

**UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT
NEW ROADS, LOUISIANA**

**ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025**

**UPPER DELATA SOIL AND WATER CONSERVATION DISTRICT
NEW ROADS, LOUISIANA
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Upper Delta Soil and Water Conservation District
New Roads, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Upper Delta Soil and Water Conservation District, 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 governmental activities, each major fund, and the aggregate remaining fund information of the Upper Delta Soil and Water Conservation District, as of June 30, 2025, and the respective changes in financial position 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 Sheriff 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of proportionate share of changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules listed in the foregoing table of contents are presented for the purpose 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 information 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 24, 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 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 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.

Major, Morrison & David
New Roads, Louisiana
November 24, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

**UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025**

As management of the Upper Delta Soil and Water Conservation District (District), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. This management discussion and analysis ("MD&A") is designed to provide an easy-to-read analysis of the District's financial activities based upon facts, decisions, or conditions currently known. This MD&A is intended to provide the readers of these financials with a broad overview of District finances. It is also intended to provide readers with an analysis of the District's short-term and long-term activities based upon information presented in the financial report and fiscal policies that have been adopted by the District. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position (its ability to address next year and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The information contained within this MD&A should be considered only a part of a greater whole, as should all other sections in this financial report. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this Management's Discussion and Analysis.

Financial Highlights

- The District's assets exceeded its liabilities at the close of the most recent fiscal year by \$17,735. Of this amount of net position, \$12,431 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$154,808. The unassigned fund balance in the general fund, \$154,680, is available for spending at the government's discretion. All other fund balances are restricted for Special Revenue.
- Federal Grant revenues for the year ended June 30, 2025 are 668,612.
- Cash and investments, not including grant funds, totaled \$155,621 for the year ended June 30, 2025.

Overview of the Financial Statements

The intention of the discussion and analysis is to serve as an introduction to the District's financial statements. The District's basic financial statements consist of the following components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements
4. Other Supplementary Information, in addition to the basic financial statements themselves.

1. GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-Wide Financial statements are designed by GASB Statement No. 34 to change the way in which government financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Position and Statement of Activities, seeking to give the user of the financial statements a broad overview of the District's financial position and results of operations in a manner similar to private-sector business.

- A. The statement of net position presents information on all of the District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District's is improving or weakening.
- B. The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

**UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025**

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government wide financial statements further assist the reader in their evaluation by distinguishing functions of the District into:

- A. Governmental activities that are principally supported by taxes and intergovernmental revenues, and
- B. Business-type activities from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded its liabilities at the close of the most recent fiscal year by \$17,735, a increase of \$42,932 from last year. The following is a summary of the District's net position:

**Upper Delta Soil and Water Conservation District
Net Position**

| | <u>2024</u> | <u>2025</u> |
|-----------------------------|-----------------|----------------|
| Current & Other Assets | 117,016 | 286,324 |
| Capital Assets | <u>4,675</u> | <u>5,304</u> |
| Total Assets | <u>121,691</u> | <u>291,628</u> |
| Deferred Outflows | <u>36,037</u> | <u>37,649</u> |
| Current Liabilities | -0- | 131,516 |
| Long-term Liabilities | <u>161,223</u> | <u>167,046</u> |
| Total Liabilities | <u>161,223</u> | <u>298,562</u> |
| Deferred Inflows | <u>21,702</u> | <u>12,980</u> |
| Net Position: | | |
| Invested in capital assets, | | |
| Net of related debt | 4,675 | 5,304 |
| Restricted | -0- | -0- |
| Unrestricted | <u>(29,872)</u> | <u>12,431</u> |
| Total Net Position | <u>(25,197)</u> | <u>17,735</u> |

**UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025**

CHANGES IN NET POSITION

| | Governmental | |
|--|-------------------|-----------------|
| | <u>Activities</u> | |
| | <u>2024</u> | <u>2025</u> |
| Revenues: | | |
| General revenues: | | |
| Federal Grants | -0- | 668,611 |
| State Funds | 31,378 | 41,369 |
| Farm Bill Funds | 25,929 | 32,346 |
| Local Funds | 6,840 | 6,840 |
| Interest | -0- | 1,632 |
| Other general revenue | <u>1,200</u> | <u>1,200</u> |
| Total revenues | <u>65,347</u> | <u>751,998</u> |
| Expenses: | | |
| General government | <u>75,081</u> | <u>709,066</u> |
| Total expenses | <u>75,081</u> | <u>709,066</u> |
| Increase (decrease) in net Position before transfers | (9,734) | 42,932 |
| Transfers | <u>-0-</u> | <u>-0-</u> |
| Increase (decrease) in Net position | (9,734) | 42,932 |
| Net position 7/01 | <u>(15,463)</u> | <u>(25,197)</u> |
| Net position 6/30 | <u>(25,197)</u> | <u>17,735</u> |

Governmental Activities

Federal Grants are the largest revenue source for the District comprising 88.9% of total governmental revenue. There were no Federal Grant revenues in 2024. State Funds increased by 31.8% and Farm Bill Funds increased by 24.7%.

Expenditures for the governmental activities increased by \$633,985 from 2024. This increase is due to projects funded by Federal Grant revenues.

