

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4  
(A Component Unit of Jefferson Davis Police Jury)  
FINANCIAL REPORT

AS OF JUNE 30, 2025

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Jefferson Davis Parish Water District No. 4  
Jennings, Louisiana

### Opinions

We have audited the accompanying financial statements of the business-type activities of the Jefferson Davis Parish Water District No. 4 (the "District"), component unit of Jefferson Davis Police Jury, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating 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 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

The District has omitted Management's Discussion and Analysis that the Government Accounting Standards Board 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, economical, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

## **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 is 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. 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2025, 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 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Langley, Williams & Co., LLP". The signature is written in a cursive, flowing style.

Lake Charles, Louisiana  
November 14, 2025

## **BASIC FINANCIAL STATEMENTS**

JEFFERSON DAVIS PARISH WATER DISTRICT NO.4  
(A Component Unit of Jefferson Davis Police Jury)  
STATEMENT OF NET POSITION  
JUNE 30, 2025

ASSETS

Current assets:

Cash and cash equivalents	\$ 253,604
Accounts receivable	90,232
Prepaid expenses	25,863
Other assests	<u>6,283</u>
Total current assets	375,982

Non-current assets:

Restricted cash	319,796
Capital assets (net of accumulated depreciation)	1,716,131
Other assets	<u>6,283</u>
Total non-current assets	<u>2,042,210</u>

TOTAL ASSETS	<u><u>\$ 2,418,192</u></u>
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LIABILITIES

Current liabilities:

Accounts payable	\$ 14,039
Salaries, payroll and other taxes payable	5,011
Accrued compenastion	3,848
Sales tax payable	5,585
Current portion of note payable	50,216
Current portion of deferred revenues	<u>9,047</u>
Total current liabilities	<u>87,746</u>

Non-current liabilities:

Note payable	219,767
Customer deposits payable	142,973
Accrued compensation	8,668
Deferred revenues	<u>9,047</u>
Total non-current liabilities	<u>380,455</u>

TOTAL LIABILITIES	468,201
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NET POSITION

Net investment in capital assets	1,446,148
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Restricted:

Restricted for debt service	319,796
Contributions	10,720

Unrestricted	<u>173,327</u>
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TOTAL NET POSITION	<u>1,949,991</u>
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TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 2,418,192</u></u>
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See accompanying notes and independent auditors' report.

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4  
(A Component Unit of Jefferson Davis Police Jury)  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2025

OPERATING REVENUES

Sales of water	\$ 583,087
Installation fees	26,205
Penalties and reconnection fees	28,589
Other revenues	<u>18,858</u>
Total operating revenues	<u>656,739</u>

OPERATING EXPENSES

Bad debts	1,615
Chemicals	33,602
Communications	2,223
Depreciation	79,280
Department of Health and Hospitals fees	15,917
Fuel and oil	7,358
Insurance	40,479
Licenses and permits	730
Meter reading	998
Office expense	19,190
Payroll taxes	15,175
Per diem meetings	11,100
Postage	7,466
Professional fees	22,392
Seminars and training	854
System supplies	47,168
Repairs and maintenance	63,854
Salaries and benefits	176,509
Utilities	<u>38,582</u>
Total operating expenses	<u>584,492</u>

OPERATING INCOME

72,247

NON-OPERATING REVENUES (EXPENSES)

Interest income	27,866
Interest expense	(13,457)
Gain on disposal of fixed asset	<u>24,674</u>
Total non-operating revenues (expenses)	<u>39,083</u>

Change in net position 111,330

Net position, beginning of year	<u>1,838,661</u>
Net position, end of year	<u><u>\$ 1,949,991</u></u>

See accompanying notes and independent auditors' report.



JEFFERSON DAVIS PARISH WATER DISTRICT NO.4  
(A Component Unit of Jefferson Davis Police Jury)  
STATEMENT OF NET POSITION  
JUNE 30, 2025

ASSETS

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TOTAL NET POSITION	<u>1,949,991</u>
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TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 2,418,192</u></u>
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See accompanying notes and independent auditors' report.

