the investment earnings over the payout period. The effect of discounting was approximately \$265,000 and \$323,000 at December 31, 2025 and 2024, respectively.

The Fund has approximately \$119,000 and \$161,000 in specific excess recoverables at December 31, 2025 and 2024, respectively, due to projected claims in excess of the specific retentions.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION

NOTES TO FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS

The Fund must comply with Rule Number 4 of the Commissioner of Insurance, State of Louisiana. According to Rule Number 4, all deposits in financial institutions made by this Fund shall be limited to institutions in Louisiana unless a higher rate can be obtained in an out-of-state institution. Deposits in financial institutions may exceed the federally insured amount in any one financial institution, as long as the amount is not in excess of the greater of \$500,000 or 5% of the combination of surplus, undivided profits and reserves as currently reported by the financial institution. In regard to deposits and investments, the Fund was in compliance with these revised provisions during the years ended December 31, 2025 and 2024.

Under Rule Number 4 of the Commissioner of Insurance, State of Louisiana, the Fund may invest any surplus monies in obligations of the U.S. Government and its agencies, as well as financial institutions. Included in investments are money market accounts and repurchase agreements.

Statement Number 40 of the Governmental Accounting Standards Board (GASB Statement No. 40), *Deposits and Investment Risk Disclosures* established and modified disclosure requirements related to investment risk. This section describes the various types of investment risk and the Funds exposure to each type.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION

NOTES TO FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS (continued)

The following table presents the estimated fair value and amortized cost of investments permissible under the rules, objectives and guidelines of the Fund as of December 31, 2025:

	<u>Amortized Cost/Cost</u>	<u>Estimated Fair Value</u>	<u>Percentage of Investments</u>	<u>Standard & Poors Rating</u>	<u>Average Maturity (Years)</u>
Investment at fair value:					
Federal Home Loan Bank	\$ 922,834	\$ 874,631	11.30%	AA+	3.25
Federal Home Loan Mortgage Corporation (FHLMC)	662,931	656,032	8.48%	(1)	8.44
Federal National Mortgage Association (FNMA)	1,927,596	1,855,016	23.98%	(2)	4.33
Other U.S. government debt obligations	<u>4,382,262</u>	<u>4,350,611</u>	<u>56.23%</u>	(3)	4.15
Investments at fair value	7,895,623	7,736,290	99.99%		
Investment measured at net asset value:					
External investment pool	<u>711</u>	<u>711</u>	<u>.01%</u>		
Total Investments	<u>\$ 7,896,334</u>	<u>\$ 7,737,001</u>	<u>100.00%</u>		

- (1) Comprised of investments which did not require credit quality ratings
- (2) Comprised of \$924,600 of investments rated AA+ and \$930,416 of investments which did not require credit quality ratings
- (3) Comprised of \$1,329,226 of investments rated AA+ and \$3,021,385 of investments which did not require credit quality ratings

At December 31, 2025, the Fund has cash equivalents totaling \$126,510 which are held in an investment brokerage account. This balance represents an investment in money market funds that because of their relative liquidity are reported as cash equivalents in the Statements of Net Position.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION

NOTES TO FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS (continued)

The following table presents the estimated fair value and amortized cost of investments permissible under the rules, objectives and guidelines of the Fund as of December 31, 2024:

	<u>Amortized Cost/Cost</u>	<u>Estimated Fair Value</u>	<u>Percentage of Investments</u>	<u>Standard & Poors Rating</u>	<u>Average Maturity (Years)</u>
Federal Home Loan Bank	\$ 3,114,565	\$ 2,911,215	38.2%	AA+	4.40
Federal Home Loan Mortgage Corporation (FHLMC)	975,496	946,792	12.4%	(4)	9.98
Federal National Mortgage Association (FNMA)	2,789,308	2,588,131	33.9%	(5)	5.67
Other U.S. government debt obligations	<u>1,222,937</u>	<u>1,181,940</u>	<u>15.5%</u>	(4)	4.16
Total	<u>\$ 8,102,306</u>	<u>\$ 7,628,078</u>	<u>100.0%</u>		

(4) Comprised of investments which did not require credit quality ratings

(5) Comprised of \$1,496,766 of investments rated AA+ and \$1,091,365 of investments which did not require credit quality ratings

At December 31, 2024, the Fund has cash equivalents totaling \$123,400 which are held in an investment brokerage account. This balance represents an investment in money market funds that because of their relative liquidity are reported as cash equivalents in the Statements of Net Position.

At December 31, 2025, the Fund has investments totaling \$711, that is invested in Louisiana Asset Management Pool (LAMP), an external investment pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. This investment pool is classified as an external investment pool at net asset value in the fair value hierarchy table above. LAMP, Inc. is subject to the regulatory oversight of the state.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION

NOTES TO FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk

Custodial credit risk for cash and cash equivalents is the risk that in the event of financial institution failure, the Fund's deposits may not be returned to them. The Fund has no custodial credit risk with respect to demand deposit accounts at December 31, 2025 and 2024. The Fund's investments in money market funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments that is in the possession of an outside party. At December 31, 2025 and 2024, the Fund's investments in government debt obligations are uninsured on the performance of the custodian and are exposed to custodial credit risk because they are held by a counterparty.

LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will be unable to meet its obligations. The Fund minimizes this risk by adhering to an investment strategy designed to achieve a conservative risk/return characteristic.