2. FUND FINANCIAL STATEMENTS

A fund is the grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

A. Governmental funds are used to account for most of the District's basic services that are reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Modified accrual accounting is used to report these funds. Modified accrual accounting measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government

**UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025**

operations and the basic services it provides. Governmental fund information aids in the determination of whether there are more or less financial resources that can be spent in the near future to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governments near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are located on pages 14 and 16.

The District maintains two governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these funds. The basic fund financial statements can be found on pages 13 and 15 of this report.

Financial Analysis of the Governmental Funds

As of the end of the current fiscal year, the District's governmental fund reported ending fund balances of \$154,808, an increase of \$37,792 from the prior year ending June 30, 2024. In the General Fund, the unassigned fund balance is \$154,680.

The District's major fund, the General Fund, had an increase from the prior year of \$37,792, from \$116,888 in the year ending June 30, 2024 to \$154,680 in the year ending June 30, 2024.

3. NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement can be found on pages 17-27 of this report.

4. OTHER SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found beginning on page 34 of this report.

A budgetary comparison statement for each of the District's funds is required and can be found beginning on page 29. This statement compares the adopted budgets and the actual expenditures prepared on a budgetary basis which was prepared on the modified accrual basis of accounting.

The District's annual operating budget is an adopted expenditure control document of the District. This operating budget was very conservative, and during the year, was not amended once.

The General Fund budgeted revenues were \$93,240 which was \$203,778 less than actual revenues. Current expenditures were \$182,386 more than the budgeted expenditures.

Additional required supplementary information includes information on employee OPEB system information as it pertains to the District (pages 31-32).

Supplemental Information

- A. Schedule of Compensation, Benefits, and Other Payments to Agency Head is shown on page 34.
- B. Other Reports required by Government Auditing Standards follow, starting on page 35.

UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

Capital Assets

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2025 amounts to \$5,304 (net of accumulated depreciation). This investment in capital assets is made up of office equipment and furniture and fixtures.

Additional information on the District's capital assets can be found in note 5 on page 24 of this report.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Reba Leonards, Clerk, or Andrew Price Gay, Jr., Board Chairman, Upper Delta Soil and Water Conservation District, 377 Major Parkway New Roads, Louisiana, 70760.

BASIC FINANCIAL STATEMENTS

UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT

STATEMENT OF NET POSITION

June 30, 2025

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | 104,217 |
| Investments | 51,404 |
| Grants Receivable | 130,475 |
| Interest Receivable | 228 |
| Due from other governmental units | - |
| Prepaid expenses | - |
| Inventory | - |
| Restricted cash | - |
| Capital assets: | |
| Nondepreciable | - |
| Depreciable, net of depreciation | <u>5,304</u> |
| Total assets | <u>291,628</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows related to OPEB | <u>37,649</u> |
| Total deferred outflows of resources | <u>37,649</u> |
| LIABILITIES | |
| Accounts payable and accrued expenses | 131,516 |
| Due to other governmental units | - |
| Compensated absences | - |
| Customer meter deposits | - |
| Net OPEB liability | <u>167,046</u> |
| Total liabilities | <u>298,562</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows related to OPEB | <u>12,980</u> |
| Total deferred inflows of resources | <u>12,980</u> |
| NET POSITION | |
| Invested in capital assets, net of related debt | 5,304 |
| Restricted for: | |
| Prepaid expenses | - |
| Unrestricted (deficit) | <u>12,431</u> |
| Total net position | <u>\$ 17,735</u> |

The accompanying notes are an integral part of this statement.

UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | | Total |
|--------------------------------------|-----------------|-----------------------------|---|---|------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental activities: | | | | | |
| General government | 709,066 | - | \$ - | \$ - | \$ 709,066 |
| Total governmental activities | 709,066 | - | - | - | 709,066 |
| General revenues: | | | | | |
| NRCS-Watershed | | | | | 454,981 |
| PL-566 | | | | | 213,630 |
| State Funds | | | | | 41,369 |
| Farm Bill Funds | | | | | 32,346 |
| Local-parish Government | | | | | 6,840 |
| Interest Income | | | | | 1,632 |
| Rentals | | | | | 1,200 |
| Total general revenues and transfers | | | | | <u>751,998</u> |
| Change in net position | | | | | 42,932 |
| Net position - beginning of the year | | | | | <u>(25,197)</u> |
| Net position - end of the year | | | | | <u>\$ 17,735</u> |

The accompanying notes are an integral part of this statement

UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

| | Governmental Fund | | Totals |
|---|--------------------------|------------------------|-----------------------|
| | General Fund | Special Revenue | June 30, 2025 |
| ASSETS | | | |
| Current Assets | | | |
| Cash | 104,089 | 128 | 104,217 |
| Investments | 51,404 | - | 51,404 |
| Accounts receivable, net | - | 130,475 | 130,475 |
| Interest Receivable | 228 | - | 228 |
| TOTAL ASSETS | <u>155,721</u> | <u>130,603</u> | <u>286,324</u> |
| LIABILITIES & FUND BALANCE | | | |
| LIABILITIES: | | | |
| Accounts payable | 1,041 | 130,475 | 131,516 |
| TOTAL LIABILITIES | <u>1,041</u> | <u>130,475</u> | <u>131,516</u> |
| FUND BALANCE | | | |
| Restricted - Special Revenue | - | 128 | 128 |
| Unassigned | 154,680 | - | 154,680 |
| TOTAL FUND BALANCE | <u>154,680</u> | <u>128</u> | <u>154,808</u> |
| TOTAL LIABILITIES & FUND BALANCE | <u>155,721</u> | <u>130,603</u> | <u>286,324</u> |

The accompanying notes are an integral part of this statement.

**UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

June 30, 2025

| | |
|--|------------|
| Total fund balance - governmental funds | \$ 154,808 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance sheet - governmental funds. | 5,304 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the Balance Sheet - governmental funds. | |
| Net OPEB liability | (167,046) |
| Deferred outflows of resources related to OPEB do not require the use of current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds. | 37,649 |
| Deferred inflows of resources related to OPEB do not require the use of current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds. | (12,980) |
| Total net position of governmental activities | \$ 17,735 |

The accompanying notes are an integral part of this statement.

UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

| | Governmental Fund | | Totals |
|--|--------------------------|------------------------|----------------------|
| | General Fund | Special Revenue | June 30, 2025 |
| REVENUES | | | |
| Intergovernmental revenues | | | |
| NRCS-Watershed | - | 454,981 | 454,981 |
| PL-566 | 213,631 | - | 213,631 |
| State Funds | 41,369 | - | 41,369 |
| Farm Bill Funds | 32,346 | - | 32,346 |
| Local-parish government | 6,840 | - | 6,840 |
| Other Revenue | | | |
| Rentals | 1,200 | - | 1,200 |
| Interest income | 1,632 | - | 1,632 |
| Total revenues | <u>297,018</u> | <u>454,981</u> | <u>751,999</u> |
| EXPENDITURES | | | |
| Operating: | | | |
| Operating Services | 4,206 | - | 4,206 |
| Personnel Services | 56,474 | 3,913 | 60,387 |
| Travel | 7,071 | - | 7,071 |
| Capital outlay | 2,624 | - | 2,624 |
| Engineering/research cost | <u>188,851</u> | <u>451,068</u> | <u>639,919</u> |
| Total expenditures | <u>259,226</u> | <u>454,981</u> | <u>714,207</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 37,792 | - | 37,792 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | - | - | - |
| Operating transfers out | - | - | - |
| FUND BALANCES AT BEGINNING OF YEAR | 116,888 | 128 | 117,016 |
| FUND BALANCES AT END OF YEAR | 154,680 | 128 | 154,808 |

The accompanying notes are an integral part of this statement.

**UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2025

| | |
|--|-----------|
| Net change in fund balances - total governmental funds | \$ 37,792 |
|--|-----------|

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount which capital outlays exceeded depreciation in the current period.

| | |
|----------------------|------------|
| Capital outlays | \$ 2,624 |
| Depreciation expense | \$ (1,994) |

Governmental funds report current year post-employment benefits paid as expenditures. However, in the statement of activities it is an actuarially calculated expense. This represents the difference between post-employment benefits paid and the actuarially calculated expense.

| |
|----------|
| \$ 4,510 |
|----------|

| | |
|---|-----------------|
| Change in net position of governmental activities | <hr/> \$ 42,932 |
|---|-----------------|

The accompanying notes are an integral part of this statement.

UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT
New Roads, Louisiana

Notes to the Financial Statements
As of and For the Year Ending June 30, 2025

INTRODUCTION

The Upper Delta Soil and Water Conservation District is a unit of the Louisiana State Government responsible for soil and water conservation programs within its parish boundaries. The District is administered by the Board of District Supervisors, who serve terms of three years. Three are elected by the voters of the district and two are appointed by the State Soil and Water Conservation Committee. Their terms of office are staggered so that there will be no more than one member elected each year and no more than one member appointed in any one year.

The District's office is located in the USDA Service Center in New Roads Louisiana. The District employs one part-time employee and shares a secretary with a neighboring district. The District coordinates conservation and development efforts with landowners in its service areas. It is funded through State appropriations, local funding, grants, and money-making activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Upper Delta Soil and Water Conservation District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The District is considered the financial reporting entity. Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61, established criteria for determining which component units should be considered part of the District for financial reporting purposes. Based on those criteria, the District is not a component unit of another government.

C. FUND ACCOUNTING

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the District. The following are the District's governmental funds:

**Upper Delta Soil and Water Conservation District
New Roads, Louisiana
Notes to the Financial Statements**

General Fund – the primary operating fund of the District and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

Program Revenues – Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the District's general revenues.

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations (See the reconciliation statements).

The amounts reflected in the General Fund in the FFS use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenue received from State and Local Governments are recorded when they are recognizable as receivable.

Revenues from grants are recorded when the District has incurred costs that are expected to be reimbursed by the granting agency.

**Upper Delta Soil and Water Conservation District
New Roads, Louisiana
Notes to the Financial Statements**

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

F. ENCUMBRANCES

The District does not use encumbrance accounting.

G. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash includes amounts in interest bearing demand deposits. 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 their principal offices in Louisiana or any other state of the United States, or under the laws of the United States.

Investments are limited by R.S. 33:2955 and the District's investment policy. The District may invest in United States bonds, treasury notes, or certificates of deposits. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. All external pool deposits are considered investments.

