

JOHN K. KELLY GRAND BAYOU RESERVOIR COMMISSION

**ANNUAL FINANCIAL REPORT
DECEMBER 31, 2025**

John K. Kelly Grand Bayou Reservoir Commission
Annual Financial Report
December 31, 2025

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JOHN K. KELLY GRAND BAYOU RESERVOIR COMMISSION

Coushatta, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of and for the year ended December 31, 2025

As management of the John K. Kelly Grand Bayou Reservoir Commission, Coushatta, Louisiana, (hereafter referred to as the "Commission") we offer the readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission as of and for the year ended December 31, 2025. This document focuses on the current year's activities, resulting changes, and currently known facts. We encourage readers to consider the information presented here in conjunction with the Commission's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

- The Commission experienced a decrease in its net position of 5.28% (\$258,328) during the year ended December 31, 2025 compared to a decrease of 5.19% (\$267,733) for the prior year.
- Operating revenue increased \$20,382 (3.34%) for the year ended December 31, 2025, to \$631,272 from \$610,890 during the prior year.
- Ad valorem tax revenues saw a slight increase of \$14,600 (4.67%) to \$327,144 in 2025 compared to \$312,544 for year ended December 31, 2024.
- Operating expenses remained fairly stable increasing \$26,962 (2.27%) to \$1,216,844 for the year ending December 31, 2025, from \$1,189,882 during the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

John K. Kelly Grand Bayou Reservoir Commission is a special-purpose government engaged in only one business-type activity, and therefore required to report as an enterprise fund. This business-type function is normally intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The business-type activity of the Commission consists primarily of the rental of lodging and recreational facilities to the general public.

The minimum requirements for the Commission's basic financial statements established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements--and Management's Discussion and Analysis—for State and Local Governments* consists of three sections—1) Management's Discussion and Analysis (this section) 2) the basic financial statements (including the notes to the financial statements), and 3) required supplementary information.

The required basic financial statement components are described below:

Basic Financial Statements

- The Statement of Net Position presents all of the Commission's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Commission's net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.
- The Statement of Revenues, Expenses, and Change in Net Position presents information showing how the Commission's net position changed during the most recent year using the full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some of the revenues and some expenses that are reported in this statement will not result in cash flows until future years.
- The purpose of the Statement of Cash Flows is to provide relevant information about the cash receipts and cash payments of any entity during a period. Together with other information this will help the user assess the Commission's ability to generate future net cash flows and meet future obligations as they become due.

- The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided. The notes to the financial statements can be found immediately following the three basic financial statements.

Supplementary Information

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is presented to fulfil the requirements of Louisiana Revised Statute 24:513(A)(3).

FINANCIAL ANALYSIS OF ENTITY

Net Position

The Commission's net position totaled \$4,637,046 and \$4,895,374 at the end of the fiscal years ending December 31, 2025 and 2024, respectively.

At December 31, 2025, \$3,562,537 (76.83%) of the Commission's net position reflects the Commission's net investment in capital assets such as land, buildings, equipment, water and sewer plant and improvements, less any related debt used to acquire those assets that is still outstanding. These assets have a historical cost of \$10,120,886 less accumulated depreciation of \$6,558,349. The Commission uses these capital assets to provide services to the general public; consequently, these assets are not available for future spending.

The other portion of the Commission's net position, \$1,074,509 (23.17%) is unrestricted and may be used to meet the Commission's ongoing obligations to citizens and creditors at the discretion of the board of commissioners.

Statements of Net Position			
December 31,			
		2025	2024
Assets			
Current and Other Assets	\$	1,113,447	\$ 1,100,473
Capital Assets, net		3,562,537	3,832,222
Total Assets		4,675,984	4,932,695
Liabilities			
Current Liabilities		13,553	9,835
Noncurrent Liabilities		25,385	27,486
Total Liabilities		38,938	37,321
Net Position			
Net Investment in Capital Assets		3,562,537	3,832,222
Unrestricted		1,074,509	1,063,152
Total Net Position	\$	4,637,046	\$ 4,895,374

Changes in Net Position

The Commission's net position decreased \$258,328 (5.28%) and \$267,733 (5.19%) during the years ended December 31, 2025 and 2024, respectively.

