

**FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana**

**Annual Financial Statements
December 31, 2024**

FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana
Annual Financial Statements
As of and for the Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Board Members of
First Ward Gravity Drainage District
Rayne, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund information of the First Ward Gravity Drainage District (District), a component unit of the Acadia Parish Police Jury, as of and for the year ended December 31, 2024, 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 and the major fund information of the District, as of December 31, 2024, 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 United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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 judgement, 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 budgetary comparison and pension related information as listed in the table of contents, 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.

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

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 other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2025, on our consideration of 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 results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Mike B. Gillespie, CPA, APAC

Jennings, Louisiana

June 27, 2025

BASIC FINANCIAL STATEMENTS

**FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana**

**Governmental Funds Balance Sheet / Statement of Net Position
as of December 31, 2024**

			Statement A
	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 19,924	-	19,924
Due from Other Governments-ad valorem taxes (net of allowance for doubtful accounts of \$5,115)	505,955	-	505,955
Due from Other Governments-state revenue sharing	13,888	-	13,888
Prepaid Insurance	7,417	-	7,417
Capital and Right-to-use assets, net	-	806,724	806,724
TOTAL ASSETS	<u>547,184</u>	<u>806,724</u>	<u>1,353,908</u>
LIABILITIES			
Accounts payable	\$ 20,419	-	20,419
Payroll and related liabilities	5,329	-	5,329
Pension plan deduction payable	17,205	-	17,205
Long-term liabilities:			
Due within one year:			
Lease Liablity	-	185,169	185,169
Due in more than one year:			
Compensated absences payable		20,932	20,932
Lease Liablity	-	511,242	511,242
Total Liabilities	<u>42,953</u>	<u>717,343</u>	<u>760,296</u>
DEFERRED INFLOW OF RESOURCES			
Deferred property tax revenues	505,716	-	505,716
Deferred state revenue sharing	13,888	-	13,888
Total Deferred Inflow of Resources	<u>519,604</u>	<u>-</u>	<u>519,604</u>
FUND BALANCE			
Non-spendable-prepaid expense	7,417	(7,417)	-
Unassigned	(22,790)	22,790	-
Total Fund Balance	<u>(15,373)</u>	<u>15,373</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE	<u>\$ 547,184</u>		
NET POSITION			
Investment in capital assets, net		110,313	110,313
Restricted- nonexpendable		7,417	7,417
Unrestricted		(43,722)	(43,722)
TOTAL NET POSITION		<u>\$ 74,008</u>	<u>74,008</u>

See accompanying notes and independent accountant's review report.

**FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana**

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2024**

Statement B

Total Ending Fund Balances - Governmental Funds (Statement A)	\$	(15,373)
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Costs of capital assets	\$	295,682	
Accumulated depreciation		(184,947)	
Costs of right-to-use assets		990,744	
Accumulated amortization		<u>(294,755)</u>	
			806,724

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Lease liability	\$	(696,411)	
Compensated absences payable		<u>(20,932)</u>	
			(717,343)

Net Position	\$	<u><u>74,008</u></u>
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FIRST WARD GRAVITY DRAINAGE DISTRICT

ACADIA PARISH POLICE JURY

Rayne, Louisiana

GENERAL FUND

Statement of Governmental Funds Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities

