Southwest Avoyelles Waterworks District

Annual Financial Report
For the Year Ended December 31, 2025

Rozier McKay & Willis | CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT ..... 1 - 3

BUSINESS TYPE FUNDS
- Statement of Net Position 4
- Statement of Revenues, Expenses and Changes in Net Position 5
- Statement of Cash Flows 6

NOTES TO THE FINANCIAL STATEMENTS ..... 7 - 12

OTHER SUPPLEMENTARY INFORMATION
- Schedule of Compensation Paid to Board Members 13
- Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer 14

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 ..... 15 - 16

ADDITIONAL INFORMATION
- Schedule of Findings ..... 17 - 18
- Management's Corrective Action Plan 19
- Schedule of Prior Year Findings 20

STATE-WIDE AGREEDUPON PROCEDURES ..... Appendix

August 3, 2026

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Southwest Avoyelles Waterworks District

QUALIFIED OPINION

We have audited the accompanying financial statements of the business-type activities of the Southwest Avoyelles Waterworks District as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Southwest Avoyelles Waterworks District's basic financial statements as listed in the table of contents.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Southwest Avoyelles Waterworks District, as of December 31, 2025, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR QUALIFIED OPINION

Southwest Avoyelles Waterworks District has no employees and contracts with a single individual to perform all elements of its operations. Due to the absence of internal controls inherent with this contractual arrangement, we were unable to obtain sufficient appropriate audit evidence associated with charges for services and customer accounts receivable.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Southwest Avoyelles Waterworks 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 qualified audit opinion.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Southwest Avoyelles Waterworks District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Southwest Avoyelles Waterworks 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

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America 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 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 opinion on the financial statements that collectively comprise the Southwest Avoyelles Waterworks District's basic financial statements. The accompanying Schedule of Compensation Paid to Board Members and Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United

States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2026, on our consideration of the Southwest Avoyelles Waterworks District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Southwest Avoyelles Waterworks 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 Southwest Avoyelles Waterworks District's internal control over financial reporting and compliance.



Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana

SOUTHWEST AVOYELLES WATERWORKS DISTRICT

Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-Type Activities Enterprise Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 751,753
Customer accounts receivable (net)	15,839
Ad valorem taxes receivable	47,805
Capital grant contributions receivable	288,487
Total current assets	1,103,884
Non Current Assets:	
Non depreciable capital assets	506,571
Depreciable capital assets, net	122,886
Total assets	1,733,341
LIABILITIES	
Current Liabilities:	
Accounts and other payables	10,592
Construction contract obligations	374,701
Accrued interest payable	4,989
Unearned revenues	212,380
Deposits due others	16,944
Current portion of long term debt	19,000
Total Current Liabilities	638,606
Noncurrent Liabilities:	
Long-term debt due in more than one year	257,000
Total liabilities	895,606
NET POSITION	
Net investment in capital assets	353,457
Unrestricted	484,278
Total net position	837,735
Total Liabilities and Net Position	$ 1,733,341

The accompanying notes are an integral part of the financial statements.

SOUTHWEST AVOYELLES WATERWORKS DISTRICT

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2025

	Business-Type Activities Enterprise Fund
Operating Revenues:	
Charges for services	$ 161,308
Total Operating Revenues	161,308
Operating Expenses:	
Contract Services	52,875
Depreciation	81,751
Insurance	4,634
Legal and Professional	26,225
Office expense	29,297
Repairs, maintenance, and operations	40,778
Utilities	33,260
Total Operating Expenses	268,820
Operating Income (Loss)	(107,512)
Noncapital Subsidies	
Interest revenue	424
Ad valorem taxes and revenue sharing	52,668
Total Noncapital Subsidies	53,092
Operating Income (Loss) and Noncapital Subsidies	(54,420)
Other Nonoperating Revenues (Expenses)	
Capital contributions	355,771
Interest expense	(6,878)
Total Nonoperating Revenue (Expenses)	348,893
Increase (Decrease) in Net Position	294,473
Total net position - beginning	
As Originally Reported	487,592
Prior Period Adjustment	55,670
As Restated	543,262
Total net position - ending	$ 837,735

The accompanying notes are an integral part of the financial statements.

