

Greater Ward One Waterworks District
of Lincoln Parish

Annual Financial Statements
For the Year Ended December 31, 2025

Greater Ward One Waterworks District
of Lincoln Parish

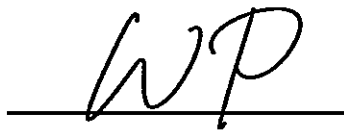
Annual Financial Statements
For the Year Ended December 31, 2025
With Supplemental Information Schedules

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Wade & Perry, CPAs
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

Independent Auditor's Report

Board of Commissioners
Greater Ward One Waterworks District
of Lincoln Parish
Ruston, Louisiana

Opinion

We have audited the accompanying financial statements of the governmental activities of Greater Ward One Waterworks District (District) as of December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 18 and 19 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 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

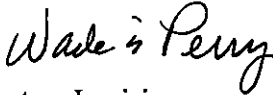
any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head; schedule of changes in restricted assets; schedule of insurance; and schedule of federal financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 a report dated March 3, 2026, on our consideration of the District'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Ruston, Louisiana
March 3, 2026

Greater Ward One Waterworks District
of Lincoln Parish
Statement of Net Position, Proprietary Fund
December 31, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and equivalents	\$540,889	\$614,275
Receivables	77,502	68,029
Prepaid items	26,855	22,635
Restricted assets	510,710	492,835
Capital assets (net)	<u>1,705,679</u>	<u>1,605,061</u>
TOTAL ASSETS	<u>\$2,861,635</u>	<u>\$2,802,835</u>
Deferred outflows of resources	0	0
LIABILITIES		
Accounts, salaries, and other payables	\$17,347	\$15,786
Payable from restricted assets	144,114	134,980
Loans payable - current	24,300	20,500
Loans payable - noncurrent	<u>754,429</u>	<u>782,494</u>
TOTAL LIABILITIES	<u>940,190</u>	<u>953,760</u>
Deferred inflows of resources	0	0
NET POSITION		
Net invested in capital assets	926,950	802,067
Restricted for retirement of debt	510,710	492,835
Unrestricted	<u>483,785</u>	<u>554,173</u>
TOTAL NET POSITION	<u>\$1,921,445</u>	<u>\$1,849,075</u>

The accompanying notes are an integral part of this statement.

Greater Ward One Waterworks District
of Lincoln Parish
Statement of Activities
Year Ended December 31, 2025

	Program Revenues			Net (Expenses) Revenues and Changes of Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	2025	2024
Business-type activities						
Water charges	\$796,863	\$854,041			\$57,178	(\$94,747)
Total business-type activities	796,863	854,041	0	0	57,178	(94,747)
Total primary government	<u>\$796,863</u>	<u>\$854,041</u>	<u>\$0</u>	<u>\$0</u>	<u>\$57,178</u>	<u>(\$94,747)</u>
General revenues:						
Investment earnings					\$15,192	\$16,721
Gain on sale of asset					0	0
Other general revenues					0	0
Total general revenues and transfers					<u>15,192</u>	<u>16,721</u>
Change in Net Position					72,370	(78,026)
Net position - beginning					<u>1,849,075</u>	<u>1,927,101</u>
Net position - ending					<u>\$1,921,445</u>	<u>\$1,849,075</u>

The accompanying notes are an integral part of this statement.

Greater Ward One Waterworks District
of Lincoln Parish
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Charges for services - water sales	\$805,745	\$814,477
Meter taps	35,955	29,815
Miscellaneous income	12,341	22,850
Total Operating Revenues	<u>854,041</u>	<u>867,142</u>
Operating Expenses		
Cost of sales and services	331,144	565,437
Administration	312,167	258,774
Depreciation	120,052	102,970
Total Operating Expenses	<u>763,363</u>	<u>927,181</u>
Operating income (loss)	90,678	(60,039)
Nonoperating revenue (expenses)		
Interest earnings	15,192	16,721
Interest expense	(33,500)	(34,708)
Total Nonoperating Revenue (Expenses)	<u>(18,308)</u>	<u>(17,987)</u>
Income before contributions and transfers	72,370	(78,026)
Capital contributions	0	0
Sale of assets	0	0
Change in Net Position	72,370	(78,026)
Total Net Position - Beginning	<u>1,849,075</u>	<u>1,927,101</u>
Total Net Position - Ending	<u>\$1,921,445</u>	<u>\$1,849,075</u>

The accompanying notes are an integral part of this statement.

