NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1

A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED

DECEMBER 31, 2025

NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY
DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
North Monroe Subdivision Sewerage District #1
Monroe, Louisiana

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the North Monroe Subdivision Sewerage District #1, a component unit of the Ouachita Parish Police Jury (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the 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 North Monroe Subdivision Sewerage District #1, as of December 31, 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 North Monroe Subdivision Sewerage District #1 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 North Monroe Subdivision Sewerage District #1'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 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 North Monroe Subdivision Sewerage District #1'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 North Monroe Subdivision Sewerage District #1's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 to 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation Paid to Board of Commissioners and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 Paid to Board of Commissioners and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are fairly stated, in all material respects, to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated June 23, 2026, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accounts and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana

Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
Monroe, Louisiana
June 23, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the North Monroe Subdivision Sewerage District #1 financial performance presents management's overview of the District's financial activities for the year ended December 31, 2025. Please read it in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District operates as an enterprise fund and presents its financial statements using the accrual basis of accounting. As an enterprise fund, the District's basic financial statements include three components: Management's Discussion and Analysis, Basic Financial Statements, and Notes to the Financial Statements.

The Statement of Net Position includes all of the District's assets and liabilities, with the difference between the two reported as net position. Net position is unrestricted at December 31, 2025, except for restrictions for Capital and Other Projects. The increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating. The Statement of Net Position provides a basis for evaluating the capital structure of the District, and assessing its liquidity and financial flexibility.

The Statement of Revenues, Expenses, and Changes in Fund Net Position shows how the District's net position changed during the year. All of the current year's revenues and expenses were recorded when the underlying transaction occurred, regardless of the timing of related cash flows. The Statement of Revenues, Expenses, and Changes in Fund Net Position measures the District's performance over the last year, and whether the District recovered its costs through fees and other revenues.

The Statement of Cash Flows provides information regarding the District's cash receipts and cash disbursements during the year. The statement reports cash activity in three categories, cash flows from operations, cash flows from financing activities and cash flow from investing activities. This statement accounts only for transactions that result in cash receipts and cash disbursements.

The Notes to the Financial Statements provide a description of the accounting policies used to prepare the financial statements and presents material disclosures required by accounting principles generally accepted in the United States of America that are not otherwise presented in the financial statements.

FINANCIAL POSITION SUMMARY

The Statement of Net Position depicts the District's financial position as of one point in time, December 31, 2025, and includes all assets and liabilities. Net position represents the residual interest in the District's assets after deducting liabilities. The District's total net position at December 31, 2025 was $1,222,650. A condensed summary of the District's net position at December 31, 2025, is as follows:

SUMMARY OF FINANCIAL POSITION - BUSINESS TYPE ACTIVITIES	2025	2024
Current and Other Assets	374,004	153,953
Capital Assets	1,286,554	569,892
Total Assets	1,660,558	723,845
Liabilities	437,908	263,674
Invested in Capital Assets, net of Related Debt	1,089,554	328,892
Restricted for Debt Service	92,995	90,049
Unrestricted	40,101	41,230
Total Net Position	1,222,650	460,171

Net Position is composed of the following:

Net Investment in Capital Assets- Land, Building, and Equipment, less the related indebtedness outstanding used to acquire those capital assets, represents the largest portion of the District's net position at December 31, 2025. The District uses capital assets to provide services to its customers.

The changes in net position over time may serve as a useful indicator of changes in the District's financial position. A summary of the District's changes in net position at December 31, 2025 is set forth below:

FINANCIAL POSITION SUMMARY (Continued)

CHANGE IN NET POSITION

Changes in Net Position	2025	2024
Revenues	915,135	279,193
Total Operating Expenses	140,481	146,777
Operating Income	774,654	132,416
Non-Operating Revenues/Expenses		
Bond Reg Fee	(5,100)	(5,100)
Bond Interest Expense	(10,022)	(12,039)
Interest Expense	2,946	3,829
Total Non-Operating Expenses	(12,176)	(13,310)
Change - Increase (Decrease) in Net Position	762,478	119,106

The District's operating revenues and expenses include the sales of sewerage disposal services sold to its customers. The District experienced a net operating gain of $119,106 for the prior year ended December 31, 2024. This compares to a net operating gain of $762,478 for the current year ended December 31, 2025. Total revenues in 2025 increased by $635,942, due to an increase in Operating Grants received. Operating expenses decreased by $6,296 primarily due to a decrease in repairs and maintenance. The current depreciation charge remained the same.