SOUTHWEST AVOYELLES WATERWORKS DISTRICT

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2025

	Business-Type Activities Enterprise Fund
Cash flows from operating activities:	
Cash received from customers	$ 157,567
Cash payments to suppliers of goods and services	(182,634)
Net cash provided (used) by operating activities	(25,067)
Cash flows from non-capital financing activities:	
Ad Valorem taxes and revenue sharing received	46,493
Net cash provided (used) by non-capital financing activities	46,493
Cash flows from capital and related financing activities:	
Grant proceeds	67,285
Proceeds from debt instruments	180,000
Principal paid on debt instruments	(26,000)
Interest paid on debt instruments	(4,500)
Net cash provided (used) by capital and related financing activities	216,785
Cash flows from investing activities:	
Interest and other income	424
Net cash provided (used) by investing activities	424
Net increase (decrease) in cash	238,635
Beginning cash balance	513,118
Ending cash and cash equivalents	$ 751,753
Reconciliation of operating income (loss) to net cash	
Operating income (loss)	$ (107,511)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	81,752
(Increase) decrease in accounts receivable	(3,741)
(Decrease) increase in operating accounts payable	4,433
Net cash provided (used) by operating activities	$ (25,067)

Supplemental Disclosure of Cash Flow Information:
During the year ended December 31, 2025, the District had no operating, investing, or financing activities that did not result in cash receipts or payments

The accompanying notes are an integral part of the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Basis of Presentation

The Southwest Avoyelles Waterworks District is governed by a board of commissioners, appointed by the Avoyelles Parish Police Jury.

The following is a summary of the more significant accounting policies.

Financial Reporting Entity

Governmental Accounting Standards Board (GASB) established criteria for determining which component units should be considered part of a financial reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and

   a. The ability of the reporting entity to impose its will on that organization and/or

   b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.

2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the District is a component unit of the Avoyelles Parish Police Jury. The accompanying component unit financial statements present information only on the fund maintained by the District and do not present information on the Police Jury, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

The District uses a proprietary fund for financial reporting purposes. Proprietary funds are used to account for business-like activities. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District utilizes an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with their activities are reported. Proprietary fund equity is classified as net position.

In addition, the District utilizes the accrual basis of accounting. Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when liabilities are incurred.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments. Formal policies addressing risks have not been adopted; however, credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposit is typically mitigated by purchasing instruments that mature in one year or less.

Statement of Cash Flows

For the purpose of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in banks, and certificates of deposit.

Restricted Assets

Any amounts reported as restricted assets, represent resources that must be expended in a specific manner. Restrictions of this nature can be imposed by tax propositions and various contractual obligations including grant agreements and bond covenants. Whenever restricted assets can be used to satisfy an obligation, the restricted assets are typically consumed before utilizing any unrestricted resources.

Capital Assets

Capital assets, which include property, equipment, and infrastructure, are reported as assets in the financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the District. Capital assets are depreciated using the straight-line method and estimated useful lives ranging from 5 to 50 years. Useful lives are selected depending on the expected durability of the particular asset.

Unearned Revenues

Grant funds collected prior to fulfilling grant requirements associated with completing the earnings process are reported as unearned revenues.

Construction Contract Obligations

Payments due under contractual arrangements are accrued when the work is determined to be complete by consulting engineers.

NOTE 2-CASH AND CASH EQUIVALENTS

At December 31, 2025, the District has $751,978 in deposits (collected bank balance). These deposits are secured from risk by $375,307 of federal deposit insurance and $497,773 of pledged securities held by the custodial bank in the name of the fiscal agent bank. Even though the pledged securities are considered uncollateralized, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

Deposits are stated at cost, which approximates market value. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the

pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These 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.

NOTE 3 - AD VALOREM TAXES

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Avoyelles Parish Sheriff's Office and remitted to the District the month subsequent to collection. Billed taxes become delinquent on January 1 of the following year.

For the year ended December 31, 2025, taxes of 5.75 mills were levied. The millage expires in 2033 and is available for the purpose of acquiring, constructing, improving, maintaining, and operating the District's waterworks system.

NOTE 4 - RECEIVABLES

The receivables at December 31, 2025, are as follows:

Utility Customers	$ 45,839
Allowance For Doubtful Accounts	(30,000)
Net Due From Utility Customers	15,839
Due From Other Governmental Units	
Ad Valorem Taxes	47,805
Water Sector Grant Program	288,487
Total	$ 352,131

Management considers amounts due from governmental units to be fully collectible. Accordingly, allowances for doubtful accounts are limited to amounts due from customers.