Greater Ward One Waterworks District
of Lincoln Parish
Statement of Cash Flows, Proprietary Funds
For the Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Receipts from customers and users	\$844,568	\$866,924
Payments to suppliers	(435,997)	(671,380)
Payments to employees	(200,683)	(164,208)
Net Cash Provided by Operating Activities	<u>207,888</u>	<u>31,336</u>
Cash Flows from Noncapital Financing Activities		
Loan proceeds from USDA	<u>0</u>	<u>0</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities		
Purchases of capital assets	(220,670)	(113,513)
Capital contributions	0	0
Principal paid on capital debt	(24,264)	(38,030)
Interest paid on capital debt	(33,657)	(34,856)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(278,591)</u>	<u>(186,399)</u>
Cash Flows from Investing Activities		
Interest and dividends received	<u>15,192</u>	<u>16,721</u>
Net Cash Provided by Investing Activities	<u>15,192</u>	<u>16,721</u>
Net Increase in Cash and equivalents	(55,511)	(138,342)
Cash and equivalents, Beginning of Year	<u>1,107,110</u>	<u>1,245,452</u>
Cash and equivalents, End of Year	<u>\$1,051,599</u>	<u>\$1,107,110</u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities		
Operating income	\$90,678	(\$60,039)
Depreciation expense	120,052	102,970
(Increase) decrease in accounts receivable	(9,473)	(218)
Increase (decrease) in customer deposits	9,290	865
Increase (decrease) in accounts, salaries, and other payables	1,561	(4,827)
(Increase) decrease in prepaid expenses	(4,220)	(7,415)
Increase (decrease) in accrued interest payable	0	0
Net Cash Provided by Operating Activities	<u>207,888</u>	<u>31,336</u>
Reconciliation of total cash and cash investments:		
Current assets - cash and cash investments	\$540,889	\$614,275
Restricted assets - cash and cash investments	<u>510,710</u>	<u>492,835</u>
Total cash and cash investments	<u>\$1,051,599</u>	<u>\$1,107,110</u>

The accompanying notes are an integral part of this statement.

Greater Ward One Waterworks District
of Lincoln Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2025

INTRODUCTION

The Greater Ward One Waterworks District of Lincoln Parish was organized in 1967 as a political subdivision of Lincoln Parish to provide water usage and service to the residents of Greater Ward One Waterworks District in Lincoln parish. The District has five commissioners comprising the board who are appointed by the Board of Commissioners. The commissioners are compensated at a fixed amount per meeting. The District serves approximately 1,600 active customers and employs four people. The District operates three facilities with approximately 85 miles of water lines.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charge to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Greater Ward One Waterworks District
of Lincoln Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2025

similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major proprietary fund:

The Water fund is to account for the provision of water services to the customers of the District. All activities necessary to provide such services are accounted for in this fund, but not limited to, administration, operations, maintenance, financing, and related debt service and billing.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Greater Ward One Waterworks District
of Lincoln Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2025

C. Deposits and Investments

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

D. Restricted Assets

Certain proceeds of the District's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

E. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Water lines and wells	40 years
Improvements	15 years
Building	25 years
Equipment	5-7 years

F. Compensated Absences

The District has the following policy relating to vacation and sick leave:

Employees of the District cannot accrue vacation or sick time. Therefore, no liability has been recorded.

Greater Ward One Waterworks District
of Lincoln Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2025

G. Fund Equity

In the government wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net assets with constraints placed on the use with by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt"

Proprietary fund equity is classified in the same manner as in the government-wide statements.

H. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

I. Estimates

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGET INFORMATION The District uses the following budget practices:

The District adopted a budget for the fiscal year ended December 31, 2025 for the proprietary fund. The District follows the following procedures in establishing the budgetary data reflected in the financial statements. During the November meeting, the clerk submits to the board of commissioners a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenses and the means of financing them. Also during the November meeting, the budget is legally enacted through passage of an ordinance. The public is invited to attend all meetings. The clerk is authorized to transfer budgeted amounts between departments within the fund; however, any revisions that alter the total expenses of the fund must be approved by the board of commissioners. Appropriations lapse at the end of the year. There was one amendment.