Concentration of Credit Risk

Concentration of credit risk relates to the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. At December 31, 2025 and 2024, there were no investments in any one issuer that represented 5% or more of total investments, which do not consider diversified mutual funds as a single issuer.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the estimated fair value of an investment. The Fund measures and monitors the weighted-average maturity of the fixed income securities portfolio to manage exposure to interest rate risk. This includes the weighted-average maturities of the total fixed income portfolio, individual securities, as well as categories of securities held by the Fund. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 31 days at December 31, 2025.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION

NOTES TO FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS (continued)

The amortized cost and estimated fair value of investment securities as of December 31, 2025, by contractual maturity, are shown below. In some instances, actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	<u>Amortized Cost</u>	<u>Fair Value</u>
Due in one year or less	\$ -	\$ -
Due after one year through five years	2,211,788	2,196,469
Due after five years through ten years	2,678,513	2,622,409
Due after ten years	414,795	406,365
	<u>5,305,096</u>	<u>5,225,243</u>
Mortgage-backed securities	2,591,238	2,511,758
	<u>\$ 7,896,334</u>	<u>\$ 7,737,001</u>

Net investment income for the years ended December 31, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Interest income	\$ 240,803	\$ 225,337
Net realized losses	(36,005)	(65,662)
Unrealized gains		
arising during the year – net	314,894	74,767
	<u>\$ 519,692</u>	<u>\$ 234,442</u>

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION

NOTES TO FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS (continued)

Fair Value

The Fund uses fair value measurements to record investment assets and to determine fair value disclosures based on a fair value hierarchy of valuation inputs established by generally accepted accounting principles. The three levels of the fair value hierarchy are described below:

Level 1 – unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – quoted prices for similar assets or liabilities in active markets or identical or similar assets or liabilities in inactive markets that are observable for the asset or liability.

Level 3 – inputs are unobservable and significant to the fair value measurement.

The fair value of investment securities was determined as follows at December 31, 2025 and 2024:

December 31, 2025:	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Values</u>
U.S. Government direct securities	\$ 6,137,945	\$ -	\$ 6,137,945
U.S. Government guaranteed securities	-	1,598,345	1,598,345
	<u>\$ 6,137,945</u>	<u>\$ 1,598,345</u>	<u>\$ 7,736,290</u>
External investment pool, at net asset value			711
			<u>\$ 7,737,001</u>
 December 31, 2024:	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Fair Values</u>
U.S. Government direct securities	\$ 5,574,041	\$ -	\$ 5,574,041
U.S. Government guaranteed securities	-	2,054,037	2,054,037
	<u>\$ 5,574,041</u>	<u>\$ 2,054,037</u>	<u>\$ 7,628,078</u>

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION

NOTES TO FINANCIAL STATEMENTS

5. EXCESS INSURANCE POLICY COVERAGE

The Fund purchases aggregate excess and specific excess coverage for protection against losses in excess of the applicable retentions. Aggregate excess coverage takes effect when total net losses exceed the attachment point for each policy period. The aggregate excess coverage for the open claims years are as shown below:

<u>Fund Year</u>	<u>Attachment Point</u>	<u>Coverage</u>
2002	\$ 4,461,748	\$ 4,000,000
2003	5,043,852	4,000,000
2004	6,625,895	4,000,000
2005	6,121,866	4,000,000
2006	6,441,101	4,000,000
2007	6,754,715	4,000,000
2008	5,651,314	4,000,000
2009	5,327,006	4,000,000
2010	4,693,266	4,000,000
2011	4,766,430	4,000,000
2012	5,364,080	4,000,000
2013	6,074,440	4,000,000
2014	6,945,161	4,000,000
2015	6,687,186	4,000,000
2016	6,960,190	4,000,000
2017	6,273,938	4,000,000
2018	6,556,367	4,000,000
2019	6,409,321	4,000,000
2020	5,946,545	4,000,000
2021	6,615,591	4,000,000
2022	6,755,840	4,000,000
2023	6,220,100	4,000,000
2024	5,410,100	4,000,000
2025	5,012,191	4,000,000

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION

NOTES TO FINANCIAL STATEMENTS

5. EXCESS INSURANCE POLICY COVERAGE (continued)

Specific excess coverage takes effect when losses from an individual claim exceed the attachment point (which is in excess of the maintenance deductible) for each policy period. The specific excess coverage for the open claim years are shown below.

<u>Fund Year</u>	<u>Attachment Point</u>	<u>Coverage</u>
2002	\$ 250,000	Statutory
2003	275,000	Statutory
2004	300,000	Statutory
2005	350,000	Statutory
2006	375,000	Statutory
2007	400,000	Statutory
2008	400,000	Statutory
2009	500,000	Statutory
2010	500,000	Statutory
2011	500,000	Statutory
2012	500,000	Statutory
2013	750,000	Statutory
2014	750,000	Statutory
2015	800,000	Statutory
2016	800,000	Statutory
2017	800,000	Statutory
2018	800,000	Statutory
2019	800,000	Statutory
2020	800,000	Statutory
2021	800,000	Statutory
2022	900,000	Statutory
2023	900,000	Statutory
2024	900,000	Statutory
2025	900,000	Statutory

Excess insurance contracts do not relieve the Fund from its obligations to members. Failure of excess carriers to honor their obligations could result in losses to the Fund. The Fund evaluates the financial condition of its excess carriers and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the excess carrier to minimize its exposure to significant losses from excess carrier insolvencies.

6. CONCENTRATION

The insured members who participate in the Fund are all public entities in the State of Louisiana. The Fund does not insure any other members outside of Louisiana. The Fund also obtains excess insurance coverage from a limited number of excess insurers.

During the year ended December 31, 2025, the Fund made claim payments to three providers that individually exceeded 10% of total claims paid and collectively accounted for approximately 37% of total claims paid. No individual provider exceeded 10% of total claims paid in the prior year.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION

NOTES TO FINANCIAL STATEMENTS

6. CONCENTRATION (continued)

During the years ended December 31, 2025 and 2024, the Fund had two member groups that represented more than 10% of total premiums received on an individual basis. These member groups represented approximately 38% and 36% of total premiums for the years ended December 31, 2025 and 2024, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION FUND

SCHEDULE OF TEN-YEAR CLAIMS DEVELOPMENT INFORMATION

DECEMBER 31, 2025

(Unaudited)

The table below illustrates the Fund's earned normal premium and investment income compared to related costs and undiscounted claims expense net of loss assumed by reinsurers incurred by the Fund as of the end of 2025 and as of the end of each of the last nine years.