For the Year Ended December 31, 2024

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement C Statement of Activities</u>
EXPENDITURES/ EXPENSES			
Public Works:			
Personal services - salaries and benefits	\$ 141,623	2,951	144,574
Per diem expense - board members	9,450	-	9,450
Professional services	15,302	-	15,302
Operating services-contractors	408,606	-	408,606
Repairs and maintenance	16,745	-	16,745
Insurance	26,366	-	26,366
Telephone	1,388	-	1,388
Other	36,498	-	36,498
Intergovernmental:			
Deduction from ad valorem taxes-pension	16,487	-	16,487
Capital Outlay	377,488	(377,488)	-
Debt Service			
Principal	169,032	(169,032)	-
Interest	18,128	-	18,128
Amortization Expense	-	171,657	171,657
Depreciation Expense	-	17,052	17,052
Total Expenditures/ Expenses	<u>1,237,113</u>	<u>(354,860)</u>	<u>882,253</u>
GENERAL REVENUES			
Ad valorem taxes, including interest	484,313	-	484,313
Intergovernmental revenues:			
State revenue sharing	14,019	-	14,019
Interest earnings	11,008	-	11,008
Other revenue	7,852	-	7,852
Total General Revenues	<u>517,192</u>	<u>-</u>	<u>517,192</u>
OTHER FINANCING SOURCES (USES)			
Lease financing	358,541	(358,541)	-
Total Other Financing Sources (Uses)	<u>358,541</u>	<u>(358,541)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(361,380)	361,380	-
CHANGE IN NET POSITION	-	(365,061)	(365,061)
FUND BALANCE/ NET POSITION-			
BEGINNING OF YEAR, as previously stated	346,007	111,042	457,049
Prior period adjustment - due to accounting change	-	(17,980)	(17,980)
BEGINNING OF YEAR, as restated	346,007	93,062	439,069
END OF YEAR	\$ <u>(15,373)</u>	<u>89,381</u>	<u>74,008</u>

See accompanying notes and independent accountant's review report.

**FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana**

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2024**

Statement D

Total Net Change in Fund Balance - Governmental Funds (Statement C)	\$	(361,380)
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:

Depreciation expense	(17,052)	
Capital outlays	377,488	
Amortization expense	<u>(171,657)</u>	
		188,779

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The net amount of these transactions for the current year were as follows:

Payments to lease liability	169,032	
Lease liability incurred	<u>(358,541)</u>	
		(189,509)

In the statement of activities, certain operating expenses - compensated absences (vacations and other absences) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid):

Change in compensated absences payable	(2,951)
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Change In Net Position of Governmental Activities	\$	<u><u>(365,061)</u></u>
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NOTES TO THE BASIC FINANCIAL STATEMENTS

FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2024

INTRODUCTION

The First Ward Gravity Drainage District (District) was created by the Acadia Parish Police Jury pursuant to LSA-RS 38:1751 to 1904. The District primarily has the power and authority, within its boundaries, to plan, construct, maintain and operate such works of improvement as land treatment of watershed protection, flood prevention works, irrigation improvements, recreation, municipal and industrial water storage, and fish and wildlife developments.

Under the provisions of LSA-RS 38:1758, the District shall be governed and controlled by five commissioners who shall be the governing authority of the District. These commissioners or their spouses must own at least five hundred dollars in real estate in the district, or they must be the representative of some corporation owning at least five hundred dollars in real estate in the district. Each commissioner shall serve a term of four years. In the absence of any petition or recommendation, the Police Jury may appoint commissioners at their discretion.

The District does not have an established office location, but advertises the location of its monthly meeting in a local newspaper. The District staff is comprised of one part-time secretary.

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the First Ward Gravity Drainage 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 basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

Because the Police Jury appoints members of the board and has the ability to significantly influence operations, the District was determined to be a component unit of the Acadia Parish Police Jury, the governing body of the parish with the oversight responsibility. The accompanying financial statements present information only on the funds maintained by the District and do not present information of the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2024

C. FUND ACCOUNTING

The District uses a fund (General fund) 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 tax assessment 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 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:

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 the drainage district's policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statement (FFS)

The amounts reflected in the General Fund of Statements A and C 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.

The amounts reflected in the General Fund of Statements A and C 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. The District considers all revenues available if they are collected within 60 days after the fiscal year end.

FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2024

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 practice in recording revenues and expenditures:

Revenues

Ad valorem taxes are recognized in the year the taxes are assessed, and to the extent they are available within 60 days of the year end. Ad valorem taxes are assessed for the calendar year, become due on November 15 of each year, and become delinquent on December 31. Ad valorem taxes are recognized as revenue in the period for which they are being levied to finance the budget.