Statement of Revenues, Expenses, and Change in Net Position For the years ended December 31,

	2025	2024
Operating Revenues		
Service fees and rental income	\$ 631,272	\$ 610,890
Total operating revenues	<u>631,272</u>	<u>610,890</u>
Operating expenses		
General operating	448,134	445,269
Payroll and personnel	477,193	453,294
Depreciation	291,517	291,319
Total operating expenses	<u>1,216,844</u>	<u>1,189,882</u>
Operating income (loss)	(585,572)	(578,992)
Nonoperating income (expense)		
Ad valorem taxes	327,144	312,544
Gain (loss) on sale of assets	-	(1,442)
Interest	100	157
Total nonoperating income (expense)	<u>327,244</u>	<u>311,259</u>
Increase (decrease) in net position	(258,328)	(267,733)
Net position-beginning	4,895,374	5,163,107
Net position-ending	<u>\$ 4,637,046</u>	<u>\$ 4,895,374</u>

CAPITAL ASSET ADMINISTRATION

During the year ended December 31, 2025 the Commission made some small building improvements and replaced a grinder and pump for the sewage system.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Commission considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

1. Grand Bayou revenues should remain stable year over year.
2. Slight increase in costs for supplies and labor.
3. Ad valorem taxes revenues to be stable.
4. Stable repairs and maintenance expenses.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Commission and seeks to demonstrate the Commission's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the David Pickett, Manager, John K. Kelly Grand Bayou Reservoir Commission, 5286 Highway 784, Coushatta, Louisiana 71019 or by calling (318)932-0066.

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INDEPENDENT AUDITOR’S REPORT

John K. Kelly Grand Bayou Reservoir Commission
Coushatta, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and major fund of the John K. Kelly Grand Bayou Reservoir Commission (the Commission), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements as 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 business-type activities and major fund of the Commission 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. 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 Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 Commission'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 Commission'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 (pages 1 through 3) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer 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 25, 2026, on our consideration of the Commission'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 Commission'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 Commission's internal control over financial reporting and compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

June 25, 2026

STATEMENT A

JOHN K. KELLY GRAND BAYOU RESERVOIR COMMISSION
Coushatta, Louisiana

STATEMENT OF NET POSITION
December 31, 2025

ASSETS

Cash and cash equivalents	\$ 747,884
Ad valorem tax receivable	343,678
Prepaid expenses	21,820
Capital assets, net of depreciation	3,562,537
Deposits	65
Total assets	<u>4,675,984</u>

LIABILITIES

Current	
Accounts payable	10,695
Payroll taxes payable	2,858
Noncurrent	
Compensated absences due in more than 1 year	25,385
Total liabilities	<u>38,938</u>

NET POSITION

Net investment in capital assets	3,562,537
Unrestricted	1,074,509
Total net position	<u>\$ 4,637,046</u>

The accompanying notes are an integral part of this statement.
See the accompanying independent auditor's report.

STATEMENT B

JOHN K. KELLY GRAND BAYOU RESERVOIR COMMISSION
Coushatta, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
For the year ended December 31, 2025

Operating revenues

Service fees and rental income	\$ 631,272
Total operating revenue	<u>631,272</u>

Operating expenses

Advertising	1,500
Fuel	11,923
Insurance	81,686
Office supplies	11,904
Repairs and maintenance	107,426
Utilities	143,334
Legal and professional	26,500
Small equipment and supplies	45,358
Salaries and other wages	428,107
Payroll taxes	37,486
Depreciation	291,517
General and administrative	18,503
Pension plan costs	11,600
Total operating expenses	<u>1,216,844</u>

Operating income (loss) (585,572)

Nonoperating revenues (expenses)

Ad valorem taxes	327,144
Interest income	100
Total nonoperating revenues (expenses)	<u>327,244</u>

Increase (decrease) in net position (258,328)

Net position, beginning of year	<u>4,895,374</u>
Net position, end of year	<u><u>\$ 4,637,046</u></u>

The accompanying notes are an integral part of this statement.
See the accompanying independent auditor's report.