GASB Statement No. 31 requires the District to report investments at fair value in the balance sheet, except as follows:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, should be reported using a cost-based measure, provided that the fair value of those contracts is not significantly affected by the impairment of the credit standing of the issuer or other factors.
2. The District may report at amortized cost money market investments and participating interest earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts that include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

In accordance with GASB Statement No. 31, the District reports investments at amortized cost, money market investments and participating interest-bearing investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations. Investments of the District are reported at fair market value which approximates cost (see note 4).

H. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated historical cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

**Upper Delta Soil and Water Conservation District
New Roads, Louisiana
Notes to the Financial Statements**

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are disposed for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

| | |
|-----------------------|--------------|
| Equipment & furniture | 5 – 10 years |
| Vehicles | 5 years |

I. OTHER POSTEMPLOYMENT BENEFITS

The District follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", which requires the accrual of other postemployment benefits for retired employees. The District has recorded a liability for other postemployment benefits (see Note 7). In government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

J. BAD DEBTS

The District uses the allowance method whereby uncollectible amounts due from other governmental entities are recognized as bad debts through the use of an allowance account or charged off at the time information becomes available which indicates the particular receivable is not collectible. No amounts were charged off in the year ending June 30, 2025.

K. PREPAID ASSETS

The District records prepaid assets for any significant expenditure that can be allocable to future periods in both the government-wide and fund financial statements.

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The District follows GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". This statement provides guidance for reporting deferred outflows, deferred inflows, and net position in a statement of financial position and related disclosures and applies to transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods. The District's deferred outflows/inflows of resources consist of resources related to other post-employment benefits (see Note 7).

M. RESTRICTED NET POSITION

For government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

**Upper Delta Soil and Water Conservation District
New Roads, Louisiana
Notes to the Financial Statements**

N. FUND EQUITY

The District has adopted Governmental Accounting Standards Board (GASB) Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The following describes the different classifications available for fund balances of governmental funds:

Nonspendable – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted – amounts for which constraints have been externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or amounts that are imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can be used only for specific purposes determined by formal action of the Assessor, who is the highest level of decision-making authority for the West Feliciana Parish Assessor's Office. Commitments cannot be used for any other purpose unless the same action that established them decides to modify or remove them.

Assigned – amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Amounts can only be assigned by the District.

Unrestricted – the residual fund balance in the general fund.

When fund balance resources are available for a specific purpose, the District considers the most restrictive funds to be used first. However, the District reserves the right to spend unassigned resources first and to defer the use of more restrictive funds.

O. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures over budgeted appropriations for the year ended June 30, 2025.

| <u>Fund</u> | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Unfavorable Variance</u> |
|---------------|----------------------------|---------------------|---------------|---------------------------------|
| General Fund | 76,840 | 76,840 | 259,226 | (182,386) |
| Drainage Fund | 415,600 | 415,600 | 454,981 | (39,381) |

**Upper Delta Soil and Water Conservation District
New Roads, Louisiana
Notes to the Financial Statements**

3. DEPOSITS AND INVESTMENTS

A. Cash and Cash Equivalents

Cash and Cash equivalents include bank accounts and short-term investments. See Note 1(G) for additional cash disclosure note information.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the District. The District's cash and investment policy, as well as state law, require that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. The following chart represents bank balances for the District as of June 30, 2025. Deposits are listed in terms of whether they are exposed to custodial credit risk.

| | Uninsured & | | Total Bank Balances – All Deposits | \$ 104,328 | Total Carrying Value – All Deposits |
|---------------------------|---------------------------------|--|---------------------------------------|------------|--|
| | Uninsured & Uncollateralized | Collateralized with Securities held by Pledging Institution Or its Trust Department/Agent But not in the Entity's Name | | | |
| Cash and cash equivalents | \$ - | \$ - | | | \$ 104,217 |

B. Investments

Investments are stated at fair value. See also Note 1 (G) for additional investment disclosure information.

Credit Risk - Investments

Investments permitted by state statute include obligations issued, insured or guaranteed by the U.S. government including certificates or other ownership interest in such obligations and/or investments in registered mutual or trust funds consisting solely of U.S. government securities. The District's investment program is limited to purchases of bank certificate of deposits.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of the investment. Investments are exposed to custodial risk if the securities are (a) uninsured and unregistered and held by the counterparty or (b) uninsured, unregistered and held by the counterparty's trust department or agent but not in the name of the District. The following chart presents the investment position of the District as of June 30, 2025. The various types of investments are listed and presented by whether they are exposed to custodial credit risk.

Upper Delta Soil and Water Conservation District
New Roads, Louisiana
Notes to the Financial Statements

| | Uninsured, Unregistered, and Held by the Counterparty | Uninsured, Unregistered, and Held by the Counterparty's Trust Department/Agent But not in the Entity's Name | All Investments – Reported Amount | All Investments – Fair Value |
|-------------------------|---|---|--|------------------------------------|
| Certificates of Deposit | \$ - | \$ - | \$ 51,404 | \$ 51,404 |
| Total | \$ - | \$ - | \$ 51,404 | \$ 51,404 |