Interest earnings on time deposits with financial institutions are recorded when the time deposits have matured and the interest is available to the District.

Substantially all other revenues are recorded when received.

Expenditures

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

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement C) display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these columns 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 non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2024

E. DEPOSITS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

State statutes authorize the District to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, Local Governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

F. DEFERRED INFLOWS OF RESOURCES

This separate financial statement element reflects an increase in net assets that applies to a future period. Deferred inflow of resources reported in the accompanying statements relate to property tax revenues assessed in 2024 but levied to finance the drainage district's 2025 expenditures. The District will not recognize the related revenues until 2025.

G. CAPITAL ASSETS

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Government-wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as 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 \$500 or more for capitalizing capital assets. Additions, improvement and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

**FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY**

Rayne, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2024

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful life by type of assets is as follows:

<u>Description</u>	<u>Estimated Lives</u>
Building and Fence	5-10
Equipment	5-10

H. FUND EQUITY

Fund Financial Statements

Governmental funds can report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form- prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance can be comprised of the remaining four classifications: restricted, committed, assigned, and unassigned defined as follows:

Restricted fund balance- This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance- These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the organization's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance- This classification reflects the amounts constrained by the organization's "intent" to be used for specific purposes, but are neither restricted nor committed. The District has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2024

Unassigned fund balance- This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Government-wide Financial Statements

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Equity on the government-wide financial statements is classified as net position and displayed in three categories:

Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by the balances of deferred outflows of resources related to those assets.

Restricted net position – Net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the District's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – Consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

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

I. COMPENSATED ABSENCES

Each full-time employee shall be entitled to vacation pay. Employees must complete one (1) full year of employment to be eligible for vacation benefits. Employees earn vacation in the following manner:

- On 1st anniversary date through 2nd anniversary date 40 hours
- On 2nd anniversary date 80 hours

Employees may not accumulate and carry forward annual vacation. Annual vacation may be taken as earned, subject to the approval of the department head. Regular holidays and/or normal non-working days occurring during a leave period shall not be considered as annual vacation. Annual vacation will be scheduled at such time as shall be mutually agreeable to the employee and immediate supervisor. Due consideration will be given to an employee's seniority in regard to scheduling annual vacations.

**FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY**

Rayne, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2024

No employee shall be credited with annual vacation for any calendar month:

During which he/she has not been employed in a permanent status.
During which he/she has been on leave without pay for ten (10) or more working days.

Upon voluntary resignation or retirement, an employee shall be compensated for annual vacation accumulated to the date of separation not to exceed twenty (20) working days, provided, in the case of resignation, he/she has completed 12 or more months of continued service and met established qualifications contain in district policy.

At the end of each one (1) year period all unused annual vacation shall be automatically converted into sick leave.

Sick leave is defined as any period of time during which an employee may be excused from work without loss of pay due to:

- Personal illness, injury, or any other type of physical disability
- Dental, medical or optical examinations
- Serious illness in the employee's immediate family. For the purpose of this section, the immediate family shall be deemed to include the parents, grandparents, spouse, children, grandchildren, brothers, sisters, immediate in-laws, step-parents and step-children.

Sick leave shall be credited to a permanent full-time employee at the rate of eight (8) hours for each month of continued employment. Permanent part-time employees shall accumulate sick leave on a pro rate basis. Sick leave may be accumulated by an employee without limitation as to the maximum number of days.

Upon voluntary resignation or retirement an employee shall be compensated for sick leave accumulated to the date of separation, not to exceed sixty (60) days, has completed 12 (twelve) or more months of continuous service and meet the qualifications for employee separations per Districts policy.

An employee on sick leave shall inform his supervisor of the fact and the reason as soon as possible, failure to do so within one-half (1/2) hour after employee is due to be on the job the first day of illness, may result in denial of sick leave with pay for the period of absence. The employee will submit to such medical examination, nursing visit or other inquiry which the supervisor deems necessary. Absence for part of a day that is chargeable to sick leave shall be charged proportionately in an amount not less than one-half (1/2) day.

**FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY**

Rayne, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2024

J. ESTIMATES

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

K. CHANGE IN ACCOUNTING PRINCIPLE

During the fiscal year ended December 31, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. As a result of implementing this new pronouncement, beginning net position was restated as follows:

I	Net Position, Beginning, as previously stated	\$	457,049
n	Prior Period Adjustment – Adoption of GASB 101		(17,980)
	Net Position, Beginning, as restated	\$	<u>439,069</u>

In addition, beginning balance of compensated absences payable was increased by \$17,980.

2. LEVIED TAXES

The following is a summary of authorized and levied property taxes:

	Authorized Millage	Levied Millage	Expiration Date
Parish –wide tax	8.00	8.00	2030

Property taxes are levied each November 1st on the assessed value listed as of the prior January 1st for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Acadia Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. Taxes are due and payable December 31st with interest being charged on payments after January 1st.

**FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY**

Rayne, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2024

Taxes can be paid through the tax sale date which is usually in June. Properties for which taxes have not been paid are sold for the amount of the taxes. Taxes levied November 1, 2023 and the related state revenue sharing is for budgeted expenditures in 2024 and will be recognized as revenue in 2024.

3. DEPOSITS

Bank Deposits:

The year end balances of deposits are as follows:

<u>Deposit Type</u>	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash –demand deposits	\$ 20,664	\$ 19,924
Certificates of deposits	-	-
Totals	<u>\$ 20,664</u>	<u>\$ 19,924</u>

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

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires that all uninsured deposits must be secured with acceptable collateral as defined in LRS 39:1221 valued at market. As of December 31, 2024, the District had deposits (collected bank balances) totaling \$20,664. As of yearend all deposits were either insured by FDIC coverage or collateralized by securities held by the pledging financial institution's agent in the name of the District.

**FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY**

Rayne, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2024

4. CAPITAL AND RIGHT-TO-USE ASSETS

A summary of changes as follows:

	Balance Beginning	Additions	Dispositions /Reclassifications	Balance Ending
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated:				
Building and Fence	113,787	7,440	-	121,227
Equipment	162,947	11,508	-	174,455
Total capital assets Being depreciated	276,734	18,948	-	295,682
Less: accumulated depreciation:				
Building and Fence	17,428	11,105	-	28,532
Equipment	150,467	5,947	-	156,414
Total accumulated Depreciation	167,895	17,052	-	184,947
Total capital assets Being depreciated, net	108,839	1,896	-	110,735
Right-to-use Lease Assets:				
Equipment	632,203	358,541	-	990,744
Total right-to-use leased assets	632,203	358,541	-	990,744
Less accumulated amortization for:				
Equipment	123,099	171,657	-	294,755
Total accumulated amortization	123,099	171,657	-	294,755
Total right-of-use leased Assets being amortized, net	509,104	186,884	-	695,989
Capital and Right-to-use leased assets, net	\$ 617,943	\$ 188,780	\$ -	\$ 806,724

**FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY**

Rayne, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2024

5. LONG-TERM OBLIGATIONS

The following is a summary of long-term liability activity for the year:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Ending</u>	<u>Due within One Year</u>
Lease liability	\$ 506,901	\$ 358,541	\$ 169,030	\$ 696,412	\$ 185,169
Compensated absences payable, net	17,890	*2,951	-	20,931	-
	<u>\$ 524,791</u>	<u>\$ 358,541</u>	<u>\$ 169,030</u>	<u>\$ 717,343</u>	<u>\$ 185,169</u>

*The change in compensated absences liability is presented as a net change.

The District has entered into lease agreements involving three excavators. The total of the District's right-to-use leased assets are recorded at a cost of \$990,744, less accumulated amortization of \$294,755.