STATEMENT C

JOHN K. KELLY GRAND BAYOU RESERVOIR COMMISSION
Coushatta, Louisiana

STATEMENT OF CASH FLOWS
For the year ended December 31, 2025

Cash flow from operating activities:	
Receipts from customers	\$ 631,737
Cash payments to suppliers for goods and services	(447,635)
Cash payments to employees for services	(477,792)
Net cash used in operating activities.	<u>(293,690)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(21,832)</u>
Net cash used in capital and related financing activities.	<u>(21,832)</u>
Cash flows from noncapital financing activities:	
Ad Valorem tax receipts	<u>312,426</u>
Net cash provided by noncapital financing activities.	<u>312,426</u>
Cash flows from investing activities:	
Interest income	<u>100</u>
Net cash from investing activities	<u>100</u>
Net change in cash	(2,996)
Cash, beginning of year	750,880
Cash, end of year	\$ <u><u>747,884</u></u>
Reconciliation of operating income	
to cash used in operating activities:	
Operating loss	\$ (585,572)
Adjustments to reconcile operating loss to	
net cash used in operating activities:	
Depreciation expense	291,517
(Increase) Decrease in prepaid expenses	(1,717)
(Increase) Decrease in accounts receivable	465
Increase (Decrease) in accounts payable	2,216
Increase (Decrease) in payroll taxes payable	1,502
Increase (Decrease) in accrued compensated absences	(2,101)
Net cash used in operating activities.	\$ <u><u>(293,690)</u></u>

The accompanying notes are an integral part of this statement.
See the accompanying independent auditor's report.

NOTES TO FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

The John K. Kelly Grand Bayou Reservoir Commission (the Commission), which was originally named the Black Lake Bayou Recreation and Water Conservation Commission of Red River Parish, was established by Act 474 of 1958 containing R.S. 38:2701 through 38:2717 of the Louisiana Legislature. The Commission is located in Red River Parish with the purpose of development of the wealth and natural resources of the area by the conservation of soil and water for agricultural, recreational, commercial, industrial, and sanitary purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of the significant policies.

Basis of Presentation

The Commission's financial statements are prepared in accordance with GAAP and also with the *Louisiana Governmental Audit Guide*, authorized by LA R.S. 24:513. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Commission is a political subdivision of the State of Louisiana and is governed by a board of seven (7) commissioners appointed by the governor for five (5) year terms. For financial reporting purposes, the Commission is considered a special-purpose government engaged only in business-type activities (enterprise fund type).

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Commission's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem taxes are recognized as revenues in the year for which they are levied. Booking revenues are recognized in the months when bookings commence. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as operating revenues include service fees, rental fees, and water sales. Operating expenses are those expenses that are essential to the primary operations of the Commission. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Enterprise fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows. All assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Change in Net Position presents increases (revenues) and decreases (expenses) in total net position.

Cash and Cash Equivalents

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.

Prepaid Expenses

Payments made for services benefiting periods beyond December 31, 2025, are recorded as prepaid expenses.

Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible. Substantially all receivables are considered to be fully collectible, and, thus, no allowance for uncollectibles is considered necessary. At December 31, 2025, the Commission's accounts receivable consist of ad valorem taxes due and balances due for bookings that have occurred.

NOTES TO THE FINANCIAL STATEMENTSDecember 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Commission is charged as an expense against operations in the Statement of Revenues, Expenses, and Change in Net Position. Capital assets, net of accumulated depreciation, are reported on the Statement of Net Position. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs, and minor renewals are charged to expenses as incurred. Major expenditures for renewals and betterments are capitalized.