FINANCIAL ANALYSIS OF THE FUNDS

As the District completed the prior year ended December 31, 2024, the enterprise fund reported total assets of $723,845. At the conclusion of the current year ended December 31, 2025, the enterprise fund reported total assets of $1,660,558 showing restricted assets as required by the Bond of $92,995.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the close of the prior year ended December 31, 2024, the District showed an investment in Capital Assets of $1,323,647 and a net value after depreciation of $569,892.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

As of the close of the current year ended December 31, 2025, the District showed Capital Assets with an investment of $2,069,836 and a net value after depreciation of $1,286,554, as illustrated below.

CAPITAL ASSETS - PROPERTY, PLANT & EQUIPMENT

Total Capital Assets Investment - December 31, 2024	1,323,647
Additions - 2025	746,189
Total Capital Assets Investment - December 31, 2025	2,069,836
Less - Accumulated Depreciation	783,282
Total Net Capital Assets - December 31, 2025	1,286,554

Debt

On January 1, 2014, the District obtained a Sewer Revenue and Refunding Bond, Series 2013, in the amount of $648,000. The first payment due was on February 1, 2014. The last payment is due August 1, 2029. As of January 1, 2025, the beginning of the current year (2025), the District had a balance in the Sewer Bond Issue - Series 2015 mentioned above of $241,000. At December 31, 2025, the balance of the debt was $197,000.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The District is a component unit of the Ouachita Parish Police Jury and as such, is ultimately under the supervision of the Police Jury. The Jury has appointed a board of commissioners to oversee the operations of the District.

NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2025

ASSETS

	2025
CURRENT ASSETS	
Cash and Cash Equivalents	$ 262,402
Restricted Cash	92,995
Receivables (Net)	18,607
TOTAL CURRENT ASSETS	374,004
NON-CURRENT ASSETS	
Capital Assets	2,069,836
Less: Accumulated Depreciation	(783,282)
TOTAL NON-CURRENT ASSETS	1,286,554
TOTAL ASSETS	$ 1,660,558

LIABILITIES AND NET POSITION

CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses Payable	$ 240,908
Revenue Bonds Payable-Current Portion	46,000
TOTAL CURRENT LIABILITIES	286,908
NON-CURRENT LIABILITIES	
Bonds Payable	151,000
TOTAL NON-CURRENT LIABILITIES	151,000
TOTAL LIABILITIES	437,908
NET POSITION	
Investment in Capital Assets, Net of Related Debt	1,089,554
Restricted for Debt Service	92,995
Unrestricted	40,101
TOTAL NET POSITION	1,222,650
TOTAL LIABILITIES AND NET POSITION	$ 1,660,558

See Independent Auditors' Report and accompanying notes.

NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025
OPERATING REVENUE	
Service Income	$ 170,106
Operating Grant	377,721
OPPJ Water Sector Match	367,308
TOTAL OPERATING REVENUES	915,135
OPERATING EXPENSES	
Billing Expense	14,665
Depreciation	29,527
Insurance	2,320
Laboratory Fees	1,386
Legal and Professional	6,132
Office Expense	344
Permit Fees	380
Maintenance and Repairs	12,000
Supervisory and Accounting	69,996
Utilities	3,731
TOTAL OPERATING EXPENSES	140,481
OPERATING INCOME (LOSS)	774,654
NON-OPERATING REVENUES (EXPENSES)	
Bond Reg Fee	(5,100)
Bond Interest Expense	(10,022)
Interest Income	2,946
TOTAL NON-OPERATING REVENUES (EXPENSES)	(12,176)
CHANGE IN NET POSITION - INCREASE (DECREASE)	762,478
TOTAL NET POSITION - BEGINNING	460,172
TOTAL NET POSITION - ENDING	$ 1,222,650

See Indepedent Auditors' Report and accompanying notes.

NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

		2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	$	916,556
Cash Paid to Suppliers for Goods and Services		(50,265)
Cash Paid to Professionals for Services		(76,128)
Net Cash Provided (Used) by Operating Activities		790,163
CASH FLOWS FROM NON-CAPITAL AND FINANCING ACTIVITIES:		
Bond Fee		(5,100)
Purchase of Fixed Assets		(511,727)
Interest Paid		(10,801)
Net Cash Provided (Used) by Non-Capital and Financing Activities		(527,628)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Principal Paid on Bond Debt		(44,000)
Net Cash Provided (Used) by Investing Activities		(44,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		218,535
CASH AND RESTRICTED CASH – BEGINNING		136,862
CASH AND RESTRICTED CASH – ENDING	$	355,397
RECONCILIATION OF CASH AND RESTRICTED CASH:		
Cash	$	262,402
Restricted for Bond Funds		92,995
TOTAL CASH AND RESTRICTED CASH	$	355,397
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$	762,478
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation		29,527
Accounts Receivable		(1,515)
Interest and Bond Fee		15,901
Accounts Payable		(15,449)
Accrued Interest Payable		(779)
Net Cash Flow Provided (Used) by Operating Activities	$	790,163

See Independent Auditors' Report and accompanying notes.

NOTE 1: ORGANIZATION:

The North Monroe Subdivision Sewerage District #1, (the District), a component unit of the Ouachita Parish Police Jury, was organized under provisions of Louisiana Revised Statute (LSA-RS) by the Ouachita Parish Police Jury in 1968. The following is a brief description of the operations of North Monroe Subdivision Sewerage District #1 and includes the parish in which the District is located:

The District is governed by a four-member board of commissioners who are appointed by the Ouachita Parish Police Jury and are responsible for providing sewer service to users within the boundaries of the District. The board is not compensated for its services. The District serves approximately 400 residential and 50 commercial customers. The District has no employees.

GASB Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*, establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Statements, the District is considered a component unit of the Ouachita Parish Police Jury. As a component unit, the accompanying financial statements may be included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

A. Financial Statements

Governmental Accounting Standards Board Statement No 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

A. Financial Statements (Continued)

Governments, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of:

1. Management's discussion and analysis (MD&A)

2. Statement of net position

3. Statement of revenues, expenses, and changes in net position

4. Statement of cash flows

5. Notes to the financial statements

6. RSI other than MD&A, if applicable

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

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

Enterprise fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenues of the District are service fees. Operating expenses for enterprise funds

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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

include the costs of the services, administrative expenses, and depreciation on capital assets. All revenues and expense not meeting this definition are reported as non-operating revenues and expenses.

C. Deposits

Cash includes amounts in a demand deposit account. State law limits the District's credit risk by restricting the District's investments to collateralized certificates of deposits, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

D. Receivables

Receivables for sewer fees are generally shown net of an allowance for credit loss. These statements contain no provision for uncollectible accounts. The District is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole. Past due accounts are written-off when they are considered uncollectible by management.

E. Capital Assets

Capital assets, which include the sewerage system and improvements and equipment are reported in the enterprise fund financial statements. All of the District's capital assets are capitalized at historical cost. The District maintains a threshold level of $1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. Capital Assets (Continued)

asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets are depreciated using the straight-line method over the following useful lives:

	Estimated Lives
Infrastructure - Sewerage System And Improvements	40 Years
Furniture and Equipment	5 - 10 Years

F. Estimates

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

G. Advertising

The District expenses advertising costs as they are incurred. Advertising expenses for the year ended December 31, 2025 were immaterial.

H. Revenue Recognition

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are charges to customers for service. Customers are billed monthly for services received during the month. The

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

H. Revenue Recognition (Continued)

District also recognizes as operating revenues the fees intended to recover the cost of connecting new customers to the system.