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4  
(A Component Unit of Jefferson Davis Police Jury)

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

**INTRODUCTION**

As provided by Louisiana Revised Statute (R.S.) 33:3812, the Jefferson Davis Parish Water District No. 4 (the “District”) is governed by five commissioners. These five commissioners are collectively referred to as the Water Commissioners and are appointed by the Jefferson Davis Parish Police Jury. The Jefferson Davis Parish Water District No. 4 is a subdivision of the state and may issue bonds and levy taxes in accordance with Article 6, Section 30 of the Louisiana Constitution of 1974. The District was created under the authority of R.S. 33:3811 and was established to establish, acquire, construct, improve, extend, and maintain within its political subdivision a water system. At present, the breakdown of the customers the District supplies water to are as follows:

Commercial Accounts	Residential Accounts	Gender		Ethnicity		Race					
		Male	Female	Hispanic or Latino	Non-Hispanic or Latino	American Indian / Alaskan	Asian	Black or African American	Native Hawaiian or Other Pacific	White	Other
52	1327	953	426	17	1362	3	13	38	1	1300	24

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

GASB Codification Section 2100 established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

1. Appointment of governing body
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

Because the Police Jury appoints the governing board and because of the scope of public service, Jefferson Davis Parish Water District No. 4 was determined to be a component unit of the Jefferson Davis Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the water district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

**B. Fund Accounting**

The accounts of the District are organized on the basis of a proprietary fund, which is considered a separate accounting entity or enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private businesses enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4  
(A Component Unit of Jefferson Davis Police Jury)

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Accounting and Measurement Focus**

The District has implemented GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and GASB Statement No.63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the Statement of Net Position. Net Position is segregated into contributed capital (if any) and Net Position components.

Proprietary fund type operating statements present increases and decreases in total net position. The accrual basis of accounting is utilized by the proprietary fund type. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when the related liability is incurred. The District uses alternative 2 under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*.

**1. Revenues**

Water distribution fees are assessed on or about the 20th of each month, become due on the first of the following month, and are delinquent on the 15th of that month. A late fee of 10% is assessed on water distribution fees that are not paid by the 15th of the month in which they become delinquent and a disconnect fee of \$20 is assessed if the customer still has not paid by the 10th of the following month. An installation fee is charged for all new water service. These fees range from \$140 to \$300, depending on the amount of line and valves needed. Interest income represents amounts earned on certificates of deposit and savings accounts invested with financial institutions. Interest earned on certificates of deposit is recorded when the certificate matures and/or when interest is available. Interest on savings accounts is recorded when received. Intergovernmental revenue is recorded when received. Intergovernmental revenues and interest income are the revenues classified as non-operating revenue.

**2. Expenditures**

Expenses are generally recognized under the accrual basis of accounting. Exceptions to this general rule include principal and interest on long-term debt which is recognized at year end.

Operating expenses are those expenses associated with the plant such as chemicals, fees, plant supplies, etc. Non-operating expenses are those of administration by nature.

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4  
(A Component Unit of Jefferson Davis Police Jury)

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting and Measurement Focus (Continued)**

**3. Fund equity**

In the proprietary financial statements, equity is classified as net position and displayed in 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 attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

**D. Cash, Cash Equivalents, and Investments**

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with maturities of 90 days or less. Under state law the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. Investments may include instruments or obligations issued by the United States Government or its agencies, or any other federally-issued investment.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 since the District does not have a formal investment policy. Funds which are available for investment and above immediate cash requirements can be invested in statutorily-sanctioned investments including direct U.S. Treasury obligations, bonds, debentures, notes or certificates issued by or guaranteed by federal agencies, or time certificate of deposit in any bank domiciled or having a branch office in Louisiana or any other federally-insured investment. Statutorily-sanctioned investments also include funds invested with external local government investment pools such as Louisiana Asset Management Pool.

When investments are present in the financial statements, they are reflected at fair value except for the following which are permitted per GASB Statement 31, *Accounting and Financial Reporting/or Certain Investments and for External Investment Pools*:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. If the original maturities of time deposits exceed 90 days, they are classified as investments.

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4  
(A Component Unit of Jefferson Davis Police Jury)

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Restricted Assets**

Certain asset accounts are restricted as bond reserve, bond contingency, and for customer deposits.

**F. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items consist of unexpired portions of insurance premiums.

**G. Capital Assets**

Property and equipment of Jefferson Davis Parish Water District No. 4 with an initial useful life that extends beyond one year with a cost greater than \$2,500 are capitalized. Maintenance and repairs are charged to expenses as incurred; major renewals and betterments are capitalized. At year end, the construction account is adjusted to other fixed assets accounts: water wells, main plant, filtration system, and water lines. All fixed assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated.

All proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus, and all assets and all liabilities (whether current or non-current) associated with the District’s activities are included on its Statement of Net Position. The District’s reported net position is segregated into reserves, contributions and net position components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustible fixed assets used by the proprietary funds is charged as an expense against the District’s operations. Accumulated depreciation is reported on the proprietary fund balance sheet.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water lines, Filtration system, Main plant, and Water wells	12 to 50 years
Major Machinery and Equipment	15-30 years
Minor Machinery and Equipment	5-10 years

**H. Accrued Compensation**

Vacation leave is provided for all full-time employees with at least six months of service. It ranges from 1 to 4 weeks per year depending on the length of service. It is the District’s policy that vacation does not accumulate except the amount earned in the current calendar year. Any vacation not utilized by December 31<sup>st</sup> is lost. Employees also earn 7 days per year for sick leave and are cumulative from year to year up to a maximum of 35 days. Upon retirement, any unused sick days are forfeited.

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4  
(A Component Unit of Jefferson Davis Police Jury)

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Retirement**

Retirement is provided to the District's employees through a SIMPLE IRA. The District matches up to 2% of the employees' gross salary.

**J. Accounts Receivable**

Management monitors the receivables and assesses the collectability of accounts on a monthly basis. Management has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method to be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

**K. Reserves**

The District's reserve accounts are used to indicate that a portion of the net position is legally segregated for a specific future use. As of June 30, 2025, the District had reserves as required by U.S. Department of Agriculture Rural Development (USDARD).

**L. Contributions**

The District received and expended grant funds to construct part of its facility. The grant contains certain contingent restrictions based on the fair market value of that portion of the facility which was attributed to the grant funds. Each year an allocation is made to re-class a portion of the contribution account to unrestricted net position. The balance in the contributions account is the balance of the unallocated grant.

**M. Use of Estimates**

The preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 and expenses during the reporting period. Actual results could differ from those estimates.

**N. Risk Management**

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are managed by coverage through commercial insurance.

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4  
(A Component Unit of Jefferson Davis Police Jury)

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Recently Adopted Accounting Pronouncements**

In December 2023, GASB approved Statement No. 102, "Certain Risk disclosures." The objective of this statement is to provide users of governmental financial statements with essential information about the risk related to the government's vulnerabilities due to certain concentrations or constraints. The requirement of this statement is effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The effect of implementation on the District's financial statements was immaterial.

**P. Recently Issued Accounting Pronouncements**

In April 2024, GASB approved Statement No. 103, "Financial Reporting Model Improvements." The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting period thereafter. The effect of implementation on the District's financial statements has not yet been determined.

In June 2025, GASB issued Statement No. 104, "Capital Asset Disclosures." The objective of this Statement is to enhance the usefulness of capital asset information presented in the notes to financial statements by requiring separate disclosure of certain types of capital assets, including lease assets, subscription-based IT assets, and intangible right-to-use assets, by major class. It also introduces new disclosure requirements for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, with earlier application encouraged. The District has not early implemented this pronouncement and the effects have not yet been determined.

**2. CASH AND CASH EQUIVALENTS**

For reporting purposes, cash and cash equivalents include demand accounts, savings accounts, and certificates of deposit with original maturities of less than 90 days (if applicable). As of June 30, 2025, the District had cash and cash equivalents (book balances) totaling \$38,719 in demand deposit account.

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 District'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.

The deposits (bank balances) at June 30, 2025 were secured as follows:

Demand deposits	\$	41,754	Federal Deposit Insurance	\$	250,000
Time Deposits		-	Pledged Securities		43,729
	\$	<u>41,754</u>		\$	<u>293,729</u>

Even though the pledge securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4  
(A Component Unit of Jefferson Davis Police Jury)

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

**2. CASH AND CASH EQUIVALENTS (Continued)**

bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

As of June 30, 2025, the District held \$534,681 of its cash in the Louisiana Asset Management Pool, a local government investment pool, carried at cost which approximates fair market value. In accordance with GASB Codification Section 150.128, the investment in Louisiana Asset Management Pool (LAMP) is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in a pool of funds and thereby not evidenced by securities that exist in physical or book entry form.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit Risk: LAMP is rated AAAm by Standard and Poor's.
- Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool.  
Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their  
account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 60 days as of June 30, 2025.
- Foreign Currency Risk: Not applicable to 2a7-like pools.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