3. CASH AND CASH EQUIVALENTS

At December 31, 2025, the District has cash and cash equivalents (book balances) totaling \$1,051,599 as follows:

Greater Ward One Waterworks District
of Lincoln Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2025

Petty cash	\$500
Demand deposits	751,576
Time deposits	<u>299,523</u>
Total	<u><u>\$1,051,599</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name. One financial institution does not have enough pledged securities to cover the bank balance.

These deposits are secured as follows:

Bank balances	<u><u>\$1,057,454</u></u>
Federal deposit insurance	\$1,014,628
Pledged securities (uncollateralized)	<u>20,348</u>
Total	<u><u>\$1,034,976</u></u>

4. INVESTMENTS

Investments include 3 certificates of deposit with maturities of 1 and 5 years that have been included in cash and equivalents in the basic financial statements. Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the District or its agent in the District's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the District's name

At fiscal year-end, the District's investments balances were as follows:

Greater Ward One Waterworks District
of Lincoln Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2025

Type of investment	Category			Carrying amount			Total Carrying Amount
	1	2	3	Fair Value	Amortized Cost	Cost	
Certificates of deposit	\$299,523			\$299,523			\$299,523
Total investments	\$299,523	\$0	\$0	\$299,523	\$0	\$0	\$299,523

5. RECEIVABLES

The receivables of \$77,502 at December 31, 2025, consist solely of amounts due for monthly water usage.

6. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	\$52,640			\$52,640
Construction in progress	0			0
Total capital assets not being depreciated	52,640	0	0	52,640
Capital assets being depreciated				
Buildings	86,875	220,670		307,545
Improvements other than buildings	1,643,222			1,643,222
Machinery and equipment	2,476,009			2,476,009
Vehicles	37,968			37,968
Total capital assets being depreciated	4,244,074	220,670	0	4,464,744
Accumulated depreciation	2,691,653	120,052		2,811,705
Total capital assets being depreciated, net	\$1,605,061	\$100,618	\$0	\$1,705,679

7. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$17,347 at December 31, 2025, are as follows:

Withholdings	\$7,503
Accounts	9,844
Other	0
Total	\$17,347

8. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation loans payable transactions for the year ended December 31, 2025:

Greater Ward One Waterworks District
of Lincoln Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2025

Long-term obligations at beginning of year	\$802,993
Additions	0
Deductions	<u>(24,264)</u>
Long-term obligations at end of year	<u>\$778,729</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2025:

Current portion	\$24,300
Long-term portion	<u>754,429</u>
Total	<u>\$778,729</u>

The loans payable at December 31, 2025, are comprised of the following individual issues:

	<u>Outstanding 12/31/2025</u>
\$1,102,000 2008 Water Revenue Bonds dated 12-28-05, due in monthly installments of \$4,827 through December 1, 2045, interest at 4.25%	<u>\$778,729</u>
Total	<u>\$778,729</u>

The annual requirements to amortize all loans outstanding as of December 31, 2025, including interest of \$379,693 are as follows:

Year Ending December 31,	
2025	\$57,921
2025	57,921
2026	57,921
2027	57,921
2028	57,921
2029 thereafter	<u>868,817</u>
Total	<u>\$1,158,422</u>

9. RETIREMENT SYSTEMS

Three of the five employees of Greater Ward One Waterworks, are members of a retirement plan. This retirement plan is managed by Osaic Wealth, Inc. It is a variable annuity.

10. FLOW OF FUNDS: RESTRICTIONS ON USE - UTILITIES REVENUES

Water Revenue bonds under the terms of the bond indenture on outstanding Water Revenue Bonds, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Water Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Greater Ward One Waterworks District
of Lincoln Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2025

All of the revenue earned by the District from the operation of the waterworks system (the "System"), must be deposited Monies in the Waterworks Revenue Fund. Monies in the Waterworks Revenue Fund shall be first used for the payment of all reasonable and necessary expenses of operating and maintaining the System, and all payments required in connection with the outstanding Revenue Note payable from the revenues of the System.

Each month, there will be set aside into a "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

There shall also be set aside into a "Reserve Fund" at a rate of \$315 per month until monies therein equals the highest combined annual debt service in any future year (\$57,921 through 2045.)

Funds will also be set aside into a "Depreciation Fund" at the rate of \$315 per month until \$57,921 is on deposit in the Reserve Fund, and thereafter a monthly sum equal to 10% of the monthly payments into the Sinking Fund.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

11. CONTINGENT LIABILITIES

The District is not involved in any litigation at December 31, 2025, nor is it aware of any unasserted claims.

12. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 3, 2026. This date represents the date the financial statements were available to be issued.

Greater Ward One Waterworks District
 Budget Comparison Schedule -
 Budget and Actual - General Fund
 For the Year Ended December 31, 2025

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final Amended		
REVENUES				
Water revenue	\$820,000	\$820,000	\$805,745	(\$14,255)
Meter Taps	27,000	35,000	35,955	955
Miscellaneous	23,000	10,000	12,341	2,341
Total Operating Revenues	870,000	865,000	854,041	(10,959)
EXPENSES				
Accounting	0	0	0	0
Advertising	800	800	645	155
Audit	15,000	14,000	13,750	250
Auto Allowance	9,000	9,000	10,943	(1,943)
Bank service charges	4,300	4,300	5,167	(867)
Commissioner's Fees	2,000	1,320	1,680	(360)
Chemicals	15,000	17,000	16,380	620
Depreciation	105,000	114,000	120,052	(6,052)
Dues and subscriptions	6,000	6,500	7,665	(1,165)
Engineering fees	15,000	30,000	0	30,000
Insurance	30,000	33,000	31,339	1,661
Insurance - Group	34,000	37,500	37,736	(236)
Insurance - Workman's Comp	2,500	2,500	2,219	281
Legal & Professional	3,500	15,000	10,881	4,119
Licenses and permits	500	500	0	500
Rental	1,200	1,200	1,080	120
Meter taps	20,000	15,000	25,906	(10,906)
Miscellaneous	25,039	25,039	34	25,005
Office Expense	15,000	16,000	18,387	(2,387)
Outside Services	30,000	32,500	31,382	1,118
Postage	9,500	10,000	10,180	(180)
R & M - Other	6,500	11,500	10,359	1,141
R & M - Lines	50,000	40,000	44,278	(4,278)
R & M - Bldg & Grounds	2,500	2,000	2,388	(388)
R & M - Wells & Tanks	55,000	211,000	11,879	199,121
Retirement	3,855	5,500	3,804	1,696
Salaries	188,530	225,000	200,683	24,317
Supplies	500	1,700	1,716	(16)
Taxes - Payroll	12,510	15,749	16,050	(301)
Taxes - Other	18,000	18,600	23,319	(4,719)
Taxes - Sales	3,000	3,500	3,325	175
Telephone	10,000	10,500	10,777	(277)

(Continued)

Greater Ward One Waterworks District
 Budget Comparison Schedule -
 Budget and Actual - General Fund
 For the Year Ended December 31, 2025

	Budget		Actual	Variance
	Original	Final Amended		Favorable (Unfavorable)
Employee training	0	800	782	18
Travel	1,000	4,000	4,086	(86)
Utilities	75,000	76,000	84,491	(8,491)
Total Expenses	<u>769,734</u>	<u>1,011,008</u>	<u>763,363</u>	<u>247,645</u>
OPERATING INCOME	100,266	(146,008)	90,678	236,686
NONOPERATING REVENUE (EXPENSES)				
Grant income	0	0	0	0
Interest income	8,900	14,000	15,192	1,192
Interest expense	(42,989)	(41,000)	(33,500)	7,500
Total Nonoperating Revenue (Expenses)	<u>(34,089)</u>	<u>(27,000)</u>	<u>(18,308)</u>	<u>8,692</u>
NET INCOME (LOSS)	66,177	(173,008)	72,370	245,378
RETAINED EARNINGS, BEGINNING	<u>1,725,586</u>	<u>1,725,586</u>	<u>1,849,075</u>	<u>123,489</u>
RETAINED EARNINGS, ENDING	<u>\$1,791,763</u>	<u>\$1,552,578</u>	<u>\$1,921,445</u>	<u>\$368,867</u>

The accompanying notes are an integral part of the schedule.

Greater Ward One Waterworks District
of Lincoln Parish
Schedule of Compensation Paid to Commissioners
For the Year Ended December 31, 2025

FJ Armond, President	Expires	October 12, 2027	\$35,041
Paula Griswold	Expires	March 9, 2026	420
Kyle Warner	Expires	October 12, 2026	420
John Sutton	Expires	December 31, 2030	420
Patrick Ryan	Expires	December 31, 2029	420
Total			<u>\$36,721</u>

The accompanying notes are an integral part of the schedule.