NOTE 5 – CAPITAL ASSETS

Changes in business-type capital assets are presented as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Non Depreciable Capital Assets				
Land	$ 46,200	$ ----	$ ----	$ 46,200
Construction in Process	85,670	374,701	----	460,371
Total	131,870	374,701	----	506,571
Depreciable Capital Assets				
Distribution System	1,670,476	----	----	1,670,476
Buildings	9,350	----	----	9,350
Furniture, Fixtures, and Equipment	4,740	----	----	4,740
Accumulated Depreciation	(1,479,929)	(81,751)	----	(1,561,680)
Total Depreciable Capital Assets	204,637	(81,751)	----	122,886
Total Capital Assets	$ 336,507	$ 292,950	$ ----	$ 629,457

Depreciation expense for the year ended December 31, 2025 is $81,751.

NOTE 6 – LONG-TERM LIABILITIES

Changes in the District's long-term debt for the year ended December 31, 2025, are presented as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Revenue Bonds	$ 122,000	$ 180,000	$ 26,000	$ 276,000

Revenue Bonds

The District has issued revenue bonds that are secured by and payable solely from a pledge of funds generated by water sales. Revenue bonds outstanding at December 31, 2025, are described as follows:

$173,000 Water Revenue Bonds, Series 2016, bearing interest at a rate of 4.50%, payable in annual installments ranging from $7,000 to $20,000 plus interest with the final installment due in 2031	$ 101,000
$135,000 Water Revenue Bonds, Series 2025, bearing interest at a rate of 6.00%, payable in annual installments ranging from $3,000 to $17,000 plus interest with the final installment due in 2039	132,000
$45,000 Water Revenue Bonds, Series 2025, bearing interest at a rate of 3.00%, payable in annual installments ranging from $2,000 to $5,000 plus interest with the final installment due in 2034	43,000
Total	276,000
Portion due within one year	19,000
Portion due in more than one year	$ 257,000

Maturity of Long-term Debt

A schedule of maturities of long-term debt is presented as follows:

Year Ended December 31st	Principal	Interest	Total
2026	$ 19,000	$ 13,751	$ 32,751
2027	26,000	13,796	39,796
2028	27,000	12,452	39,452
2029	29,000	11,067	40,067
2030	30,000	9,597	39,597
2031-2035	82,000	29,751	111,751
2036-2040	63,000	8,412	71,412
Total Business-Type	$ 276,000	$ 98,826	$ 374,826

Water rates, sinking funds, and contingency funds are not in compliance with covenants established by agreements with lenders. Management is considering options to resolve the covenant violations, and the matter is not expected to result in acceleration of debt maturities.

NOTE 7- RISK MANAGEMENT

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

NOTE 8 – ACCOUNTS AND OTHER PAYABLES

At year end, amounts reported as accounts and other payables consisted entirely of amounts owed to vendors.

NOTE 9 – CONTINGENCIES

Existing conditions that may result in future financial consequences are referred to as contingencies. Contingencies arise from a variety of sources including grant conditions. Management believes that grant contingencies have been fulfilled; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

Based on management's evaluation, there are no contingencies that require recognition as a liability at year end.

NOTE 10 – CONSTRUCTION OBLIGATIONS

The District is in the process of enhancing the water system by completing water well and booster station improvements. Budgets associated with the project are summarized as follows:

Funding Sources:	
Water Sector Grant Program	$ 904,000
ARPA Funds Provided by the Avoyelles Parish Police Jury	295,000
Water Revenue Bonds	168,000
Total Funding Sources	1,367,000
Projected Construction Cost:	
General Contractor	1,189,000
Engineering	169,500
Contingencies	8,500
Total Projected Cost	$ 1,367,000

Cost incurred to date totaled $460,371, which has been included in non-depreciable capital assets as construction in process. In addition, vendors are owed $374,701 for work performed to date and the balance due to the vendors is reported in liabilities as construction contract obligations.

A portion of the construction contract obligations totaling $355,771 will be provided by the Water Sector Grant Program. At year end $67,285 in Water Sector Grant funds were on deposit and the remaining $288,487 is included in current assets as a receivable from the grant program. In addition, the District has collected $212,380 in ARPA funds that will be used toward future project cost. The ARPA funds are reported in liabilities as unearned revenues. Recognition will be unearned until the funds are utilized. Upon utilization the ARPA funds will be recognized as revenue.