The future minimum lease payments under lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 185,170	\$ 19,697	\$ 204,867
2026	168,293	14,459	182,752
2027	173,571	9,181	182,752
2028	136,257	3,851	140,108
2029	33,121	382	33,503
2030-2034	-	-	-
2035-2039	-	-	-
2040-2044	-	-	-
	<u>\$ 696,412</u>	<u>\$ 47,570</u>	<u>\$ 743,982</u>

**FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY**

Rayne, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2024

6. LITIGATION AND CLAIMS

As of the date of this report, the District is not involved in any litigation and is not aware of any pending claims that could have a material impact on these financial statements.

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance to cover all of these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

8. DEFICIT FUND BALANCE

The general fund had a deficit fund balance of \$15,373 at year end. The deficit results from the spending of a large amount during the year for drainage maintenance cost due to backlog of work completed during the fiscal year 2024. The District is considering options of how to best reduce spending moving forward.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 27, 2025, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

**FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana**

**GOVERNMENTAL FUND - GENERAL FUND
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2024**

Schedule 1

	<u>Budgeted Amounts</u>		Actual Amounts (Non-GAAP Budgetary Basis)	Variance Favorable/ (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Ad valorem taxes, including interest	\$ 461,000	484,792	484,313	(479)
Intergovernmental revenues:				
State revenue sharing	14,066	14,019	14,019	-
Interest earnings	8,700	11,008	11,008	-
Other revenue	10,000	7,852	7,852	-
Total Revenues	<u>493,766</u>	<u>517,671</u>	<u>517,192</u>	<u>(479)</u>
EXPENDITURES				
Public Works:				
Personnel services - salaries and benefits	109,268	136,617	139,186	(2,569)
Per diem expense - board members	12,100	10,050	9,450	600
Professional services	18,300	22,725	23,302	(577)
Operating services-contractors	71,600	407,615	408,188	(573)
Repairs and maintenance	40,000	21,670	21,770	(100)
Rental of equipment	140,250	178,631	187,160	(8,529)
Insurance	25,000	25,716	26,366	(650)
Telephone	1,300	1,300	1,301	(1)
Advertising	100	-	-	-
Other	43,400	31,568	31,797	(229)
Intergovernmental:				
Deduction from ad valorem taxes-pension	15,000	16,487	16,487	-
Capital Outlay	110,000	21,125	20,447	678
Total Expenditures	<u>586,318</u>	<u>873,504</u>	<u>885,454</u>	<u>(11,950)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(92,552)	(355,833)	(368,262)	(12,429)
FUND BALANCE AT BEGINNING OF YEAR	<u>365,750</u>	<u>365,750</u>	<u>365,750</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 273,198</u>	<u>9,917</u>	<u>(2,512)</u>	<u>(12,429)</u>

FIRST WARD GRAVITY DRAINAGE DISTRICT
Notes to Budgetary Comparison Schedule
For the Year Ended December 31, 2024

A. BUDGETARY PRACTICES

General Budget Practices The First Ward Gravity Drainage District follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to the Louisiana Government Budget Act (LSA-RS 39:1301-1314), the First Ward Gravity Drainage District is required to adopt an annual budget no later than fifteen days prior to the beginning of each fiscal year.

Each year prior to December 15th, the First Ward Gravity Drainage District develops a proposed annual budget for the general fund. The budget includes proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 10 days prior to final adoption simultaneously with a notice of the date of public hearing. The public hearing is conducted during an open meeting in order to obtain public input. The budget is subsequently adopted by the board through a formal budget resolution.

General fund appropriations (unexpended budget balances) lapse at end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the object level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the Board.

Budget Basis of Accounting The governmental fund budgets are prepared on the modified cash basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Legally, the Board of Directors cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the Board of Directors to amend the budget to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund. The Board of Directors approve budgets at the object level and management is allowed to transfer amounts between line items within an object.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL MAJOR FUNDS

The following budgeted major funds had actual expenditures over budgeted expenditures for the fiscal year:

<u>Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General	\$ 873,504	\$ 885,454	\$ (11,950)

Reason for unfavorable variance: Not applicable.