Compensated Absences

The Commission's recognition and measurement criteria for compensated absences follows GASB Statement No. 101. Full-time employees of the Commission earn one to three weeks of annual leave, depending on length of service, and one to two weeks of sick leave each year based on length of service. Leave is based on anniversary date of employment and is not subject to any rollover limits or accumulation caps.

Unearned Booking Revenues

These are deposits and prepaid amounts received for bookings that have not yet occurred.

Restricted Net Position

Enterprise Fund net position is reported in the following three components:

1. 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 attributed to the acquisition, construction, or improvement of those assets. At December 31, 2025, the Commission did not have any debt balances.
2. Restricted net position – net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation. At December 31, 2025, the Commission did not have any restricted balances.
3. Unrestricted – all other net position is reported in this category.

The Commission typically uses restricted funds first, followed by unrestricted funds when an expenditure is incurred for purposes for which amounts in either of these classifications could be used.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 those estimates.

2. CASH AND CASH EQUIVALENTS

At December 31, 2025, the Commission had cash and cash equivalent (book balances) totaling \$747,884. Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the Commission's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of December 31, 2025, the Commission's bank balance totals \$747,884 and is secured from risk by FDIC insurance of \$250,000 and \$1,241,978 of pledged marketable securities held by the custodial bank.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

3. LEVIED TAXES

The John K Kelly Grand Bayou Reservoir Commission levies taxes on real and business property located within the boundaries of Red River Parish. Property taxes are levied by the Commission on property values assessed by the Red River Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The Red River Sheriff's office bills and collects property taxes for the Commission. Collections are remitted to the Commission monthly. The Commission recognizes property tax revenues when levied.

The property tax calendar:

Assessment date	January 1, 2025
Levy date	June 30, 2025
Tax bills mailed	October 15, 2025
Total taxes are due	December 31, 2025
Penalties & interest added	January 31, 2026
Tax sale	May 15, 2026

The Commission has authorized ad valorem tax millage of 1.21 mill and levied taxes of 1.21 mill for 2025. This tax is dedicated for the purpose of maintaining, operating, and supporting the Grand Bayou Resort, including acquiring, constructing, improving, maintaining, and operating facilities, equipment, and programs, and assisting Wildlife and Fisheries in controlling aquatic vegetation in the reservoir. This tax was originally approved by voters on November 21, 2015 for a term of ten years and renewed by voters November 21, 2025 for another ten year term ending in 2035. Revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2024. Total assessed value in the Commission's district was \$270,634,350 for the year ending December 31, 2025. The Commission recognized \$327,144 in ad valorem tax revenues for the year ending December 31, 2025. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption reduced ad valorem taxes by \$15,213 in 2025.

4. CAPITAL ASSETS

A summary of the Commission's capital assets at December 31, 2025 follows:

	Balance 1/1/2025	Additions	Disposed/ Reclassified	Balance 12/31/2025
Capital assets not being depreciated:				
Land	\$ 93,000	\$ -	\$ -	\$ 93,000
Capital assets being depreciated:				
Buildings and building improvements	9,659,860	11,900	-	9,671,760
Furniture, fixtures, and equipment	346,194	9,932	-	356,126
Total capital assets being depreciated	10,006,054	21,832	-	10,027,886
Less accumulated depreciation for:				
Buildings and building improvements	6,060,210	258,803	-	6,319,013
Furniture, fixtures, and equipment	206,622	32,714	-	239,336
Total accumulated depreciation	6,266,832	291,517	-	6,558,349
Total capital assets, net	\$ 3,832,222	\$ (269,685)	\$ -	\$ 3,562,537

5. LEASES

The Commission is the lessee under a month-to-month operating lease with Keltech, Inc. for laundry equipment used at the Grand Bayou Resort. The lease requires monthly payments of \$447.75. Because the noncancellable lease term — including any options to extend that the Commission is reasonably certain to exercise — is 12 months or less, the Commission has elected to account for this arrangement as a short-term lease in accordance with GASB Statement No. 87, *Leases*. Accordingly, no lease liability or right-of-use asset has been recognized. Short-term lease expense for the year ended December 31, 2025 totaled \$5,373 and is included in operating expenses on the Statement of Revenues, Expenses, and Change in Net Position.