Greater Ward One Waterworks District
Of Lincoln Parish
Schedule of Changes in Restricted Assets
For the Year Ended December 31, 2025

	<u>RESERVE FUNDS</u>	<u>SINKING FUND</u>	<u>CUSTOMER DEPOSIT</u>	<u>DEPRECIATION RESERVE</u>	<u>TOTAL</u>
Balance, beginning	\$81,857	\$0	\$150,727	\$260,251	\$492,835
RECEIPTS					
Deposits			16,950		16,950
Transfer from operating				7,539	7,539
Interest earned			4,426	865	5,291
Total cash receipts	<u>0</u>	<u>0</u>	<u>21,376</u>	<u>8,404</u>	<u>29,780</u>
Total available	81,857	0	172,103	268,655	522,615
DISBURSEMENTS					
Refunds			(11,723)		(11,723)
Transfer to operating	(13)				(13)
Bank charges			(169)		(169)
Payment of principal and interest					0
Total disbursements	<u>(13)</u>	<u>0</u>	<u>(11,892)</u>	<u>0</u>	<u>(11,905)</u>
Balance, ending	<u>\$81,844</u>	<u>\$0</u>	<u>\$160,211</u>	<u>\$268,655</u>	<u>\$510,710</u>

The accompanying notes are an integral part of the schedule.

Greater Ward One Waterworks District
of Lincoln Parish
Schedule of Insurance in Force
As of December 31, 2025

Bonds - Highway and street permits

Agent: Louisiana Insurance Services, Inc.	Effective Date: 5-31-25
Insurer: CNA Surety	Date Expires: 5-31-26
Policy No.: 72000658	Annual Premium: \$338

Coverage	Property Insured
\$50,000	

Business Auto Liability Policy

Agent: Bryan & Scriber Insurance, LLC	Effective Date: 9-28-25
Insurer: Midvale Indemnity Company	Date Expires: 9-28-26
Policy No.: APWAU01529-01	Annual Premium: \$6,441

Coverage	Property Insured
\$1,000,000 Liability	2018 Ram 2500
\$1,000,000 Liability	2012 Tiger Utility Trailer

General and Commercial Liability Coverage

Agent: Bryan & Scriber Insurance, LLC	Effective Date: 9-28-25
Insurer: Midvale Indemnity Company	Date Expires: 9-28-26
Policy No.: APWMP01529-01	Annual Premium: \$26,430

Coverage	Insured
\$ 3,000,000	Bodily Injury, property damage, & medical expenses
\$ 3,000,000	Products/Completed Operations
\$ 3,000,000	Aggregate for all wrongful acts and offenses
\$ 1,714,738	Real Property & Business Personal Property
\$ 750,000	Coverage Extension Blanket
\$ 100,000	Employee theft, forgery, fraud
\$ 264,338	Mobile Equipment Limit (Scheduled equipment)
\$ 25,000	Mobile Equipment Limit (Borrowed, rented, or leased)
\$ 10,000	Medical expenses for any one person
\$ 5,000	Robbery

The accompanying notes are an integral part of the schedule.

WP

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Auditor's Report on
Schedule of Federal Financial Assistance

Board of Commissioners
Greater Ward One Waterworks District
of Lincoln Parish

We have audited the basic financial statements of Greater Ward One Waterworks District of Lincoln Parish, for the year ended December 31, 2025, and have issued our report thereon dated March 3, 2026. Our audit of such basic financial statements was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wade & Perry

Ruston, Louisiana
March 3, 2026

Greater Ward One Waterworks District
of Lincoln Parish
Schedule of Federal Financial Assistance
For The Year Ended December 31, 2025

<u>GRANTOR/PROGRAM TITLE</u>	<u>Loan Number</u>	<u>Loan Balance</u>
United States Department of Agriculture		
Farmers Home Administration	91.08	<u>\$778,729</u>
Total Federal Assistance		<u><u>\$778,729</u></u>

The accompanying notes are an integral part of the schedule.

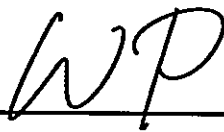
Greater Ward One Waterworks District
of Lincoln Parish

Schedule 6

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

Agency Head Name: FJ Armond, President

Purpose	
Salary	\$35,041
Benefits - medicare	508
Benefits - social security	2,173
Reimbursements	55
Travel - mileage reimbursement	570



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REPORT ON COMPLIANCE AND OTHER MATTERS AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

Board of Commissioners
Greater Ward One Waterworks District
of Lincoln Parish

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, the financial statements of the governmental activities of Greater Ward One Waterworks District as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 3, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, Recommendations and Corrective Action Plan, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses. 2025-01.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies. 2025-02

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's financial statements are free of 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 determination of financial statements amounts. 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*.