Interest Rate Risk - Investments

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The Assessor's investment policy with regards to interest rate risk is to match cash flow requirements with cash flows from investments. This matching allows for securities to be held to maturity thereby avoiding realizing losses due to liquidation of securities prior to maturity, especially in a rising interest rate environment. Investing in longer term maturities that contain a "step up" in coupon interest rates will also contribute to the reduction of interest rate risk. Investments classified by maturity dates at June 30, 2025 are summarized below:

| | Fair Value | 0-1 Years Before Maturity | 1-5 Years Before Maturity | 6 + Years Before Maturity |
|-------------------------|------------|------------------------------|------------------------------|------------------------------|
| | \$ 51,404 | \$ 51,404 | \$ - | \$ - |
| Certificates of Deposit | \$ 51,404 | \$ 51,404 | \$ - | \$ - |
| Total | \$ 51,404 | \$ 51,404 | \$ - | \$ - |

4. RECEIVABLES

The following is a summary of receivables at June 30, 2025:

| Class of Receivable | Total |
|-----------------------------|-------------------|
| Grants Receivable | \$ 130,475 |
| Accrued Interest Receivable | 228 |
| Total | \$ 130,703 |

**Upper Delta Soil and Water Conservation District
New Roads, Louisiana
Notes to the Financial Statements**

5. CAPITAL ASSETS

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

| | Furniture & Equipment | Total |
|---|--------------------------|-----------------|
| Cost of capital assets, June 30, 2024 | \$ 12,754 | \$ 12,754 |
| Additions | 2,624 | 2,624 |
| Deletions | - | - |
| Cost of capital assets, June 30, 2025 | <u>15,378</u> | <u>15,378</u> |
| | | |
| Accumulated depreciation, June 30, 2024 | 8,080 | 8,080 |
| Additions | 1,994 | 1,994 |
| Deletions | - | - |
| Accumulated depreciation, June 30, 2025 | <u>10,074</u> | <u>10,074</u> |
| | | |
| Capital assets net of accumulated Depreciation, at June 30, 2025 | <u>\$ 5,304</u> | <u>\$ 5,304</u> |

Depreciation expense of \$1,994 for the year ended June 30, 2025, were charged to the general fund governmental function.

6. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$131,516 as of June 30, 2025, are as follows:

| | Total |
|----------|-------------------|
| Accounts | <u>\$ 131,516</u> |
| Total | <u>\$ 131,516</u> |

7. POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS

Plan Description. The District may provide certain continuing health care and life insurance benefits for its retired employees through the Louisiana Office of Group Benefits. Substantially all employees become eligible for those benefits if they reach normal retirement age while working for the District and were covered by the District's active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

Benefits Provided – The Office of Group Benefits (0GB) administers the State of Louisiana Post-Retirement Benefits Plan - a defined-benefit, multiple-employer other postemployment benefit plan. The plan provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Benefit provisions are established under R.S. 42:851 for health insurance benefits and R.S. 42:821 for life insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802.

Upper Delta Soil and Water Conservation District
New Roads, Louisiana
Notes to the Financial Statements

Employer contributions are based on plan premiums and the employer contribution percentage. Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to four fully insured Medicare Advantage plans. The employer contribution percentage is based on the date of participation in an OGB plan and employee years of service at retirement.

Employees covered by benefit terms – At June 30, 2025, the following employees were covered by the benefit terms:

| | |
|--|--------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 2 |
| Inactive employees entitled to but not yet receiving benefit payments | - |
| Active employees | <u>-</u> |
| Total | <u>2</u> |

Total OPEB Liability

The Assessor's total OPEB liability of \$167,046 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|------------------------------|--|
| Inflation: | 2.4% |
| Salary increases: | 4.44%, including inflation |
| Discount rate: | 3.93% per annum, compounded annually |
| Healthcare cost trend rates: | Medical trend is derived from the National Healthcare Trend Survey. |
| Mortality rates: | For General healthy retiree lives: the PubG-2010 Retiree Table, adjusted by 1.215 for males and 1.277 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021. |

The discount rate was based on the Bond-Buyer 20 year General Obligation Municipal Index.

Changes in the Total OPEB Liability

| | |
|---|-----------------------|
| Balance at June 30, 2024 | \$ 161,223 |
| Changes for the year: | |
| Service cost | -0- |
| Interest | 6,390 |
| Changes in assumptions | 4,361 |
| Difference between expected and actual experience | 8,209 |
| Benefit payments and net transfers | <u>(13,137)</u> |
| Net changes | <u>5,823</u> |
| Balance at June 30, 2025 | <u>\$ 167,046</u> |

**Upper Delta Soil and Water Conservation District
New Roads, Louisiana
Notes to the Financial Statements**

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

| | 1% Decrease (2.93%) | Current Discount Rate (3.93%) | 1% Increase (4.93%) |
|----------------------|------------------------|----------------------------------|------------------------|
| Total OPEB Liability | \$ 181,619 | \$ 167,046 | \$ 154,240 |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using medical trend rates that are one percentage point lower or one percentage point higher than the current trend rates:

| | 1% Decrease | Current Trend Rate | 1% Increase |
|----------------------|-------------|-----------------------|-------------|
| Total OPEB Liability | \$ 155,092 | \$ 167,046 | \$ 180,337 |

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of \$9,467. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 25,918 | \$ -0- |
| Changes in assumptions | <u>11,731</u> | <u>12,980</u> |
| Total | <u>\$ 37,649</u> | <u>\$ 12,980</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended June 30, | |
|---------------------|-------------------------|
| 2026 | \$ 3,075 |
| 2027 | 2,204 |
| 2028 | 5,895 |
| 2029 | 2,095 |
| Thereafter | <u>-0-</u> |
| Total | <u>\$ 13,269</u> |

8. RISK MANAGEMENT

The District is exposed to risks of loss in general. These risks are handled by purchasing commercial insurance. There was no significant reduction in insurance coverage during the current year.