**3. ACCOUNTS RECEIVABLE**

The accounts receivable of \$90,232 as of June 30, 2025, are as follows:

Customers	\$ 47,058
Insurance receivable	24,674
Intergovernmental	18,500
	<u>\$ 90,232</u>



JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4  
(A Component Unit of Jefferson Davis Police Jury)

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

**4. CAPITAL ASSETS**

Capital assets activity as of and for the year ended June 30, 2025, for the District is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 32,184	\$ 23,605	\$ -	\$ 55,789
Total capital assets, not being depreciated:	<u>\$ 32,184</u>	<u>\$ 23,605</u>	<u>\$ -</u>	<u>\$ 55,789</u>
Capital assets being depreciated:				
Water lines	\$ 2,567,932	\$ 68,952	\$ -	\$ 2,636,884
Filtration system	449,372	-	-	449,372
Machinery and equipment	198,448	69,686	29,952	238,182
Main plant	250,589	21,788	-	272,377
Office equipment	6,677	-	808	5,869
Water wells	198,859	44,862	-	243,721
Total capital assets being depreciated	<u>3,671,877</u>	<u>205,288</u>	<u>30,760</u>	<u>3,846,405</u>
Less accumulated depreciation for:				
Water lines	1,168,131	60,354	-	1,228,485
Filtration system	437,973	2,197	-	440,170
Machinery and equipment	124,430	12,124	29,952	106,602
Main plant	203,158	3,066	-	206,224
Office equipment	5,028	495	808	4,715
Water wells	198,823	1,044	-	199,867
Total accumulated depreciation	<u>2,137,543</u>	<u>79,280</u>	<u>30,760</u>	<u>2,186,063</u>
Total capital assets being depreciated, net	<u>\$ 1,534,334</u>	<u>\$ 126,008</u>	<u>\$ -</u>	<u>\$ 1,660,342</u>

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4  
(A Component Unit of Jefferson Davis Police Jury)

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

**5. LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2025, is as follows:

	June 30, 2024			June 30, 2025	Due within One
	Balance	Additions	Reductions	Balance	Year
Deferred revenue	\$ -	\$ 18,094	\$ -	\$ 18,094	\$ 9,047
Note payable	362,126	-	(92,143)	269,983	50,216
Customer deposits payable	140,478	5,443	(2,950)	142,971	-
Accrued compensation*	27,196	-	(14,680)	12,516	-
Total non-current liabilities	<u>\$ 529,800</u>	<u>\$ 23,537</u>	<u>\$ (109,773)</u>	<u>\$ 443,564</u>	<u>\$ 59,263</u>

**6. NOTE PAYABLE**

The District obtained a loan from the USDARD in the amount of \$1,166,000 in 2010. Required loan payments are made monthly in the amount of \$5,060. In addition to the required loan payments, the District has been making additional monthly principal payments of \$3,740 during the year.

Long-term debt as of June 30, 2025, is comprised of the following:

Date of Issue	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding
April 26, 2010	<u>\$ 1,166,000</u>	4.25%	May 25, 2040	<u>\$ 29,766</u>	<u>\$ 269,983</u>

The annual requirements to amortize all debt outstanding as of June 30, 2025, are as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2026	\$ 50,216	\$ 10,504	\$ 60,720
2027	52,393	8,327	60,720
2028	54,663	6,057	60,720
2029	57,032	3,688	60,720
2030	<u>55,679</u>	<u>1,190</u>	<u>56,869</u>
Total	<u>\$ 269,983</u>	<u>\$ 29,766</u>	<u>\$ 299,749</u>

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4  
(A Component Unit of Jefferson Davis Police Jury)

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

**7. COMPENSATION OF COMMISSIONERS**

As provided by Louisiana R.S. 33:3819, the District's commissioners receive per diem for each board meeting they attend. Total compensation for each commissioner is as follow:

Charles Deese, Chairman	\$ 2,400
Randy Davis, Vice-Chairman	1,950
Anthony Comeaux, Secretary/Treasurer	1,950
Robert Sarver	2,400
Gerald Gary	<u>2,400</u>
Total	<u><u>\$ 11,100</u></u>

**8. OFF BALANCE SHEET RISK**

The District is concentrated within a relatively small geographic area located in Southwest Louisiana. The concentration of assets within a small area increases the chance of having a material loss of assets due to a sudden unforeseen occurrence. The District carries commercial insurance to reduce the amount of risk to assets.