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	(in thousands)									
ENP and investment income	\$ 2,364	\$ 1,969	\$ 2,216	\$ 1,729	\$ 2,366	\$ 3,982	\$ 4,149	\$ 4,326	\$ 4,450	\$ 4,520
Operating costs, unallocated	892	929	1,014	1,164	1,303	2,187	2,068	2,426	2,432	2,270
Estimated incurred claims and expense, end of policy year	1,350	1,450	1,450	1,350	1,250	1,750	2,500	2,200	2,650	2,300
Paid (cumulative) as of:										
End of policy year	296	282	324	325	238	337	519	660	479	413
One year later	-	481	710	809	638	570	1,467	807	1,109	990
Two years later	-	-	1,187	1,196	857	694	1,848	948	1,460	1,210
Three years later	-	-	-	1,223	864	709	2,040	1,009	1,554	1,568
Four years later	-	-	-	-	833	715	2,399	1,076	1,604	1,924
Five years later	-	-	-	-	-	716	2,764	1,075	1,647	1,680
Six years later	-	-	-	-	-	-	2,827	1,303	1,682	1,569
Seven years later	-	-	-	-	-	-	-	1,314	1,714	1,481
Eight years later	-	-	-	-	-	-	-	-	1,935	1,421
Nine years later	-	-	-	-	-	-	-	-	-	1,396
Re-estimated incurred claims and claims expense:										
End of policy year	1,350	1,450	1,450	1,350	1,250	1,750	2,500	2,200	2,650	2,300
One year later	-	1,200	1,550	1,400	1,200	1,300	2,900	1,500	2,170	1,900
Two years later	-	-	1,570	1,600	1,100	1,000	3,100	1,500	2,200	1,980
Three years later	-	-	-	1,535	960	900	2,900	1,300	1,900	2,100
Four years later	-	-	-	-	900	850	3,200	1,300	1,900	1,950
Five years later	-	-	-	-	-	716	3,000	1,300	1,950	1,750
Six years later	-	-	-	-	-	-	2,980	1,000	2,000	1,725
Seven years later	-	-	-	-	-	-	-	1,000	2,000	1,575
Eight years later	-	-	-	-	-	-	-	-	1,935	1,475
Nine years later	-	-	-	-	-	-	-	-	-	1,425
Increase (decrease) in estimated incurred claims and expense from end of policy year	\$ -	\$ (250)	\$ 120	\$ 185	\$ (350)	\$ (1,034)	\$ 480	\$ (1,200)	\$ (715)	\$ (875)

SUPPLEMENTARY INFORMATION

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
WORKERS' COMPENSATION FUND
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Guy Cormier

Purpose	Amount
Salary, including incentive and bonus	\$ -
Benefits-insurance	-
Benefits-retirement	-
Deferred compensation	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
on behalf of the agency head)	-

**No compensation of the Chief Executive Officer is included in the above schedule of compensation, benefits and other payments as no such amounts were paid from "public funds" as required to be reported pursuant to R.S. 24:513(A)(3), as amended by Act 462 in 2015, and applicable guidance published by the Louisiana Legislative Auditor.

INDEPENDENT AUDITORS' 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

Officers and Trustees
Parish Government Risk Management Agency
Workers' Compensation Fund

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Parish Government Risk Management Agency – Workers' Compensation Fund (the Fund), which comprise the statements of net position as of December 31 2025, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund'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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund'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 organization'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.

Our 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its 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 our audit, and accordingly, we do not express such an opinion. The results of our 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund'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 Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



EISNERAMPER LLP
Baton Rouge, Louisiana
June 23, 2026

EISNERAMPER
LLP





PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2025 and 2024



PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

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INDEPENDENT AUDITORS' REPORT

Officers and Trustees
Parish Government Risk Management Agency
Group Health and Life Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Parish Government Risk Management Agency – Group Health and Life Fund (the Fund), which comprise the statements of net position as of December 31, 2025 and 2024, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2025 and 2024, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- 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 Fund'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are 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 we 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 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplemental schedule of compensation, benefits, and other payments to chief executive officer on page 21 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2026 on our consideration of the Fund's internal control over financial reporting and on our tests of its 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 our 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 Fund'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 Fund's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 23, 2026



PARISH GOVERNMENT RISK MANAGEMENT AGENCY – GROUP HEALTH AND LIFE FUND MANAGEMENT’S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the Parish Government Risk Management Agency – Group Health and Life Fund (the Fund) presents a narrative overview and analysis of the Fund's financial activities. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. We encourage readers to consider the information presented here in conjunction with the Fund's financial statements, which follow this section.

Financial Highlights

- The assets of the Fund exceeded its liabilities at December 31, 2025, 2024 and 2023 by \$8,337,186, \$8,582,780 and \$8,368,145, respectively.
- The Fund's total assets increased by approximately \$192,000 or 2.1% from December 31, 2024 to December 31, 2025. Total assets as of December 31, 2024 increased approximately \$123,000 or 1.3% from December 31, 2023.
- Total liabilities increased by 73.3% from December 31, 2024 to December 31, 2025 as a result of increased claims payable and increases in amounts due to affiliates. Total liabilities as of December 31, 2024 decreased approximately 12.1% from December 31, 2023.
- The Fund reported premiums earned of \$8,866,286, \$8,128,746, and \$7,817,383 during the years ended December 31, 2025, 2024 and 2023, respectively.

Overview of the Financial Statements

This financial report consists of Management's Discussion and Analysis and the basic financial statements. The basic financial statements also include notes to the financial statements, which explain some of the information in the financial statements in more detail.

The basic financial statements of the Fund report information about the Fund using accounting methods similar to those used by the private sector. The Statements of Net Position include all of the Fund's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to the Fund's members and creditors (liabilities). The Statements of Net Position also provide the basis for computing rate of return, evaluating the capital structure of the Fund, and assessing the liquidity and financial flexibility of the Fund. All of the years' revenues and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Net Position. These statements measure the success of the Fund's operations over the years and can be used to determine whether the Fund has successfully recovered all its costs through its premium and investment income, profitability, and credit worthiness. The final required financial statements are the Statements of Cash Flows. The primary purpose of these statements is to provide information about the Fund's cash receipts and cash payments throughout the year. These statements report cash receipts, cash payments and net changes in cash resulting from operating, investing, and financing activities.

The preparation of these basic financial statements requires the utilization of significant estimates, many of which will not be known for many years. Changes in estimates as well as the differences in actual results and estimated amounts will be included in the Statements of Revenues, Expenses and Changes in Net Position as these circumstances become known.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY – GROUP HEALTH AND LIFE FUND
MANAGEMENT’S DISCUSSION AND ANALYSIS

Financial Analysis of the Fund

The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position report information in a way that the reader can determine if the Fund is in a better financial position as a result of the year's activities. These statements report the accumulated net position of the Fund and changes in it. Net position (the difference between assets, deferred outflows, deferred inflows, and liabilities) can be used to measure financial health or financial position. Over time, increases and decreases in the Fund's net position are one indicator as to whether its financial health is improving or deteriorating. There are other non-financial factors to consider, such as changes in economic conditions, healthcare costs, judicial environment, and new or changed government legislation.