JOHN K. KELLY GRAND BAYOU RESERVOIR COMMISSION
Coushatta, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

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6. RISK MANAGEMENT/LITIGATION

The Commission is exposed to various risks of loss related to limited torts, theft of or damage to and destruction of assets, and errors and omissions. To handle some of the risk, the Commission maintains surety bond coverage. No settled claims from these risks have exceeded insurance coverage in the last three years. There were no significant changes to insurance coverage during the year ended December 31, 2025. The Commission was not involved in any litigation at December 31, 2025.

7. COMPENSATED ABSENCES

Employees of the Commission have accumulated and vested employee leave benefits, computed in accordance with GASB Statement 101. The liability for compensated absences is computed only at the end of the fiscal year.

	Balance at 01/01/2025		Additions		Reductions		Balance at 12/31/2025
Compensated Absences	\$ 27,486	\$	-	\$	(2,101)	\$	25,385

8. COMPENSATION PAID TO BOARD MEMBERS

The members of the Board of Commissioners of the John K. Kelly Grand Bayou Reservoir Commission receive no compensation for their services.

9. SUBSEQUENT EVENTS

Management has performed an evaluation of the Commission's activities through June 25, 2026, and has concluded that there are no significant events requiring recognition or disclosure through the date the financial statements were available to be issued.

Schedule 1

JOHN K. KELLY GRAND BAYOU RESERVOIR COMMISSION
Coushatta, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

For the year ended December 31, 2025

Park Manager	<u>David Pickett</u>
Purpose:	
Salary	\$ 58,187
Benefits-insurance	-
Benefits- retirement	-
Payroll taxes employer	4,654
Car allowance	-
Vehicle provided by government	-
Vehicle Per diem	2,650
Reimbursements	1,125
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

Supplementary information.
See the accompanying independent auditor's report.

T | C | B | T
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Certified Public Accountants

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

John K. Kelly Grand Bayou Reservoir Commission
Coushatta, Louisiana

We have audited, in accordance with the 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 and the *Louisiana Governmental Audit Guide*, the financial statements of the business-type activities and major fund as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the John K. Kelly Grand Bayou Reservoir Commission’s (Commission) basic financial statements and have issued our report thereon dated June 25, 2026.

Report on Internal Control over Financial Reporting

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

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

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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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 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. However, this report is a matter of public record, and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

June 25, 2026

John K. Kelly Grand Bayou Reservoir Commission
Schedule of Audit Results
Year Ended December 31, 2025

I. SUMMARY OF AUDIT RESULTS

The following summarizes the audit results:

1. An unmodified opinion was issued on the financial statements of the John K. Kelly Grand Bayou Reservoir Commission as of and for the year ended December 31, 2025.
2. The audit disclosed no material weaknesses in internal control.
3. The audit disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None identified.

III. PRIOR YEAR AUDIT FINDINGS

None identified.

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**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES**

To the John K. Kelly Grand Bayou Reservoir Commission 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 John K. Kelly Grand Bayou Reservoir Commission’s (Commission) management is responsible for those C/C areas identified in the SAUPs.

The Commission 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:

Written Policies and Procedures

1. We obtained and inspected the entity’s written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the operations:
 - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ***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.
 - ***Disbursements***, including processing, reviewing, and approving.
 - ***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 custodial fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, custodial fund forfeiture monies confirmation.)

- ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- ***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).
- ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 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.
- ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- ***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.
- ***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.

Procedure Results: No exceptions were noted as a result of these procedures.