**9. CURRENT WATER RATES**

At present the District charges residential customers \$16 for the first 2,500 gallons of water use and \$4.50 for each additional 1,000 gallons used. Commercial accounts are charged \$32 for the first 5,000 gallons of water used and \$4.50 each additional 1,000 gallons used.

## **SUPPLEMENTARY INFORMATION**

**JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4**  
**(Component Unit of Jefferson Davis Police Jury)**

**Schedule of Compensation, Benefits, and other Payments  
to Agency Head**

**For the Year Ended June 30, 2025**

Agency Head Name: Charles Deese, Chairman

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-dues	-
Car allowance	-
Vehicle provided by government	-
Per diem	2,400
Reimbursements	-
Travel	-
Registration fees	47
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	<u>\$ 2,447</u>

The accompanying notes are an integral part of this statement.

## **OTHER REPORTS**



Langley, Williams  
& Company, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

LESTER LANGLEY, JR.  
DANNY L. WILLIAMS  
PHILLIP D. ABSHIRE, JR.  
DAPHNE BORDELON BERKEN

NICHOLAS J. LANGLEY  
PHILLIP D. ABSHIRE, III  
SARAH CLARK WERNER  
ALEXIS HABETZ O'NEAL  
JESSICA LOTT-HANSEN

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

Board of Commissioners  
Jefferson Davis Parish Water District No. 4  
Jennings, 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, the financial statements of the business-type activities of Jefferson Davis Parish Water District No. 4 (the District), a component unit of Jefferson Davis Police Jury, as of and for the year ended June 30, 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 November 14, 2025.

**Report on Internal Control over Financial Reporting**

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

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

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 may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District'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 determination of financial statement 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as Finding 01-2024 (IC).

### **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.

This report is intended solely for the information and use of management, the Commissioners, others within the entity, the Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44:6, this report is a matter of public record and its distribution is not limited.

Lake Charles, Louisiana  
November 14, 2025



**JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4**  
**(Component Unit of Jefferson Davis Police Jury)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2025

Section I – Summary of Auditors' Results

**Financial Statements**

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiency identified not considered to be a material weakness?	Yes
Noncompliance material to financial statements noted?	No

Section II – Current Year Findings and Management Corrective Action Plan

**Internal Control – Finding 01-2025 (IC) – Segregation of Duties**

Finding: The District did not have adequate segregation of functions within the accounting system.

Criteria: Good internal control requires that incompatible functions with the accounting system be performed by separate persons.

Effect: Due to lack of segregation of duties, misstatements could result without being prevented or detected and corrected in a timely manner.

Cause: The cause of the deficiency is due to the small staff size.

Recommendation: All incompatible functions should be performed by a separate person.

Management's Response: The District has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible. No plan is considered necessary.

**Compliance**

There were no findings in the current year.

**JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4**  
**(Component Unit of Jefferson Davis Police Jury)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2025

Section III – Prior Year Findings and Management Corrective Action Plan

**Internal Control – Finding 01-2024 (IC) – Segregation of Duties**

Finding: The District did not have adequate segregation of functions within the accounting system.

Criteria: Good internal control requires that incompatible functions with the accounting system be performed by separate persons.

Effect: Due to lack of segregation of duties, misstatements could result without being prevented or detected and corrected in a timely manner.

Cause: The cause of the deficiency is due to the small staff size.

Recommendation: All incompatible functions should be performed by a separate person.

Management's Response: The District has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however segregated as many duties as possible. No plan is considered necessary.

**Compliance**

There were no findings in the current year.