FIRST WARD GRAVITY DRAINAGE DISTRICT
Notes to Budgetary Comparison Schedule
For the Year Ended December 31, 2024

C. BUDGET BASIS TO ACTUAL GAAP RECONCILIATION

The following reconciles the amount shown as excess of receipts over disbursements on the non-GAAP budget basis (page 23), with the amount shown on the GAAP basis (page 7):

Excess (Deficiency) of revenues and other sources over Expenditures and other uses (Non-GAAP Budgetary Basis) – page 23	\$	(368,262)
Add:		
Current-year receivables		-
Prior-year payables and deferred revenues		19,745
Less:		
Prior-year receivables		-
Current-year payables and deferred revenues		<u>(12,863)</u>
Excess (Deficiency) of revenues and other sources over expenditures and other uses (GAAP Basis) – page 7	\$	<u><u>(361,380)</u></u>

The reconciliation of amounts reported on page 23 as fund balance at end of year to amounts reported as fund balance on page 5 is as follows:

Fund balance at end of year (Non-GAAP Budgetary Basis) – page 23	\$	(2,512)
Revenue accruals		
Expenditure accruals		<u>(12,861)</u>
Fund balance (GAAP Basis) – page 5	\$	<u><u>(15,373)</u></u>

OTHER SUPPLEMENTARY INFORMATION

FIRST WARD GRAVITY DRAINAGE DISTRICT
Rayne, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
or Chief Executive Officer
For the Year Ended December 31, 2024

Schedule 2

Agency Head Name:	Aaron Cutrer	Jamie A Conques
Agency Head Title:	President	President
Per Diem	\$ 300	\$ 1,650
	\$ <u>300</u>	\$ <u>1,650</u>
Period of service:		
Begin:	1/1/2024	3/11/2024
End:	3/7/2024	12/31/2024

FIRST WARD GRAVITY DRAINAGE DISTRICT
Rayne, Louisiana
Schedule of Compensation Paid to Commissioners
For the Year Ended December 31, 2024

	Schedule 3
James D Ancelet	\$ 1,800
Aaron Cutrer	300
Martin W Dischler, Jr.	450
Gerald L Foreman	1,050
Francis Hebert	1,050
Jamie A Conques	1,650
Jacob P Dogua	900
Richard Faul	1,500
Danny L Richard	750
	\$ <u>9,450</u>

**OTHER REPORTS REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS**

Mike B. Gillespie

Certified Public Accountant

A Professional Accounting Corporation

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

To the Board of
First Ward Gravity Drainage District
Rayne, 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 the major fund information of the First Ward Gravity Drainage District (District), a component unit of the Acadia Parish Police Jury, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 27, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a material weakness. This material weakness is listed as finding 2024-1.

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2024-2.

First Ward Gravity Drainage District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of current year findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 District's internal control or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Mike B. Gillespie, CPA, APAC

Jennings, Louisiana

June 27, 2025

FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the First Ward Gravity Drainage District.
2. No significant deficiencies were disclosed during the audit of the financial statements and reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. However, one material weakness was reported.
3. One instance of noncompliance material to the financial statements of the First Ward Gravity Drainage District, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. Since the First Ward Gravity Drainage District did not require a Single Audit, a report on significant deficiencies conditions concerning internal control over major federal award programs was not applicable.
5. Since the First Ward Gravity Drainage District did not require a Single Audit, an auditor's report on compliance for the major federal award programs was not applicable.
6. Since the First Ward Gravity Drainage District did not require a Single Audit, a report of audit findings relative to the major federal award programs was not applicable.
7. A management letter was not issued.
8. The programs tested as major programs included:

<u>CFDA No.</u>	<u>Program Name</u>
Not applicable	Not applicable

9. The threshold used for distinguishing between Type A and B federal award programs was not applicable.
10. A statement as to whether the auditee qualified as a low-risk auditee under OMB Circular Q-133 was not applicable.

FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2024

SECTION II – INTERNAL CONTROL AND COMPLIANCE FINDINGS

2024-1 Internal Control- Lack of Segregation of Duties

Criteria: An important element in the design of an internal accounting control system that safeguards assets and reasonably ensures the reliability of the accounting records is the concept of segregation of duties. A good system of internal control provides for a proper segregation of the accounting functions. No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. As an example, the same person should not be responsible for any two of the following functions: (1) authorization of a transaction, (2) recording of the transaction, or (3) custody of assets involved in the transaction.

Condition: There is a general overall lack of segregation of duties within the District's office.

Cause of Condition: Due to the small number of employees involved in the accounting functions, the District's office did not have adequate segregation of functions within the accounting system.

Potential Effect of Condition: The lack of adequate segregation of duties increases the risk that errors or fraud could occur and not be discovered in a timely manner.

Recommendation: If possible, management should adopt procedures in the office to mitigate lack of segregation of duties. Where possible, duties should be segregated to reduce the risk of errors or fraud.

Management's Response: Due to the small size of our office it is not practical or cost effective to correct this weakness. As a result, this condition remains unresolved for reason as of the current year end.

2024-2 Mandatory Ethics Training Noncompliance

Criteria/ Specific Requirement: Louisiana Revised Statue 42:1170 requires that each public servant receive one hour of ethics education and training each year on the Louisiana Code of Government Ethics.

Condition: Failure to maintain documentation of compliance with Louisiana Revised Statue 42:1170.

Cause of Condition: For three employees selected for testing in 2024, management was unable to provide documentation of annual ethics training certifications..

Potential Effect of Condition: Noncompliance with Louisiana Revised Statue 42:1170.

Recommendation: Management should implement an annual review of all employees to determine if mandatory required ethics education and training has taken place pursuant to L.R.S 42:1170.

Management Response: Management is in agreement with finding and will take corrective action.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No applicable.

FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana
MANAGEMENT'S STATUS OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2024

SECTION I – INTERNAL CONTROL AND COMPLIANCE FINDINGS TO FINANCIAL STATEMENTS

No findings reported.

SECTION II – INTERNAL CONTROL AND COMPLIANCE FINDINGS TO FEDERAL AWARDS

No findings reported.

SECTION III – MANAGEMENT LETTER

No findings reported.

* * * * *

THIS REPORT HAS BEEN PREPARED BY MANAGEMENT

**FIRST WARD GRAVITY DRAINAGE DISTRICT
ACADIA PARISH POLICE JURY
Rayne, Louisiana**

**MANAGEMENT’S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
For the Year Ended December 31, 2024**

SECTION I – INTERNAL CONTROL AND COMPLIANCE FINDINGS TO FINANCIAL STATEMENTS

2024-1 Internal Control -Lack of Segregation of Duties

Condition: There is a general overall lack of segregation of duties within the District’s office.

Recommendation: If possible, management should adopt procedures in the office to mitigate lack of segregation of duties. Where possible, duties should be segregated to reduce the risk of errors or fraud.

Current Status: Due to the small size of our office, it is not practical or cost effective to correct this weakness. As a result, this condition remains unresolved for reason as of the current year end.

2024-2 Mandatory Ethics Training Noncompliance

Condition: Failure to maintain documentation of compliance with Louisiana Revised Statue 42:1170.

Recommendation: Management should implement an annual review of all employees to determine if mandatory required ethics education and training has taken place pursuant to L.R.S 42:1170.

Management Response: Management is in agreement with finding and will take corrective action.

SECTION II – INTERNAL CONTROL AND COMPLIANCE FINDINGS TO FEDERAL AWARDS

No findings reported.

SECTION III – MANAGEMENT LETTER

No findings reported.

* * * * *

THIS REPORT HAS BEEN PREPARED BY MANAGEMENT

Mike B. Gillespie
Certified Public Accountant
A Professional Accounting Corporation

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board Members of
First Ward Gravity Drainage District
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. The First Ward Gravity Drainage District (District), a component unit of the Acadia Parish Police Jury, management is responsible for those C/C areas identified in the SAUPs.

The Board has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal

period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

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

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly

select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and verbally discussed the results with management.

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

We performed the procedure and verbally discussed the results with management.