Condensed Statements of Net Position at December 31:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total assets	\$ 9,371,258	\$ 9,248,394	\$ 9,125,388
Total liabilities	<u>(1,034,072)</u>	<u>(665,614)</u>	<u>(757,243)</u>
Net position	<u>\$ 8,337,186</u>	<u>\$ 8,582,780</u>	<u>\$ 8,368,145</u>

All of the Fund's assets can be used for any lawful purpose consistent with the policies and guidelines established by the Board of the Fund. Assets consisted primarily of cash, U.S. Government investments and securities. The Fund reported a decrease in net position from December 31, 2024 to December 31, 2025 of approximately \$246,000. Net position increased approximately \$215,000 or 2.6% from December 31, 2023 to December 31, 2024.

**Condensed Statements of Revenues, Expenses and Changes in Net Position
for the Years Ended December 31:**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenues	\$ 9,593,892	\$ 8,556,201	\$ 8,229,998
Operating expenses	<u>(10,382,618)</u>	<u>(8,583,375)</u>	<u>(8,747,051)</u>
Operating loss	(788,726)	(27,174)	(517,053)
Non-operating income	<u>543,132</u>	<u>241,809</u>	<u>345,062</u>
Change in net position	<u>\$ (245,594)</u>	<u>\$ 214,635</u>	<u>\$ (171,991)</u>

PARISH GOVERNMENT RISK MANAGEMENT AGENCY – GROUP HEALTH AND LIFE FUND MANAGEMENT’S DISCUSSION AND ANALYSIS

During the year ended December 31, 2025, the Fund reported premium income of \$8,866,286 which increased approximately \$738,000, or 9%, from December 31, 2024. The Fund reported premium income of \$8,128,746 in 2024 which increased approximately \$311,000 from 2023. The increase in premium income year over year is primarily due to increased premium rates. Investment income increased from December 31, 2024 to December 31, 2025 as a result of more favorable changes in the estimated fair value in 2025 of the investment portfolio which is consistent with the overall market for similar investments.

In 2025, the Fund reported total expenses of \$10,382,618, which consisted primarily of claims expense, and administrative and other expenses, which increased approximately \$1,800,000 from the prior year. This increase in expenses is due to an increase in claims incurred during 2025. In 2024, the Fund reported total expenses of \$8,583,375 which was a \$163,676 decrease from December 31, 2023. Claims expenses incurred represented approximately 94%, 81%, and 88% of premium income during the years ended December 31, 2025, 2024 and 2023, respectively. In 2025, the Fund experienced an excess of expenses over revenues, or net loss, in the amount of \$245,594. In 2024, the Fund experienced net income in the amount of \$214,635. See the Statements of Revenues, Expenses and Changes in Net Position on page 8 of this report.

Financial Outlook

Management emphasizes that the Fund's expenses are greatly impacted by claims losses and claims related expenses which are influenced by factors beyond management's control such as rates, medical inflation, and legislative changes.

Requests for Information

This financial report is designed to provide our members, investors, and creditors with a general overview of the Fund's finances, as well as demonstrate accountability for funds the Fund receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Parish Government Risk Management Agency – Group Health and Life Fund, 707 North Seventh Street, Baton Rouge, Louisiana 70802 or 225-343-2835.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

	<u>ASSETS</u>	
	2025	2024
Assets:		
Cash and cash equivalents	\$ 172,346	\$ 795,863
Investments	8,901,641	7,930,766
Due from affiliates	-	131,207
Premiums receivable, net	4,503	101,976
Prepaid expenses	50,655	68,259
Prescription program receivables	174,059	93,754
Accrued interest receivable	68,054	57,776
Total assets	<u>\$ 9,371,258</u>	<u>\$ 9,179,601</u>

<u>LIABILITIES AND NET POSITION</u>		
Liabilities:		
Unpaid claims liability	\$ 837,000	\$ 567,000
Due to affiliates	110,354	-
Accounts payable and accrued expenses	77,198	29,821
Unearned Premiums	9,520	-
Total liabilities	1,034,072	596,821
Net position, unrestricted	<u>8,337,186</u>	<u>8,582,780</u>
Total liabilities and net position	<u>\$ 9,371,258</u>	<u>\$ 9,179,601</u>

The accompanying notes are an integral part of these financial statements.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>OPERATING REVENUES</u>		
Premiums earned	\$ 8,866,286	\$ 8,128,746
Prescription program commissions and other income	722,097	424,375
Miscellaneous income	5,509	3,080
Total operating revenues	<u>9,593,892</u>	<u>8,556,201</u>
<u>OPERATING EXPENSES</u>		
Claims expense	8,372,823	6,605,942
Excess insurance and life insurance premiums	262,794	322,884
Affordable Care Act fees	2,478	2,302
Administrative and other expenses	<u>1,744,523</u>	<u>1,652,247</u>
Total operating expenses	<u>10,382,618</u>	<u>8,583,375</u>
<u>OPERATING LOSS</u>	(788,726)	(27,174)
<u>NON-OPERATING INCOME</u>		
Net investment income	<u>543,132</u>	<u>241,809</u>
<u>CHANGE IN NET POSITION</u>	(245,594)	214,635
<u>NET POSITION - BEGINNING OF YEAR</u>	<u>8,582,780</u>	<u>8,368,145</u>
<u>NET POSITION - END OF YEAR</u>	<u><u>\$ 8,337,186</u></u>	<u><u>\$ 8,582,780</u></u>