9. LITIGATION

There is no litigation pending against the District at June 30, 2025. No litigation costs were incurred for the year ended June 30, 2025.

**Upper Delta Soil and Water Conservation District
New Roads, Louisiana
Notes to the Financial Statements**

10. SUBSEQUENT EVENTS

Management has performed an evaluation of the District's activities through November 24, 2025, and has concluded that there are no significant subsequent event requires recognition or disclosure through the date and time these financial statements were available to be issued on November 24, 2025.

11. FEDERAL FINANCIAL ASSISTANCE

The District participates in the following federal financial assistance programs.

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal Assistance Listing Number | <u>Expenditures</u> |
|--|--|---------------------|
| United States Department of Agriculture Passed through the LA Department of Agriculture and Forestry: PL-566 Small Watershed Program | 10.916 | \$ 213,631 |
| Passed through the LA Office of Community Development HUD CDBG-MIT | 14.218 | <u>454,981</u> |
| | | <u>668,612</u> |

REQUIRED SUPPLEMENTARY INFORMATION

**UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT
NEW ROADS, LOUISIANA
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2025**

| | BUDGETED AMOUNTS | | | VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE) |
|--|-------------------------|------------------|-------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES | | | | |
| Intergovernmental revenues: | | | | |
| Farm Bill Funds | 37,500 | 37,500 | 32,346 | (5,154) |
| State Funds | 48,000 | 48,000 | 41,369 | (6,631) |
| Local-Parish Funds | 6,840 | 6,840 | 6,840 | - |
| Federal Grants | - | - | 213,631 | 213,631 |
| Interest | - | - | 1,632 | 1,632 |
| Miscellaneous | 900 | 900 | 1,200 | 300 |
| Total revenues | 93,240 | 93,240 | 297,018 | 203,778 |
| EXPENDITURES | | | | |
| Personal Services | 65,500 | 65,500 | 56,474 | 9,026 |
| Travel and other charges | 8,000 | 8,000 | 7,071 | 929 |
| Operating Services | 3,200 | 3,200 | 4,206 | (1,006) |
| Supplies | 140 | 140 | - | 140 |
| Capital Outlay | - | - | 2,624 | (2,624) |
| Engineering/Research Cost | - | - | 188,851 | (188,851) |
| Miscellaneous | - | - | - | - |
| Total expenditures | 76,840 | 76,840 | 259,226 | (182,386) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 16,400 | 16,400 | 37,792 | 21,392 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>116,888</u> | <u>116,888</u> | <u>116,888</u> | - |
| FUND BALANCE AT END OF YEAR | <u>\$133,288</u> | <u>\$133,288</u> | <u>\$ 154,680</u> | <u>\$ 21,392</u> |

**UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT
NEW ROADS, LOUISIANA
DRAINAGE FUND**

**BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2025**

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE) |
|--|-------------------------|------------------|----------------|---|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Intergovernmental revenues: | | | | |
| Federal Grants | 500,000 | 500,000 | 454,981 | (45,019) |
| Interest | 1,300 | 1,300 | - | (1,300) |
| Miscellaneous | 45,000 | 45,000 | - | (45,000) |
| Total revenues | 546,300 | 546,300 | 454,981 | (91,319) |
| EXPENDITURES | | | | |
| Personal Services | - | - | 3,913 | (3,913) |
| Travel and other charges | - | - | - | - |
| Operating Services | 1,600 | 1,600 | - | 1,600 |
| Supplies | 4,000 | 4,000 | - | 4,000 |
| Capital Outlay | - | - | - | - |
| Engineering/Research Cost | 365,000 | 365,000 | 451,068 | (86,068) |
| Miscellaneous | 45,000 | 45,000 | - | 45,000 |
| Total expenditures | 415,600 | 415,600 | 454,981 | (39,381) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 130,700 | 130,700 | - | (130,700) |
| FUND BALANCE AT BEGINNING OF YEAR | 128 | 128 | 128 | - |
| FUND BALANCE AT END OF YEAR | \$130,828 | \$130,828 | \$ 128 | \$ (130,700) |

**Upper Delta Soil and Water Conservation District
New Roads, Louisiana**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025**

| | 2025 | 2024 |
|--|--------------------|--------------------|
| Service cost | \$ -0- | \$ -0- |
| Interest | 6,390 | 5,810 |
| Changes of benefit terms | - | - |
| Differences between expected & actual experience | 8,209 | 7,255 |
| Changes of assumptions | 4,361 | 12,401 |
| Benefit payments | <u>(13,137)</u> | <u>(12,470)</u> |
| Net change in total OPEB liability | 5,823 | 12,996 |
| Total OPEB liability – beginning | <u>161,223</u> | <u>148,227</u> |
| Total OPEB liability – ending | <u>167,046</u> | <u>161,223</u> |
| Covered employee payroll | \$-0- | \$-0- |
| Net OPEB liability as a percentage of covered employee payroll | - | - |
| Fiduciary Net Position | \$-0- | \$-0- |
| Funded Ratio | 0% | 0% |

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Upper Delta Soil and Water Conservation District
New Roads, Louisiana
Notes to the Required Supplementary Information
For the Year Ended June 30, 2025**

OPEB Plan

Changes in Benefit Terms. There were no changes of benefit terms for the year ended June 30, 2025.