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

We performed the procedure and verbally discussed the results with management.

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

We performed the procedure and verbally discussed the results with management.

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

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

We performed the procedure and verbally discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Exceptions:

No exceptions were noted as a result of applying the procedures listed above except for the following findings:

Written Policies and Procedures

1. The entity had no written policies and procedures to address the categories of (i) Budgeting, (ii) Purchasing, (iii) Disbursements, (iv) Receipts/Collections, (vi) Contracting, (viii) Credit Cards, (x) Debt Service, (xi) Information Technology Disaster Recovery/Business Continuity.

2. The entity had written policies and procedures for the categories (v) Payroll/Personnel, (vii) Travel and Expense Reimbursement, (ix) Ethics, and (xii) Prevention of Sexual Harassment. However, these written policies and procedures also had the following findings listed below.
3. The entity's (v) Payroll/Personnel written policies and procedures did not address function (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
4. The entity's (vii) Travel and Expense Reimbursement written policies and procedures did not address function (2) dollar thresholds by category of expense.
5. The entity's (ix) Ethics written policies and procedures did not address functions (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.
6. The entity's (xii) Prevention of Sexual Harassment written policies and procedures did not address function (2) annual employee training and (3) annual reporting.

Bank Reconciliations

1. We could not obtain a bank reconciliation for one of the five bank accounts selected.
2. Four of the five Bank reconciliations obtained did not include documented evidence demonstrating the individual that prepared bank reconciliations.
3. Four of the five bank reconciliations obtained did not 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.

Collections

1. Employees that are responsible for cash collections do share cash drawers.
2. The entity does not use sequentially pre-numbered receipts.
3. All collections are deposited into the main operating account. All other bank account deposits are interbank check transfers from the main operating account. The entity does not use sequentially pre-numbered receipts or an alternative method to document the actual date of collection. All collections are received via mail. Therefore, we were unable to determine the date of deposit was made within one business day of actual collection for one deposit selected from the main operating account.

Non-Payroll Disbursements

1. The results of test of the following functions indicates that the Board does not have disbursement documentation that included evidence that demonstrated adequate segregation of duties in the non-payroll disbursements area:
 - a. At least two employees are not involved in initiating purchase request, approving purchases, or placing orders/ making purchases. One employee handles these duties.
 - b. At least two employees are not involved in processing and approving payments to vendors. The Board Secretary handles the processing and the Board President approves payments to vendors.
 - c. The Board Secretary responsible for processing payments is prohibited from adding/modifying vendor files without the approval from the Board. The Board is responsible for periodically reviewing changes to vendor files.
 - d. The Board President and Board Secretary sign all checks. The Board Secretary mails the payments, and is also responsible for processing payments.

- e. Disbursement documentation observed did not include evidence of segregation of duties in the non-payroll disbursement category.

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

1. There were five transactions total for the debit card and the statement selected. All five of the transactions did not have written documentation of the business/public purpose for the purchases.

Travel and Expense Reimbursement

1. There was only one travel and expense reimbursement payment made during the fiscal period. We could not obtain expense reimbursement forms or any other supporting documentation for the selected travel and expense reimbursement payment. Therefore, we were unable to observe whether or not the reimbursement rate is more than the travel rates established by the State of Louisiana.

Payroll and Personnel

1. The entity does not maintain employee authorized salaries/pay rate documentation.
2. There was no documentation to demonstrate supervisor approved the attendance and leave of the selected employees.

Ethics

1. We could not obtain documentation demonstrating that each employee selected had completed one hour of ethics training during the fiscal period.

Prevention of Sexual Harassment

1. We could not obtain documentation demonstrating that each employee selected had completed at least one hour of sexual harassment training during the calendar year.
2. We could not obtain the entity's annual sexual harassment report for the current fiscal period.

Management's Overall Response:

Management concurs with the exceptions noted and is working to address deficiencies identified.

We were engaged by the Board 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 Board 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.

Mike B. Gillespie, CPA, APAC

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Jennings, Louisiana
June 27, 2025