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
 - Observed 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.
 - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual comparisons on all proprietary funds, and semi-annual budget-to-actual comparisons on all special revenue funds.
 - Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unrestricted net position in the prior year audit report, observed 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.

- Observed 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.

Procedure Results: No exceptions were noted as a result of these procedures.

Bank Reconciliations

3. We obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
 - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
 - Bank reconciliations included written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g. initialed and dated, electronically logged); and
 - Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedure Results: No exceptions were noted as a result of these procedures.

Collections (excluding electronic funds transfers)

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, then inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:
 - Employees that are responsible for cash collections do not share cash drawers/registers.
 - 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.
 - 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.
 - The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was in force during the fiscal period.
7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and:
 - We observed that receipts are sequentially pre-numbered.
 - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - We traced the deposit slip total to the actual deposit per the bank statement.
 - We observed 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).
 - We traced the actual deposit per the bank statement to the general ledger.

Procedure Results: No exceptions were noted as a result of these procedures.

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected the required amount of disbursement locations (or all locations if less than 5).
9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquired of employees about their job duties), and we observed that job duties are properly segregated such that:
 - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - 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.
 - Only employees/officials authorized to sign checks approved the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some electronic means.

10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
- We observed that the disbursement, whether 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.
 - We observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in procedure #3 under Bank Reconciliations, we randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed 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. If no electronic payments were made from the main operating account during the month selected, we selected an alternative month and/or account for testing that does include electronic disbursements.

Procedure Results: No exceptions were noted as a result of these procedures.

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

12. We obtained 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. We obtained management's representation that the listing is complete.
13. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:
- We observed that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - We observed that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (a) an original itemized receipt that identified precisely what was purchased, (b) written documentation of the business/public purpose, and (c) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedure Results: No exceptions were noted as a result of these procedures.

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

15. We obtained 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. We randomly selected 5 reimbursements, and obtained 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:

- If reimbursed using a per diem, we observed that the approved reimbursement rate is no more than those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1, 8th bullet).
- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Results: No exceptions were noted as a result of these procedures.

Contracts

16. We obtained from management a listing of all agreements/contracts (or active vendor list) for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to 5) from the listing, excluding our contract, and:

- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- We observed whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- If the contract was amended (e.g. change order), we observed 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 document approval).
- We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure Results: No exceptions were noted as a result of these procedures.

Payroll and Personnel

17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
18. We randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:
 - We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - We observed that supervisors approved the attendance and leave of the selected employees or officials.
 - We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - We observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found with the personnel file.
19. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. If applicable, we agreed the hours to the employee's or official's cumulative leave records, and the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and the termination payment to entity policy.
20. We obtained 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.

Procedure Results: No exceptions were noted as a result of these procedures.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
 - We observed 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.
 - We observed that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. We inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Procedure Results: No exceptions were noted as a result of these procedures.

Debt Service

23. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed 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).

Procedure Results: No exceptions were noted as a result of these procedures.

Fraud Notice

25. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed 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.
26. We observed whether 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.

Procedure Results: No exceptions were noted as a result of these procedures.

Information Technology Disaster Recovery/Business Continuity

27. We performed the following procedures:
 - We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed 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 obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
 - We obtained a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed 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.
28. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19, and observed evidence that the selected terminated employees have been removed or disabled from the network.

29. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, we obtained cybersecurity training documentation from management, and observed that the documentation demonstrates that the selected employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

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

Procedure Results: We performed the procedures and discussed the results with management.

Prevention of Sexual Harassment

30. We randomly selected the employees/officials from procedure #17 under “Payroll and Personnel” above, obtained sexual harassment training documentation from management, and observed 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.

31. We observed that the entity has posted its sexual harassment policy and complaint procedures on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

32. We obtained the entity’s annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that it includes the applicable requirements of R.S. 42:344:

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

Procedure Results: No exceptions were noted as a result of these procedures.

We were engaged by the Commission 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 Commission 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.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

June 25, 2026