The accompanying notes are an integral part of these financial statements.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Cash received from:		
Premium revenue collected	\$ 8,973,279	\$ 8,118,702
Prescription program commissions and other income	641,792	436,780
Miscellaneous income	5,509	3,080
Cash paid to:		
Suppliers of services	(288,652)	(250,607)
Claims and claims expenses	(8,102,823)	(6,755,942)
Service agents and management fees	(1,133,903)	(1,193,865)
Agent commissions	(259,465)	(235,524)
Excess insurance and life insurance	(262,794)	(322,884)
Net cash used in operating activities	<u>(427,057)</u>	<u>(200,260)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Net investment income received	265,657	226,878
Purchases of investments	(3,005,472)	(2,501,890)
Proceeds from sales and maturities of investments	2,301,794	2,449,498
Net cash (used in) provided by investing activities	<u>(438,021)</u>	<u>174,486</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Advances from affiliates, net	241,561	331,392
Net cash provided by financing activities	<u>241,561</u>	<u>331,392</u>
Net change in cash and cash equivalents	(623,517)	305,618
Cash and cash equivalents at beginning of year	795,863	490,245
Cash and cash equivalents at end of year	<u>\$ 172,346</u>	<u>\$ 795,863</u>
Reconciliation of change in net position to net cash used in operating activities:		
Operating loss	(788,726)	(27,174)
Adjustments to reconcile operating loss to net cash used in operating activities		
Premiums receivable	97,473	(10,044)
Other receivable	(80,305)	12,405
Prepaid expenses	17,604	(22,426)
Unpaid claims liability	270,000	(150,000)
Accounts payable and accrued expenses	47,377	(3,021)
Unearned Premiums	9,520	-
Net cash used in operating activities	<u>\$ (427,057)</u>	<u>\$ (200,260)</u>
Noncash investing activities		
Net change in fair value of investments	<u>\$ 266,305</u>	<u>\$ 26,829</u>

The accompanying notes are an integral part of these financial statements.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

(a) *Background and Financial Statement Presentation*

The Parish Government Risk Management Agency (PGRMA) – Group Health and Life Fund (the Fund) was formed under Act No. 462 of 1979 with the general objectives are to formulate, develop, and administer, on behalf of the member local governmental subdivisions, a program of interlocal risk management, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Under Louisiana Revised Statutes 33:1341-1350 local governmental subdivisions joining the Fund must be members of the Police Jury Association of Louisiana Inc. (PJA); a member may withdraw from the Fund by giving proper notice. Fund underwriting and rate-setting policies have been established by the Executive Board of the PJA, after consultation with the actuaries. If the assets of the Fund were to be exhausted, members would only be responsible for their respective outstanding claims.

Administration of the Fund is vested in the Executive Board of the PJA. PJA is a statewide organization composed of the police juries/parish governing authorities of Louisiana and is incorporated as a non-profit corporation under the laws of the State of Louisiana.

PGRMA has contracted with a service company to administer the Fund's day-to-day affairs, subject to the superior authority of the Executive Board. The service company performs fund marketing, completes claims administration and reporting, including the processing and defense of claims brought against Fund members, and services in the areas of underwriting, risk management, loss control, and data information services.

The PGRMA Funds (group health and life and workers' compensation) are all affiliated through common membership and management control. Although all of these entities are related parties, their various net assets are available only to the individual entity for its operations. For this reason, each entity is presented as a separate, "stand alone," entity in accordance with Governmental Accounting Standards Board (GASB) Statement No. 10 and GASB Statement No. 14.

(b) *Basis of Accounting*

The financial statements of the Fund have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent they have been made authoritative under Governmental Accounting Standards Board (GASB) 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Basis of Accounting* (continued)

The Fund is a proprietary fund type and is presented as a business type activity. Proprietary fund types are used to account for governmental activities that are similar to those found in the private sector where the determination of operating income and changes in net position are necessary or useful for sound financial administration. GAAP used for proprietary funds are generally those applicable to similar businesses in the private sector (accrual basis of accounting). Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

Since the business of the Fund is essentially that of an insurance company, having a business cycle greater than one year, the Statements of Net Position are not presented in a classified format.

(c) *Operating / Non-operating Revenues and Expenses*

Operating revenues consist of member premiums, prescription program commissions and miscellaneous income as these revenues are generated from the Fund's operations and are needed to carry out its statutory purpose. All expenses incurred for that purpose are classified as operating expenses. Investment income and other revenues and expenses which are ancillary to the Fund's statutory purpose are classified as non-operating.

(d) *Premium Income and Premiums Receivable*

Premiums are recognized as income over the term of the policies as they become earned. Any adjustments to annual premiums are considered to be a change in estimate and are recognized in the year they become known. Acquisition costs associated with new and renewal contracts are immaterial to the financial statements, and are expensed when incurred.

The Fund considers premiums receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to operations when that determination is made. Collections on accounts previously written off are included in other income as received.

(e) *Prescription Program Commission*

The Fund receives revenue from a service provider from a monetary arrangement and also receives a pharmacy program commission as a result of a rebate program with the provider. Revenue is recognized as the amounts of the commission and rebate become known to the Fund.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Unpaid Claims Liability*

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of reinsurance recoverables on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and on other factors that are considered to be appropriate modifiers of past experience.

Adjustments to claims liabilities are charged or credited to expenses in the period in which they are made. The carrying amount of liabilities for claims losses and claims expenses is presented at the estimated claim amounts in the financial statements.

(g) *Cash and Cash Equivalents*

Cash and cash equivalents included in the Statements of Net Position and Cash Flows consists of checking and other depository instruments with original maturities of three months or less.

(h) *Investments*

Investments are reported at estimated fair value. Estimated fair value is based on the last reported sales price if available; if not available, fair value is based on estimated fair value. Realized and unrealized gains and losses on investments recorded at estimated fair value are included in net investment income. Investments include money market accounts, an external investment pool, repurchase agreements and U.S. Government Agency and Treasury obligations.

(i) *Excess Insurance*

The Fund uses excess insurance to reduce its exposure to large losses on insured events. Further description of the excess insurance coverage is described in Note 5. Excess insurance permits recovery of a portion of losses from excess insurers, although it does not discharge the primary liability of the Fund as direct insurer of the risks reinsured. The Fund does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by excess insurers. Claims expense consists of claims incurred during the current year, adjustments to the accounting estimate of prior years' claims expense and a reduction for claims covered by the excess insurer in accordance with the excess insurance policy.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) *Income Taxes*

The Fund is exempt from federal income taxes under Sections 7701 and 115(1) of the Internal Revenue Code.