NOTE 11 – PRIOR PERIOD ADJUSTMENTS

During previous years management did not record an allowance for doubtful accounts or construction of water improvements that were paid for directly by the Avoyelles Parish Police Jury. The effects of these omissions on reporting for the prior period are summarized as follows:

	December 31, 2024		
	As Originally Reported	Prior Period Adjustment	As Restated
Change in Net Position	$ (72,426)	$ 13,050	$ (59,376)
Net Position Beginning	560,018	42,620	602,638
Net Position Ending	$ 487,592	$ 55,670	$ 543,262

Details regarding the composition of prior period adjustments are presented as follows:

	December 31, 2024		
	Beginning Net Position	Change in Net Position	Total
Allowance for Doubtful Accounts	$ (30,000)	$ ----	$ (30,000)
Construction Provided by the Avoyelles Parish Police Jury	72,620	13,050	85,670
Net Position Ending	$ 42,620	$ 13,050	$ 55,670

SOUTHWEST AVOYELLES WATERWORKS DISTRICT

Schedule of Compensation Paid to Board Members
Year Ended December 31, 2025

Byrns Eves	$ 1,500
Donnie Newton	875
Kory Redmon	500
Mark Mixon	1,500
Phyllis Tubre	1,500
Theresa Edison	1,500
Total Compensation	$ 7,375

Southwest Avoyelles Waterworks District

Schedule of Compensation, Benefits, and Other Payments to
Agency Head or Chief Executive Officer
Year Ended December 31, 2025

	Byrns Eves
Purpose	
Per Diem	$ 1,500

Louisiana Law requires reporting compensation, benefits, and reimbursements provided for the Agency Head or Chief Executive Officer. The President of the Board of Commissioners serves as the Agency Head. The compensation presented above is the per diem received by the President of the Board. The Board President did not receive any other benefits or reimbursements.

Rozier McKay & Willis CERTIFIED PUBLIC ACCOUNTANTS

August 3, 2026

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*

Board of Commissioners
Southwest Avoyelles Waterworks District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and expressed a modified opinion on the financial statements of the business-type activities of the Southwest Avoyelles Waterworks District, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Southwest Avoyelles Waterworks District's basic financial statements, and have issued our report thereon dated August 3, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Waterworks District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Waterworks District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Waterworks 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 identified a deficiency in internal control, described in the accompanying schedule of findings as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Southwest Avoyelles Waterworks 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results

of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings as items 2025-002 and 2025-003.

Southwest Avoyelles Waterworks District's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Waterworks District's response to the findings identified in our audit and described in the accompanying schedule of findings. The Waterworks 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rozier, McKay & Willis
Certified Public Accountants

Southwest Avoyelles Waterworks District

Schedule of Findings

For the Year Ended December 31, 2025

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditors' Report on the basic financial statements of the Southwest Avoyelles Waterworks District as of December 31, 2025 and for the year then ended expressed a qualified opinion.
- The audit disclosed a finding which is considered to be a material weakness.
- The results of the audit disclosed instances of noncompliance required to be reported in the Schedule of Findings.

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS:

2025-001: Segregation of Duties

Condition:
The Southwest Avoyelles Waterworks District has no employees and uses a single contractor to perform all operational and clerical duties. Under this arrangement, a single individual is responsible for duties including reading water meters, preparing water bills, collecting payments received for services, recording collections, preparing bank deposits, and completing adjustments to customer accounts.

Criteria:
Effective internal control requires segregation of duties to prevent a single individual from misusing resources and concealing the misuse by manipulating accounting records. The exceptional number of duties assigned to a single individual described in the condition section appearing above is incompatible with effective internal control practices.

Cause:
Due to the small size of the water system, a single individual can perform all of the tasks commonly associated with normal operations. As a result, personnel are not available to sufficiently segregate incompatible duties in a manner consistent with effective internal control.

Effect:
Internal controls are not sufficient to prevent, or detect and correct misstatements on a timely basis.

Recommendation:
Identify opportunities such as outsourcing that might efficiently mitigate internal control weaknesses.

2025-002: Bond Covenant Violations

Condition:
Water rates, sinking funds, and contingency funds are not in compliance with covenants established by agreements with lenders.

Criteria:
Agreements with lenders impose the following covenants:

- Water rates must produce sufficient cash flow to fund 110 percent of the highest annual debt service burden.
- Monthly deposits to a sinking fund account must be sufficient to fund scheduled payments of interest and principal.