LESTER LANGLEY, JR.  
DANNY L. WILLIAMS  
PHILLIP D. ABSHIRE, JR.  
DAPHNE BORDELON BERKEN

NICHOLAS J. LANGLEY  
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JESSICA LOTT-HANSEN

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
FOR THE YEAR ENDED JUNE 30, 2025

Jefferson Davis Parish Water District No. 4  
Jefferson Davis Parish  
Jennings, LA

To the **Board of Commissioners of Jefferson Davis Parish Water District No. 4** 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 **July 1, 2024 through June 30, 2025**. **Jefferson Davis Parish Water District No. 4's**, a component unit of Jefferson Davis Police Jury, management is responsible for those C/C areas identified in the SAUPs.

**Jefferson Davis Parish Water District No. 4 ("District")** has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period **July 1, 2024 through June 30, 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***

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

completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Exception: The District does not maintain written policies for budget adopting and amending, determination of the completeness of all collections, disbursements, contracting, credit cards, travel, and expense reimbursements, ethics, debt service, and IT disaster and recovery/business continuity.**

**Management's response: Management is aware of the exceptions and will consider implementing additional written policies.**

---

## ***2) Board or Finance Committee***

---

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

## ***3) Bank Reconciliations***

---

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

#### ***4) Collections (excluding electronic funds transfers)***

---

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).  
**Obtained a listing of all deposit sites for the fiscal period and management's representation that the listing is complete.**
  - B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
    - i. Employees responsible for cash collections do not share cash drawers/registers;  
**Exception: Due to the entity being small with few employees, two employees share the same cash drawer.**  
**Management's response: The District has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible.**
    - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;  
**Exception: Due to the entity being small with few employees, the same employee is responsible for collecting cash and making bank deposits.**  
**Management's response: The District has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible.**
-

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

- 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.

**There were no exceptions noted as a result of applying this procedure.**

- 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

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

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

**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).

**Per discussion with management, we noted only one location processes payments for the fiscal period.**

---

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;  
**There were no exceptions noted as a result of applying this procedure.**
  - ii. At least two employees are involved in processing and approving payments to vendors;  
**There were no exceptions noted as a result of applying this procedure.**
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;  
**Exception: The employee responsible for processing payments is also able to add/modify vendor files.**  
**Management's response: The District has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible.**
  - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and  
**There were no exceptions noted as a result of applying this procedure.**
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.  
**There were no exceptions noted as a result of applying this procedure.**
- 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
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and  
**There were no exceptions noted as a result of applying this procedure.**
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.  
**There were no exceptions noted as a result of applying this procedure.**
-



- 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.

**There were no exceptions noted as a result of applying this procedure.**

***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 cards. Obtain management's representation that the listing is complete.

**We obtained a listing of active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and management's representation that the listing is complete.**

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**There were no exceptions noted as a result of applying this procedure.**

---

## ***7) Travel and Travel-Related Expense Reimbursements (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
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana ([doa.la.gov/doa/ost/ppm-49-travel-guide/](http://doa.la.gov/doa/ost/ppm-49-travel-guide/)) or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**
  - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

## ***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
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**
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- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

## **9) Payroll and Personnel**

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- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**
  - B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
    - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**
    - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**
    - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**
    - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.  
**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**
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- 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.

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

- 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) have been paid, and any associated forms have been filed, by required deadlines.

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

#### ***10) Ethics***

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

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

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

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

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

#### ***11) Debt Service***

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- 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.

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

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- 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).

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

### ***12) Fraud Notice***

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- 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.

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

- 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.

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

### ***13) Information Technology Disaster Recovery/Business Continuity***

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

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

**This procedure does not require testing in year 2; therefore, this procedure is not applicable.**

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

**This procedure does not require testing in year 2; therefore, this procedure is not applicable.**

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

**This procedure does not require testing in year 2; therefore, this procedure is not applicable.**

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

**This procedure does not require testing in year 2; therefore, this procedure is not applicable.**

- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. 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.

**This procedure does not require testing in year 2; therefore, this procedure is not applicable.**

#### ***14) Prevention of Sexual Harassment***

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- 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.

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

- 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).

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

**There were no exceptions noted in the previous year; therefore, this procedure is not applicable.**

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We were engaged by **Jefferson Davis Parish Water District No. 4** 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 **Jefferson Davis Parish Water District No. 4** 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.

A handwritten signature in blue ink that reads "Langley, Williams, and Company, LLC". The signature is written in a cursive, flowing style.

Langley, Williams, and Company, LLC  
Lake Charles, LA  
November 24, 2025