(k) *Use of Estimates*

Management of the Fund has made a number of estimates and assumptions relating to the reporting of assets and liabilities and disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates and assumptions. For example, significant estimates and assumptions are used in estimating insurance liabilities. If future experience differs materially for these estimates and assumptions, the financial statements could be affected.

(l) *Reclassification*

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 presentation.

2. RELATED PARTY TRANSACTIONS

In addition to the Group Health and Life Fund, PGRMA has established an interlocal risk management program to provide for workers' compensation liability (Workers' Compensation Fund). Both self-insurance programs are under common administration, utilize the same service company, and are comprised of Louisiana local governmental subdivisions. Transactions that occur between these programs are accounted for in the due to/from affiliate accounts.

During 2025 and 2024, the Fund incurred management fee expense to PJA in the amount of \$601,655 and \$615,803, respectively.

Amounts due to/from affiliates at December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Due to Police Jury Association	\$ (201,655)	\$ (60,000)
Due from Workers' Compensation Fund	100,000	200,000
Due to Workers' Compensation	<u>(8,699)</u>	<u>(8,793)</u>
	<u>\$ (110,354)</u>	<u>\$ 131,207</u>

The amounts due to/from affiliates are unsecured, non-interest bearing and have no specified repayment terms.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

NOTES TO THE FINANCIAL STATEMENTS

3. CLAIMS EXPENSE AND UNPAID CLAIMS LIABILITY

The unpaid claims liability is based upon an evaluation of the Fund's losses prepared by the Fund's independent actuary and is a significant estimate which is subject to change. These changes can be material in relation to the financial statements taken as a whole. This liability has not been discounted for the time value of money. Estimated amounts of excess insurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The following represents activity in the Fund's aggregate net unpaid claims liabilities for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Unpaid claims liability at beginning of year	\$ 567,000	\$ 717,000
Plus: claims expenses incurred	8,372,823	6,605,942
Less: payments	<u>(8,102,823)</u>	<u>(6,755,942)</u>
Unpaid claims liability at end of year	<u>\$ 837,000</u>	<u>\$ 567,000</u>

4. DEPOSITS AND INVESTMENTS

The Fund must comply with Rule Number 4 of the Commissioner of Insurance, State of Louisiana. According to Rule Number 4, all deposits in financial institutions made by this Fund shall be limited to institutions in Louisiana unless a higher rate can be obtained in an out-of-state institution. Deposits in financial institutions may exceed the federally insured amount in any one financial institution, as long as the amount is not in excess of the greater of \$500,000 or 5% of the combination of surplus, undivided profits and reserves as currently reported by the financial institution. In regard to deposits and investments, the Fund was in compliance with these revised provisions during the years ended December 31, 2025 and 2024.

Under Rule Number 4 of the Commissioner of Insurance, State of Louisiana, the Fund may invest any surplus monies in obligations of the U.S. Government and its agencies, as well as financial institutions.

Statement Number 40 of the Governmental Accounting Standards Board (GASB Statement No. 40), *Deposits and Investment Risk Disclosures* established and modified disclosure requirements related to investment risk. This section describes the various types of investment risk and the Funds exposure to each type.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

NOTES TO THE FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS (continued)

The following table presents the estimated fair value and amortized cost of investments permissible under the rules, objectives, and guidelines of the Fund as of December 31, 2025:

	<u>Amortized Cost/Cost</u>	<u>Estimated Fair Value</u>	<u>Percentage of Investments</u>	<u>Standard & Poors Rating</u>	<u>Average Maturity (Years)</u>
Investment at fair value:					
Federal Home Loan Bank	\$ 1,475,098	\$ 1,437,154	16.14%	AA+	3.47
Federal Home Loan Mortgage Corporation (FHLMC)	719,176	702,715	7.89%	No rating	6.75
Federal National Mortgage Association (FNMA)	966,748	926,972	10.41%	(1)	7.68
Other government debt obligations	<u>4,954,803</u>	<u>4,933,234</u>	<u>55.42%</u>	(2)	5.72
Investments at fair value	8,115,825	8,000,075	89.87%		
Investment measured at net asset value:					
External investment pool	<u>901,566</u>	<u>901,566</u>	<u>10.13%</u>		
Total Investments	<u>\$ 9,017,391</u>	<u>\$ 8,901,641</u>	<u>100.00%</u>		

- (1) Comprised of \$288,666 of investments rated AA+ and \$638,306 of investments which did not require credit quality ratings
- (2) Comprised of \$1,134,591 of investments rated AA+ and \$3,798,644 of investments which did not require credit quality ratings

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

NOTES TO THE FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS (continued)

The following table presents the estimated fair value and amortized cost of investments permissible under the rules, objectives, and guidelines of the Fund as of December 31, 2024:

	<u>Amortized Cost/Cost</u>	<u>Estimated Fair Value</u>	<u>Percentage of Investments</u>	<u>Standard & Poors Rating</u>	<u>Average Maturity (Years)</u>
Investment at fair value:					
Federal Home Loan Bank	\$ 1,785,714	\$ 1,689,175	21.30%	AA+	3.76
Federal Home Loan Mortgage Corporation (FHLMC)	937,200	893,746	11.27%	No rating	6.50
Federal National Mortgage Association (FNMA)	1,422,017	1,318,956	16.63%	(3)	7.62
Other government debt obligations	<u>3,604,749</u>	<u>3,465,748</u>	<u>43.70%</u>	(4)	6.13
Investments at fair value	7,749,680	7,367,625	92.90%		
Investment measured at net asset value:					
External investment pool	<u>563,141</u>	<u>563,141</u>	<u>7.10%</u>		
Total Investments	<u>\$ 8,312,821</u>	<u>\$ 7,930,766</u>	<u>100.00%</u>		

(3) Comprised of \$577,886 of investments rated AA+ and \$741,070 of investments which did not require credit quality ratings

(4) Comprised of \$1,087,020 of investments rated AA+ and \$2,378,728 of investments which did not require credit quality ratings

At December 31, 2025 and 2024, the Fund has investments totaling \$901,566 and \$563,141, respectively, that are invested in Louisiana Asset Management Pool (LAMP), an external investment pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. This investment pool is classified as an external investment pool at net asset value in the fair value hierarchy table above. LAMP, Inc. is subject to the regulatory oversight of the state.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

NOTES TO THE FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk

Custodial credit risk for cash and cash equivalents is the risk that in the event of financial institution failure, the Fund's deposits may not be returned to them. The Fund has no custodial credit risk with respect to demand deposit accounts at December 31, 2025 and 2024. The Fund's investments in money market funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments that is in the possession of an outside party. At December 31, 2025 and 2024, the Fund's investments in government debt obligations are uninsured on the performance of the custodian and are exposed to custodial credit risk because they are held by a counterparty.

LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will be unable to meet its obligations. The Fund minimizes this risk by adhering to an investment strategy designed to achieve a conservative risk/return characteristic.

Concentration of Credit Risk

Concentration of credit risk relates to the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. At December 31, 2025 and 2024, there were no investments in any one issuer that represented 5% or more of total investments, which do not consider diversified mutual funds as a single issuer.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

NOTES TO THE FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the estimated fair value of an investment. The Fund measures and monitors the weighted-average maturity of the fixed income securities portfolio to manage exposure to interest rate risk. This includes the weighted-average maturities of the total fixed income portfolio, individual securities, as well as categories of securities held by the Fund. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 31 and 29 days at December 31, 2025 and 2024, respectively.

The amortized cost and estimated fair value of investment securities as of December 31, 2025, by contractual maturity, are shown below. In some instances, actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Estimated Fair Value
Due in one year or less	\$ 1,102,355	\$ 1,203,410
Due after one year through five years	3,765,684	3,742,563
Due after five years through ten years	2,337,345	2,300,941
Due after ten years	25,870	25,040
	<u>7,231,254</u>	<u>7,271,954</u>
Mortgage-backed securities	1,685,924	1,629,687
	<u>\$ 8,917,178</u>	<u>\$ 8,901,641</u>

Net investment income for the years ended December 31, 2025 and 2024 consisted of the following:

	2025	2024
Interest income	\$ 298,402	\$ 245,922
Net realized losses	(21,575)	(30,942)
Unrealized gains arising during the year-net	266,305	26,829
	<u>\$ 543,132</u>	<u>\$ 241,809</u>

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

NOTES TO THE FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS (continued)

Fair Value

The Fund uses fair value measurements to record investment assets and to determine fair value disclosures based on a fair value hierarchy of valuation inputs established by generally accepted accounting principles. The three levels of the fair value hierarchy are described below:

Level 1 – unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – quoted prices for similar assets or liabilities in active markets or identical or similar assets or liabilities in inactive markets that are observable for the asset or liability.

Level 3 – inputs are unobservable and significant to the fair value measurement.

The fair value of investment securities was determined as follows at December 31, 2025 and 2024:

December 31, 2025:

	Level 1	Level 2	Fair Values
Investments at fair value:			
U.S. Government direct securities	\$ 6,634,014	\$ -	\$ 6,634,014
U.S. Government securities	-	1,366,061	1,366,061
	<u>\$ 6,634,014</u>	<u>\$ 1,366,061</u>	<u>8,000,075</u>
External investment pool, at net asset value			901,566
			<u>\$ 8,901,641</u>

December 31, 2024:

	Level 1	Level 2	Fair Values
Investments at fair value:			
U.S. Government direct securities	\$ 5,706,646	\$ -	\$ 5,706,646
U.S. Government securities	-	1,660,979	1,660,979
	<u>\$ 5,706,646</u>	<u>\$ 1,660,979</u>	<u>7,367,625</u>
External investment pool, at net asset value			563,141
			<u>\$ 7,930,766</u>

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND

NOTES TO THE FINANCIAL STATEMENTS

5. EXCESS INSURANCE POLICY COVERAGE

During the years ended December 31, 2025 and 2024, aggregate and specific excess insurance coverage was provided as follows:

Aggregate:

- a. Retention by the Group Health and Life Fund: \$9,903,243 and \$8,853,876, respectively
- b. Limit of underwriters' liability: \$1,000,000

Per person:

- a. Retention by the Group Health and Life Fund: \$350,000 and \$300,000, respectively
- b. Limit of underwriters' liability: \$1,000,000

Excess insurance contracts do not relieve the Fund from its obligations to members. Failure of excess insurers to honor their obligations could result in losses to the Fund. Accordingly, the Fund evaluates the financial condition of its excess insurers to minimize its exposure to significant losses from excess insurer insolvency.

Additionally, the Fund remitted all life premiums collected during the years ended December 31, 2025 and 2024 to a life insurance company. These premiums, which approximated \$30,500 and \$29,400 for the years ended December 31, 2025 and 2024, respectively, are included in the Statements of Revenues, Expenses and Changes in Net Position.

6. CONCENTRATIONS AND CONTINGENCIES

The insured member groups who participate in the Fund are public entities in the state of Louisiana. The Fund does not insure any other members outside of Louisiana.

During the years ended December 31, 2025 and 2024, the Fund made claim payments to one provider representing approximately 31% and 36%, respectively, of total claims paid.

During the years ended December 31, 2025 and 2024, the Fund had four member groups that represented more than 10% of total premiums received on an individual basis. These member groups represented approximately 80% and 78% of total premiums for the years ended December 31, 2025 and 2024.

PARISH GOVERNMENT RISK MANAGEMENT AGENCY
GROUP HEALTH AND LIFE FUND
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Guy Cormier

Purpose	Amount
Salary, including incentive and bonus	\$ -
Benefits-insurance	-
Benefits-retirement	-
Deferred compensation	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
on behalf of the agency head)	-

**No compensation of the Chief Executive Officer is included in the above schedule of compensation, benefits and other payments as no such amounts were paid from "public funds" as required to be reported pursuant to R.S. 24:513(A)(3), as amended by Act 462 in 2015, and applicable guidance published by the Louisiana Legislative Auditor.

INDEPENDENT AUDITORS' 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

Officers and Trustees
Parish Government Risk Management Agency
Group Health and Life Fund

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Parish Government Risk Management Agency – Group Health and Life Fund (the Fund), which comprise the statements of net position as of December 31, 2025, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund'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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund'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 organization'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.