District's Response to Findings

District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Ruston, Louisiana

March 3, 2026

Greater Ward One Waterworks District
of Lincoln Parish
Schedule of Current Year Findings and Questioned Costs
For the Year Ended December 31, 2025

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the general purpose financial statements of the Greater Ward One Waterworks District.
2. No instance of noncompliance material to the financial statements of the Greater Ward One Waterworks District was disclosed during the audit.
3. Two significant deficiencies relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

B. Financial Statements Findings

2025-01. Significant deficiency in internal control over financial reporting

Condition: Management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare their annual financial statements. This condition is intentional by management based upon the District's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. In relation to this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established.

Criteria: Considered material weakness if District cannot apply generally accepting accounting principles.

Cause: The District does not have staff capable of preparing report and notes and applying generally accepting accounting principles.

Effect: Potential misstatements in financial statements may not be detected

Recommendation: No recommendation is made for this deficiency. Management must determine whether the benefit from an internal control deficiency exceeds its cost, and therefore it may be impractical to correct all deficiencies required to be reported under SAS 112. The cost benefit analysis is not a factor in the reporting requirement of SAS 112. We do not believe that correcting the significant deficiency as described above would be cost effective or practical for the District.

2025-02. Lack of segregation of duties

Condition: The District does not have an adequate segregation of duties regarding its accounting and reporting system to maintain a complete system of internal control. This is a repeat finding.

Criteria: Considered good business practice to have segregation of duties wherever possible.

Cause: Small government entity with limited personnel available

Effect: Potential misstatements in financial statements may not be detected and is at risk for fraud.

Recommendation: We recommend that it would not be cost effective for the District to hire additional personnel to resolve this problem. Also we recommend the district consider the costs and benefits of separation of duties between personnel to ensure that internal controls are maintained as effectively as is possible with limited staff.

Greater Ward One Waterworks District
of Lincoln Parish
Summary of Prior Year Findings
For the Year Ended December 31, 2025

A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2024-01. Significant deficiency in internal control over financial reporting

Status: Unresolved - see 2025-01

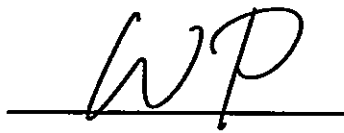
2024-02. Lack of segregation of duties

Status: Unresolved - see 2025-02

GREATER WARD ONE WATERWORKS DISTRICT
PO Drawer 637
Ruston, LA 71273

Management's Responses to Findings

- 2025-01. Management will continue to assess the cost effectiveness of this deficiency in internal control and monitor checks and balances.
- 2025-02. Management is aware of the problem of segregation of duties and will continue to develop and implement internal control procedures to offset this inherent problem associated with being a small entity.



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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2025

To the Governing Board of the Greater Ward One Waterworks District of Lincoln Parish (Entity)
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:¹
1. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 2. ***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.

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

3. ***Disbursements***, including processing, reviewing, and approving.
4. ***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).
5. ***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.
6. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
7. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
8. ***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).
9. ***Ethics***², 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.
10. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
11. ***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.

² The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

12. ***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.

Written policies and procedures were obtained and address the functions listed above except as noted. The travel and expense reimbursement policies and procedures obtained did not mention dollar thresholds. There is not a written policy or procedure regarding debt services.

2) Board or Finance Committee³

- 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
 1. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 2. 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 funds⁴, 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 funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 3. 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.
 4. 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.⁶

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

⁴ Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁶ No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

No updates were given regarding the progress of resolving prior year audit findings.

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 accounts⁷ (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:
1. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 2. 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 or electronically logged); and
 3. 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

4) Collections (excluding electronic funds transfers)⁸

- A. Obtain a listing of deposit sites⁹ 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).

Management represented the list obtained was complete.

- B. For each deposit site selected, obtain a listing of collection locations¹⁰ 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

⁷ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

⁸ The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

⁹ A deposit site is a physical location where a deposit is prepared and reconciled.

¹⁰ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

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

1. Employees responsible for cash collections do not share cash drawers/registers;
2. 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;
3. 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
4. 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/official verifies the reconciliation.