I. Cash Flow Information

The District considers all short-term investments with a maturity of three months or less to be cash equivalents.

J. Restricted Cash

Restricted cash consists of amounts deposited in Whitney Bank, with a balance of $92,995, held in a money market fund. These funds are restricted for debt service payments.

NOTE 3: RELATED PARTY TRANSACTIONS:

There were no related party transactions during the year ended December 31, 2025.

NOTE 4: FINANCIAL INSTRUMENT DISCLOSURE:

The District has checking accounts at a local financial institution. The accounts, in total, are insured by the Federal Deposit Insurance Corporation up to $250,000.

Deposits in bank accounts are stated at cost, which approximates market value. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent or custodial bank in the form of safekeeping receipts.

NOTE 5: RESTRICTED ASSETS:

Certain proceeds of the enterprise fund resources are set aside for specific payments are and classified on the balance sheet as restricted assets because their use is limited by applicable requirements. Restricted assets include:

Reserve Debt Service	67,596	Reserved for Bond Principal and Interest
LA Debt Service Fund	25,399	To be Held and Kept by the Paying Agent
Total Restricted Assets	92,995	

The District's restricted assets at December 31, 2025 are reflected at $92,995, and listed in the assets section on the Statement of Net Position as Restricted Cash.

Whitney Bank, as the administrator, has the funds restricted which are required by the bond agreement to maintain a sufficient amount in the Revenue Bond Sinking Fund to pay promptly and fully the principal and interest on the bonds as they come due and payable. These bonds will mature August 1, 2029.

NOTE 6: CAPITAL ASSETS:

A summary of Capital Assets at December 31, 2025, follows:

	12/31/2024 Balance	Additions	12/31/2025 Balance
Sewerage System	1,300,782	746,189	2,046,971
Furniture & Equipment	22,865	-	22,865
Total	1,323,647	746,189	2,069,836

	12/31/2024 Accumulated Depreciation	Current Depreciation	12/31/2025 Accumulated Depreciation	Net
Accumulated Depreciation	753,755	29,527	783,282	1,286,554

NOTE 7: LONG-TERM LIABILITIES:

The following is a summary of long-term debt transactions of the District for the year ended December 31, 2025:

Bonds Payable	12/31/2024 Balance	Principal	12/31/2025 Balance	Due Within
	241,000	44,000	197,000	10 Years

"Sewer Revenue and Refunding Bonds, Series 2013 of North Monroe Sewer District #1 of the Parish of Ouachita, State of Louisiana" (herein called the "Bonds") in the aggregate principal amount of $648,000 issued under and in full compliance with the Constitution and Statutes of the State of Louisiana and, more particularly, Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Refunding Act"), and R.S. 39:1430 (R.S. 39:1430" and together with the Refunding Act, the "Act"), and under and pursuant to a resolution adopted on July 25, 2013, (the Bond Resolution) were issued for the purpose of refunding the remaining outstanding principal balance of the Issuer's $522,000 Sewer Revenue Bonds Series 1999, (ii), the construction and acquisition of improvements, extensions, relocations and/or replacements to the system, (iii) funding a debt service reserve fund, and (iv) paying the cost of issuance in connection with the issuance of the Bonds (collectively referred to as the "Transaction").

The Bonds are special and limited obligations of the Issuer payable from and secured as to payment of the principal and redemption price thereof; and interest thereon at 5.252%, in accordance with their terms and the provisions of the Bond Resolution the Net revenues to be derived from the operation of the System.

The Bonds maturing on and after August 1, 2029 may be callable for redemption at the option of the Issuer in full or in part at any time on or after August 1, 2023 at a redemption price equal to 102% of the principal amount of the Bonds to be redeemed plus accrued interest on the Bonds, if any, to the redemption date.