Changes in Assumptions. The discount rate as of June 30, 2023 was 4.13% and it changed to 3.93% as of June 30, 2024.

Assets. There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

SUPPLEMENTAL INFORMATION

UPPER DELTA SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD

For the Year Ended June 30, 2025

AGENCY HEAD NAME: Andrew Price Gay, Jr.

| <u>PURPOSE</u> | <u>AMOUNT</u> |
|-----------------------|-----------------|
| Salary | - |
| Benefits - Retirement | - |
| Benefits - Insurance | - |
| Membership Dues | - |
| Conference Travel | 1,504 |
| Conference Fees | - |
| Special Meals | - |
| Telephone | - |
| TOTAL | \$ 1,504 |

**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 Directors
Upper Delta Soil and Water Conservation District
New Roads, 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 governmental activities and each major fund of the Upper Delta Soil and Water Conservation District 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 24, 2025.

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 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 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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. These items are described in the accompanying schedule of finding and responses as items 25-1 through 25-3.

District's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Major, Morrison & David
New Roads, Louisiana
November 24, 2025

OTHER INFORMATION

**Upper Delta Soil and Water Conservation District
New Roads, Louisiana
Schedule of Findings and Responses
For the Year Ended June 30, 2025**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness (es) identified? Yes No

Deficiency(s) in internal controls identified not
considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 25-1

Criteria: Actual expenditures and other uses for the remainder of the year, within a fund, shall not exceed budgeted expenditures and other uses by 5% or more.

Condition: The District's actual expenditures within the General Fund exceeded budgeted expenditures by 5% or more.

Context: Total actual expenditures totaled \$259,226 and budgeted expenditures totaled \$76,840 which is a difference of \$182,386 and represents 237.36% more than budgeted expenditures.

Effect: It results in the District being in violation of LSA-RS 39:1311(a)(2) regarding budgetary authority and control.

Cause: The District outsourced budgetary preparation. The budget preparer failed to adequately communicate with the District regarding changes in expected expenditures.

Recommendation: Management should revise their budget process to ensure that budgeted amounts more closely reflect actual expenditures. They should also put in place an amendment process.

Management's response: Management has indicated that this will not be a recurring issue. The increase in expenditures was due to expenditure of grant funds that were not properly budgeted for. They indicated they will take such expenditures into account in the future. They also indicated they will put in place a process for amending the budget before year end.

**Upper Delta Soil and Water Conservation District
New Roads, Louisiana
Schedule of Findings and Responses
For the Year Ended June 30, 2025**

Finding 25-2

Criteria: Actual revenues and other uses for the remainder of the year, within a fund, shall not fail to meet budgeted revenues and other uses by 5% or more.

Condition: The District's actual revenues within the Drainage Fund failed to meet budgeted revenues by 5% or more.

Context: Total actual revenues totaled \$454,981 and budgeted revenues totaled \$546,300 which is a difference of \$91,319 and represents 16.75% less than budgeted revenues.

Effect: It results in the District being in violation of LSA-RS 39:1311(a)(1) regarding budgetary authority and control.

Cause: The District outsourced budgetary preparation. The budget preparer failed to adequately communicate with the District regarding changes in expected revenues.

Recommendation: Management should revise their budget process to ensure that budgeted amounts more closely reflect actual revenues. They should also put in place an amendment process.

Management's response: Management has indicated that this will not be a recurring issue. The decrease in revenues was due to grant funds that were not properly budgeted for. They indicated they will take such changes into account in the future. They also indicated they will put in place a process for amending the budget before year end.

Finding 25-3

Criteria: Actual expenditures and other uses for the remainder of the year, within a fund, shall not exceed budgeted expenditures and other uses by 5% or more.

Condition: The District's actual expenditures within the Drainage Fund exceeded budgeted expenditures by 5% or more.

Context: Total actual expenditures totaled \$454,981 and budgeted expenditures totaled \$415,600 which is a difference of \$39,381 and represents 9.48% more than budgeted expenditures.

Effect: It results in the District being in violation of LSA-RS 39:1311(a)(2) regarding budgetary authority and control.

Cause: The District outsourced budgetary preparation. The budget preparer failed to adequately communicate with the District regarding changes in expected expenditures.

Recommendation: Management should revise their budget process to ensure that budgeted amounts more closely reflect actual expenditures. They should also put in place an amendment process.

Management's response: Management has indicated that this will not be a recurring issue. The increase in expenditures was due to expenditure of grant funds that were not properly budgeted for. They indicated they will take such expenditures into account in the future. They also indicated they will put in place a process for amending the budget before year end.

**Upper Delta Soil and Water Conservation District
New Roads, Louisiana
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2025**

Section I – Internal Control and Compliance Material to the Financial Statements:

No findings.

Section II – Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III – Management Letter:

No management letter issued.