One of the 2 employees who collects cash payments is also responsible for reconciling collection documents and for posting to the general ledger and is also responsible for reconciliations.

- 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 exceptions

- 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

- 1) Observe that receipts are sequentially pre-numbered.¹¹

Sequentially pre-numbered receipts are not used.

- 2) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- 3) Trace the deposit slip total to the actual deposit per the bank statement.

¹¹ The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

- 4) Observe that the deposit was made within one business day of receipt¹² 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).
- 5) Trace the actual deposit per the bank statement to the general ledger.

No exceptions

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Management represented the list obtained was complete.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - 1) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - 2) At least two employees are involved in processing and approving payments to vendors;
 - 3) 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;
 - 4) 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
 - 5) 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.

No exceptions

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

¹² As required by Louisiana Revised Statute 39:1212.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- 1) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - 2) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions

- 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.*

No exceptions

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (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 cards¹³. Obtain management's representation that the listing is complete.

Management represented the list obtained was 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
- 1) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original 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

¹³ Including cards used by school staff for either school operations or school activity fund operations.

the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

- 2) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions

- C. Using the monthly statements or combined statements selected under procedure #7B 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)¹⁴. 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.

No exceptions

- 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.

No exceptions

7) Travel and Travel-Related Expense Reimbursements¹⁵ (excluding card transactions)

- 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

Management represented the list obtained was complete.

¹⁴ For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

¹⁵ Non-travel reimbursements are not required to be inspected under this category.

- 1) 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);
- 2) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- 3) 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
- 4) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

One reimbursement did not itemize receipt purchases. Two reimbursements were not approved by someone other than the person receiving reimbursement but the checks require 2 signatures.

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

Management represented the list obtained was complete.

- 1) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁶ (e.g., solicited quotes or bids, advertised), if required by law;
- 2) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
- 3) 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
- 4) 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.

¹⁶ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" (R.S. 38:2211 *et seq*) with "Louisiana Procurement Code."

Two of the 3 contracts were not approved by the governing board in the minutes but were mentioned in the minutes.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials¹⁷ 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.

Management represented the list obtained was complete.

- 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

- 1) Observe that all selected employees or officials¹⁸ documented their daily attendance and leave (e.g., vacation, sick, compensatory);
- 2) Observe whether supervisors approved the attendance and leave of the selected employees or officials;
- 3) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
- 4) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions

- 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.

Not exceptions

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

No exceptions

¹⁷ "Officials" would include those elected, as well as board members who are appointed.

¹⁸ Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

10) Ethics¹⁹

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- 1) 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
 - 2) 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.

No exceptions

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

No exceptions

11) Debt Service²⁰

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

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).

No exceptions

¹⁹ The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

²⁰ This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

12) Fraud Notice²¹

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management represented the list obtained is complete.

- 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.

No exceptions

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- 1) 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.

- 2) 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.

- 3) 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.

²¹ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs. The notice is available for download at www.la.la.gov/hotline

- B. 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 evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

- C. 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. 42:1267²². 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.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment²³

- 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.

No exceptions

- 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).

No exceptions

²² 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.

²³ While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

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:

- 1) Number and percentage of public servants in the agency who have completed the training requirements;
5; 100%
- 2) Number of sexual harassment complaints received by the agency;
0
- 3) Number of complaints which resulted in a finding that sexual harassment occurred;
0
- 4) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
0
- 5) Amount of time it took to resolve each complaint.
0

We were engaged by the Greater Ward One Waterworks District of Lincoln Parish to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. 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 Greater Ward One Waterworks District of Lincoln Parish and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on 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.


Ruston, LA

March 3, 2026

Greater Ward One Waterworks District of Lincoln Parish

March 3, 2026

Wade & Perry, CPAs
Ruston, LA

The following is Management's Response to the 2025 AUP report submitted for Greater Ward One Waterworks District of Lincoln Parish.

Written policies and procedures

Management will update the policies and procedures as noted.

Board or Finance Committee

Management will document the process of resolving audit findings.

Collections

- B. 2) Management will work toward implementing checks and balances for this procedure.
- 3) Management will work toward implementing checks and balances for this procedure.
- 4) Management will work toward implementing checks and balances for this procedure.

Travel and travel related reimbursements

- A. 2) Management will maintain itemized receipts.
- 4) Management will work toward implementing checks and balances for this procedure.

Contracts

- A. 2) Management will document the approval of contracts in the minutes.