NOTE 7: LONG-TERM LIABILITIES: (Continued)

The annual requirements to amortize all long-term debt outstanding as of December 31, 2025, are as follows:

	Principal	Interest	Total Paid	Balance
Beginning Balance 12/31/2025				197,000
2026	46,000	9,633	55,633	151,000
2027	48,000	7,563	55,563	103,000
2028	50,000	5,283	55,283	53,000
2029	53,000	2,782	55,782	-0-
2030	-0-	-0-	-0-	-0-
	197,000	25,261	222,261	

The fair value of the bond payable is estimated based on the current rates offered to the District for debt of the same remaining maturities. At December 31, 2025, the fair value of the bond payable approximates the amounts recorded in the financial statements.

NOTE 8: RISK MANAGEMENT:

The District is exposed to various risk of loss related to torts, theft of, damage to, and destruction of assets. The Ouachita Parish Police Jury is responsible for these liabilities.

NOTE 9: SUBSEQUENT EVENTS:

The District evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 23, 2026, the date which the financial statements were available to be issued, and no additional subsequent events were noted.

NOTE 10: NEW GASB STANDARDS:

In the current fiscal year, the District implemented GASB Statement 102, *Certain Risk Disclosures.* This statement requires the District to assess whether a concentration or constraint makes the District vulnerable to the risk of a substantial impact on revenue debt. Additionally, this statement requires the District to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within twelve months of the date the financial statements are issued. The implementation of this standard had no effect on the District.

SUPPLEMENTAL SCHEDULES

NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

AGENCY HEAD NAME/TITLE: HERBERT MANLEY

Purpose	Amount
Salary	-0-
Benefits-insurance	-0-
Benefits-retirement	-0-
Benefits-other (describe) Cell Phone	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference travel	-0-
Housing	-0-
Unvouchered expenses (example: travel advances, etc.)	-0-
Special meals	-0-
Other	-0-

No compensation of any kind is paid to any agency head, chief executive, board member, or anyone else in this entity.

NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2025

The following schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Glen A. Yacher 108 Ray Drive Monroe, LA 71203	-0-
Herbert Manley - Commissioner 100 Bastrop Drive Monroe, LA 71203	-0-
Anita H. Jones - Commissioner 301 Ray Drive Monroe, LA 71203	-0-
Wade Jackson 207 Ray Dr. Monroe, LA 71203	-0-

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

VIOLET M. ROUSSEL, CPA, APC
JAY CUTHBERT, CPA, APAC
DAWN WHITSTINE, CPA, APC
NICK RICHARDSON, CPA, APC

ROWLAND H. PERRY, CPA-Retired
CHARLES JOHNSON, JR., CPA-Retired

CPA
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  - *- HUD Audits*
  - *- Non-Profit Organizations*
  - *- Governmental Organizations*
- *Business & Financial Planning*
- *Tax Preparation & Planning*
  - *- Individual & Partnership*
  - *- Corporate & Fiduciary*
- *Bookkeeping & Payroll Services*

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*

To the Board of Commissioners
North Monroe Subdivision Sewerage District #1
Monroe, 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 the North Monroe Subdivision Sewerage District #1, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 23, 2026.

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) 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 District'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 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 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.

This report is intended for the information use of management, the Board members, and the Louisiana Legislative Auditor for the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
Monroe, Louisiana
June 23, 2026

NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements
Type of auditors' report issued: Unmodified

Internal control over financial reporting and Compliance

* Material weakness(es) identified?	___	yes	X	no
* Control deficiency(s) identified that are not considered to be material weaknesses?	___	yes	X	none reported
Noncompliance material to financial statements noted?	___	yes	X	no

FINANCIAL STATEMENT FINDINGS

There were no findings nor questioned costs for the year ended December 31, 2025.

COMPLIANCE FINDINGS

There were no findings nor questioned costs for the year ended December 31, 2025.

NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS AND RESPONSES
DECEMBER 31, 2025

Not Applicable. No Findings.

NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION I - Internal Control

There were no findings nor questions cost for the year ended December 31, 2024.

SECTION II - Compliance

There were no findings nor questioned costs for the year ended December 31, 2024.

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

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  - *Corporate & Fiduciary*
- *Bookkeeping & Payroll Services*

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To North Monroe Subdivision Sewerage District #1 and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the North Monroe Subdivision Sewerage District #1 (the District) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 to December 31, 2025. The District's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

1. ***Written Policies and Procedures***

   A. Obtain and inspect the District's written policies and procedures and observe that 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, 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.