Our 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its 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 our audit, and accordingly, we do not express such an opinion. The results of our 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund'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 Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 23, 2026



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Board of the Parish Government Risk Management Agency
and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of the Entity for the fiscal period January 1, 2025 through December 31, 2025. Parish Government Risk Management Agency's management is responsible for those C/C areas identified in the SAUPs. The SAUP includes the following funds and are collectively referred to as the Entity or the Agency's Funds:

- Parish Government Risk Management Agency – Workers' Compensation Fund
- Parish Government Risk Management Agency – Group Health and Life Fund

The Agency's Funds have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purposes. 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 we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the Agency's Funds to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of the Agency's Funds for the fiscal period January 1, 2025 through December 31, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

The purpose of 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.



EISNERAMPER LLP
Baton Rouge, Louisiana
June 23, 2026

Parish Government Risk Management Agency
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
December 31, 2025

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read *“no exception noted”* or for step 13 *“we performed the procedure and discussed the results with management”*. If not, then a description of the exception ensues.

Administration of the Funds are vested in the Executive Board of the Police Jury Association (PJA). PJA is an association for the police juries of Louisiana and is incorporated as a nonprofit corporation under the laws of the State of Louisiana. PJA acts as the administrator for the Funds. The Funds and PJA are affiliated through common membership and management control. Although both of these entities are related parties, their net position is available only to the respective entity for its operations. The Agency's Fund have a contract with PJA to provide specified management, administrative and accounting services. All salaries are paid by the Police Jury Association. Therefore, there are no travel reimbursements or credit cards. Certain of the SAUPs described below have been applied to those contracted services or activities.

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):

The Agency's Funds do not maintain written policies or procedures.

- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Not applicable. The Agency's Funds budget is included within the PJA 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.

Exception, see above.

- iii. **Disbursements**, including processing, reviewing, and approving

Exception, see above.

- 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).

Exception, see above.

- v. **Payroll/Personnel**, including (1) payroll processing, (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.

Not applicable, see above.



Parish Government Risk Management Agency
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
December 31, 2025

Schedule A

- 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.

Exception, see above.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Not applicable, see above.

- 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 (e.g., determining the reasonableness of fuel card purchases).

Not applicable, see above.

- 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.

Exception, see above.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Not applicable, see above.

- 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.

Exception, see above.

- 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.

Not applicable, see above.



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 whether 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.

No exception noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes 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 comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exception noted.

- 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.

Procedure is not applicable.

- 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.

No exception noted.

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:

A listing of bank accounts was provided and included a total of 2 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the 2 bank accounts (2 main operating) and obtained the bank reconciliations for the months ending September 30, 2025 and November 30, 2025, resulting in 2 bank reconciliations obtained and subjected to the below procedures.



Parish Government Risk Management Agency
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
December 31, 2025

Schedule A

- 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);

No exception noted.

- 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 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

No exception noted.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted. Of the 2 bank accounts selected, neither of the bank reconciliations had reconciling items that have been outstanding for more than 12 months.

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).

A listing of deposit sites was provided and included a total of 1 deposit site. The Agency receives all cash/check/money order collections at one location. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the 1 deposit sites and performed the procedures below.

- 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 (e.g. 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, then 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:

A listing of collection locations for each deposit site selected in procedure #4A was provided and included a total of 1 collection location. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. As the Agency does not have written policies or procedures, inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exception noted.



Parish Government Risk Management Agency
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
December 31, 2025

Schedule A

- 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;

No exception noted.

- 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

No exception noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.

No exception noted.

- 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.

No exception noted.

- 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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected 2 deposit dates for each of the 2 bank accounts selected in procedure #3A. We obtained supporting documentation for each of the 4 deposits, which included a total of 37 collections, and performed the procedures below.

- i. Observe that receipts are sequentially pre-numbered.

No exception noted.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exception noted.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exception noted.



Parish Government Risk Management Agency
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
December 31, 2025

Schedule A

- 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).

Of the 37 collections tested, 28 were not deposited within one business day of receipt. Based on their procedures, deposits are made once a week. All collections tested were deposited within one week of receipt.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exception noted.

5) Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

Procedure is not applicable as the Agency does not have any employees.

- 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 #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 payment 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 #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
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and



- ii. Observe whether 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. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

Procedure is not applicable as the Agency does not have any associated credit cards.

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.



- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

Procedure is not applicable as the Agency does not have any travel and related expense reimbursements.

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by "Written Policies and Procedures", procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 contracts and performed the procedures below.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

None of the contracts selected for testing were subject to Louisiana Public Bid Law.
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);



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No exception noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exception noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exception noted.

9) Payroll and Personnel

This procedure is not applicable as salaries are not paid through the Agency. All salaries are paid by the Police Jury Association.

- A. Obtain a listing of employees and elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments,



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workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

No employees based on section "I – Payroll and Personnel", therefore these procedures are not applicable. However, the executive director attended an ethics training in 2025 and the chief financial officer does obtain ethics training that is required for her certification.

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

See above.

- 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.

See above.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

This procedure is not applicable to the Agency.

11) Debt Service

- A. Obtain a listing of bonds/notes 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.

Not applicable.

- 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 debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable.

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



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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.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- A. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- B. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- C. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:12671. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Procedure is not applicable as the Agency does not have payroll and personnel.

¹ While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.



14) Prevention of Sexual Harassment

Procedure is not applicable. The Agency does not have employees as noted in section "I – Payroll and Personnel".

- A. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #9A, 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 the report 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;
 - 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.



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Schedule B

EisnerAmper to Obtain written response

EISNERAMPER
LLP



PARISH GOVERNMENT RISK MANAGEMENT AGENCY

707 North 7th St., Baton Rouge, LA 70802



6/24/2026

Louisianan Legislative Auditor
1600 N 3rd St.
Baton Rouge, LA 70802

Re: Response to Statewide Agreed-Upon Procedures 2025

Dear LA Legislative Auditor:

The following is our response to the 2025 PGRMA Audit findings which were conducted by our auditors, Eisner Amper LLP:

1. Written Policies and Procedures

PGRMA has well established policies and procedures in place. We are working on getting these policies and procedures documented in a formal written format for Purchasing, Disbursements, Receipts/Collections, Contracting, Ethics, and Information Technology Disaster Recover/Business Continuity.

Sincerely,

PARISH GOVERNMENT RISK MANAGEMENT AGENCY

Candace R. Herrin
Chief Financial Officer