**Upper Delta Soil and Water Conservation District
 New Roads, Louisiana
 Corrective Action Plan for
 Current Year Audit Findings
 For the Year Ended June 30, 2025**

Section I – Internal Control and Compliance Material to the Financial Statements:

| Ref. No. | Description of Finding | Corrective Action Planned | Name of Contact Person | Anticipated Completion |
|----------|--|---|------------------------|------------------------|
| 2025-1 | Violation of LSA-RS 39:1311(a)(2) budgetary authority and control within the special revenue fund. | Management will more closely monitor budgets, especially grant funds. | Reba Leonards | 1/2026 |
| 2025-2 | Violation of LSA-RS 39:1311(a)(1) budgetary authority and control within the special revenue fund. | Management will more closely monitor budgets, especially grant funds. | Reba Leonards | 1/2026 |
| 2025-3 | Violation of LSA-RS 39:1311(a)(2) budgetary authority and control within the special revenue fund. | Management will more closely monitor budgets, especially grant funds. | Reba Leonards | 1/2026 |

Section II – Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III – Management Letter:

No management letter issued.

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Directors
Upper Delta Soil and Water Conservation District
New Roads, Louisiana

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. 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 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:

Written Policies and Procedures

1. 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:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
No exceptions were found as a result of this procedure
 - b) **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.
No exceptions were found as a result of this procedure
 - c) **Disbursements**, including processing, reviewing, and approving.
No exceptions were found as a result of this procedure
 - d) **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).
No exceptions were found as a result of this procedure

e) **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(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions were found as a result of this procedure

f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exceptions were found as a result of this procedure

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure

i) **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.

No exceptions were found as a result of this procedure

j) **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.

No exceptions were found as a result of this procedure

k) **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.

No exceptions were found as a result of this procedure

Bank Reconciliations

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

a) 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);

No exceptions were found as a result of this procedure

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

No exceptions were found as a result of this procedure

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

No exceptions were found as a result of this procedure

Collections (excluding electronic funds transfers)

- 3. 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).

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:

- a) Employees responsible for cash collections do not share cash drawers/registers.

No exceptions were found as a result of this procedure

- b) 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.

Exception noted: One employee is responsible for collecting payments and making deposits.

Management's Response: The current staffing levels make it impossible to segregate this task. To compensate, the board reviews bank statements, including deposits, at meetings. Additionally, the amount of physical cash and checks received at the office are minimal.

- c) 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.

Exception noted: One employee is responsible for collecting cash and posting the entries to the General Ledger

Management's Response: The current staffing levels make it impossible to segregate this task. To compensate, the board reviews bank statements, including deposits, at meetings. Additionally, the amount of physical cash and checks received at the office are minimal.

d) 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/official verifies the reconciliation.

Exception noted: One employee is responsible for cash collections and reconciling them to the General Ledger.

Management's Response: The current staffing levels make it impossible to segregate this task. To compensate, the board reviews bank statements, including deposits, at meetings. Additionally, the amount of physical cash and checks received at the office are minimal.

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

No exceptions were found as a result of this procedure.

5. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #2 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). *Alternately, 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:

a) Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

d) Observe 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).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

7. 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).

8. For each location selected under #7 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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

9. For each location selected under #7 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:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions were found as a result of this procedure.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #8, as applicable.

No exceptions were found as a result of this procedure.

10. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #2, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions were found as a result of this procedure.

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

11. 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.

12. 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:

a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

13. Using the monthly statements or combined statements selected under #11 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 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.

No exceptions were found as a result of this procedure.

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

14. 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, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

c) Observe 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 #1h).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

Contracts

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

No exceptions were found as a result of this procedure.

- b) 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 the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of this procedure.

Payroll and Personnel

16. 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.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

No exceptions were found as a result of this procedure

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions were found as a result of this procedure

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

No exceptions were found as a result of this procedure

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

No exceptions were found as a result of this procedure

18. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

No exceptions were found as a result of this procedure

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found as a result of this procedure

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

No exceptions were found as a result of this procedure.

b) Observe whether 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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

Fraud Notice

22. 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.

No exceptions were found as a result of this procedure.

23. Observe 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.

Exception Noted: Fraud notice not posted on website.

Management's Response: The District will update the website.

Information Technology Disaster Recovery/Business Continuity

24. 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 (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed this procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if 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.

We performed this procedure and discussed the results with management.

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

We performed this procedure and discussed the results with management.

- d) Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #18. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed this procedure and discussed the results with management.

- e) Using the 5 randomly selected employees/officials in procedure #24d, 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 asset have completed cybersecurity training as required by R.S. 42:1267.

We performed this procedure and discussed the results with management.

Prevention of Sexual Harassment

25. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe 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.

Exception noted: No sexual harassment training completed

Management's response: We were unaware of this requirement. We will begin completing sexual harassment trainings as required in the future.

26. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exceptions were found as a result of this procedure

27. 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 it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
No exceptions were found as a result of this procedure
- b) Number of sexual harassment complaints received by the agency;
No exceptions were found as a result of this procedure
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
No exceptions were found as a result of this procedure
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
No exceptions were found as a result of this procedure
- e) Amount of time it took to resolve each complaint.
No exceptions were found as a result of this procedure

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District 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.

Major, Morrison & David
New Roads, Louisiana
November 24, 2025