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) ***Credit Cards (and debit cards, fuel cards, P-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.

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

IX) ***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) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

X) ***Debt Service***, including (1) debt issuance approval, (2) 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) ***Sexual Harassment,*** including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: The District does not have written policies and procedures.

2. Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

I) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

II) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

III) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

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

Findings: The minutes do not document budget-to-actual comparisons. The minutes do not document updates of the progress of audit findings.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

3. Bank Reconciliations

A. Obtain a listing of client 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 selected each account, and observe that:

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

II) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the reconciliation (e.g., initialed and dated, electronically logged); and

III) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months at the end of the statement closing date.

Findings: No exceptions were noted.

4. Collections

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).

Findings: No exceptions noted.

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

I) Employees that are responsible for cash collections do not share cash drawers/registers.

II) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

III) Each employee responsible for collecting cash is not 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:

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

Findings: No exceptions noted.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

Findings: No exceptions noted.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

I) Observe that receipts are sequentially pre-numbered.

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

III) Trace the deposit slip total to the actual deposit per the bank statement.

IV) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100).

V) Trace the actual deposit per the bank statement to the general ledger.

Findings: No exceptions noted.

5. Non-Payroll Disbursements (excluding card purchases/payments, 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).

Findings: We obtained the listing of locations that process payments and no exceptions were noted.

B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

b) At least two employees are involved in processing and approving payments to vendors.

c) 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.

d) 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.

e) Only employees/officials authorized to sign checks approve the electronic disbursements (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Findings: There is no review of vendors by a person outside of processing payments.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

I) Observe that the disbursement matches the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

II) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

III) 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., check signers) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Findings: No exceptions noted.

6. Credit Cards/Debit Cards/Fuel Cards/P-Cards

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

Findings: No exceptions noted.

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 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, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

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

Findings: Not applicable as the District does not have credit cards/ debit cards/fuel cards/p-cards.

C. Using the monthly statements or combined statements selected under #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 (i.e. each card should have 10 transactions subject to testing). 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings: Not applicable as the District does not have credit cards/ debit cards/fuel cards/p-cards.

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

Findings: Not applicable as the District does not have credit cards/ debit cards/fuel cards/p-cards.

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, 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:

a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

c) 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 policy (procedure #1A(VII)).

d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: No exceptions noted.

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. Alternately, 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:

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

b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

c) 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 was approval documented).

d) 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.

Findings: No exceptions noted.

9. Payroll and Personnel

A. Obtain a listing of employees/elected employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Findings: No exceptions noted.

B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

I) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

II) Observe that supervisors approved the attendance and leave of the selected employees/officials.

III) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

IV) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Findings: Not applicable. The District does not have employees.

C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, and the entity policy on termination payments. Agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files, and agree the termination payment to entity policy.

Findings: Not applicable. The District does not have employees.

D. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Findings: Not applicable. The District does not have employees.

10. Ethics (excluding nonprofits)

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

I) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

II) Observe 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.

Findings: The District does not have an ethics policy. The District has no employees or elected officials.
Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

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

Findings: No exceptions noted.

11. Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Findings: No exceptions noted.

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.

Findings: No exceptions noted.

12. Fraud Notice

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

Findings: No exceptions noted.

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.

Findings: No exceptions noted.

13. Information Technology Disaster Recovery/Business Continuity

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

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

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

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.

Findings: We performed the procedures and discussed the results with management.

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

Findings: We performed the procedures and discussed the results with management.

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.

Findings: We performed the procedures and discussed the results with management.

14. Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Findings: No exceptions noted

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).

Findings: The District does not have a written policy.

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

I) Number and percentage of public servants in the agency who have completed the training requirements;

II) Number of sexual harassment complaints received by the agency;

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.

Findings: No report was prepared.

We were engaged by North Monroe Subdivision Sewerage District #1 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 North Monroe Subdivision Sewerage District #1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is 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.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
MONROE, LOUISIANA
June 23, 2026