- Monthly deposits to a contingency fund account are required until amounts on deposit reach a total of $25,000.

Cause:
Compliance with covenants hasR not been considered on an ongoing basis.

Effect:
Noncompliance with covenants imposed by debt agreements.

Recommendation:
Management should assess compliance with covenants on a recurring basis and report findings to the governing body.

2025-003: Late Financial Reporting

Condition:
The audit was not completed by the initial due date.

Criteria:
State Law requires audits to be completed within six months of year end.

Cause:
After year end, it was discovered that accrual of grant revenue associated with construction activity resulted in overall revenue reaching levels that would trigger an audit requirement. When the discovery was made, time needed to complete audit procedures was not available.

Effect:
Noncompliance with State Law.

Recommendation:
Future engagements should be planned in a manner that assumes an audit will be necessary.

Southwest Avoyelles Waterworks District

Managements Corrective Action Plan

For the Year Ended December 31, 2025

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
2025-001: Segregation of Duties The Southwest Avoyelles Waterworks District has no employees and uses a single contractor to perform all operational and clerical duties. Under this arrangement, a single individual is responsible for duties including reading water meters, preparing water bills, collecting payments received for services, recording collections, preparing bank deposits, and completing adjustments to customer accounts. The exceptional number of duties assigned to a single individual is incompatible with effective internal control practices.	**2025-001: Managements Response** We will explore opportunities that may mitigate weaknesses without depleting our limited resources.
2025-002: Bond Covenant Violations Agreements with lenders impose the following covenants: • Water rates must produce sufficient cash flow to fund 110 percent of the highest annual debt service burden. • Monthly deposits to a sinking fund account must be sufficient to fund scheduled payments of interest and principal. • Monthly deposits to a contingency fund account are required until amounts on deposit reach a total of $25,000. Water rates, sinking funds, and contingency funds are not in compliance with covenants established by agreements with lenders.	**2025-002: Managements Response** We will review covenants with the intention of identifying processes to enhance compliance.
2025-003: Late Financial Reporting Audits were not completed within six months of year end as required by State Law.	**2025-003: Managements Response** After completion of the initial audit, future engagements can be scheduled in a manner that will ensure compliance.

Southwest Avoyelles Waterworks District

Schedule of Prior Year Findings

For the Year Ended December 31, 2025

SECTION I **INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**	
No audit was conducted for the previous year.	Response – N/A.
SECTION II **INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**	
No audit was conducted for the previous year.	Response – N/A.
SECTION III **MANAGEMENT LETTER**	
No audit was conducted for the previous year.	Response – N/A

APPENDIX A
Statewide Agreed-Upon Procedures

Rozier McKay & Willis CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Board of Commissioners of Southwest
Avoyelles Waterworks District and
the Louisiana Legislative Auditor:

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

The entity 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 described above. 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.

We were engaged 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 entity 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.

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
August 3, 2026

Written Policies and Procedures		
Agreed-Upon Procedure	**Results**	**Managements' Response**
1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories. • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment	The entity has not adopted written policies and procedures.	***Due to the small size of the entity, the absence of employees, and the simplicity of the operation, formal written policies are not considered necessary.***

Board (or Finance Committee)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
2 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:		
a) 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.	Based on inspection of the minutes, minutes were not available for each month.	***The Board meets with sufficient frequency to properly manage operations.***
b) For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each months referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-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.*	Minutes did not include any discussion of financial matters.	***Financial statements are distributed to Board Members on a monthly basis.***
c) For governmental entities, obtain the prior year audit report and observe the	Prior fund balances were positive.	Not Applicable: No findings were reported.

Board (or Finance Committee)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.		
d) 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.	Not applicable, there were no prior audits.	Not Applicable: No findings were reported.

Bank Reconciliations		
Agreed-Upon Procedure	**Results**	**Managements' Response**
3 Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:		
a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);	Bank reconciliations are prepared by an external CPA that has no involvement in cash transactions.	Not Applicable: No findings were reported.
b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and	Not Applicable: Bank reconciliations are outsourced.	Not Applicable: No findings were reported.
c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.	Not Applicable: No reconciling items were outstanding for more than 12 months.	Not Applicable: No findings were reported.

Collections (excluding EFTs)			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
4	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).	Deposit sites are limited to the administrative office.	Not Applicable: No findings were reported.
5	For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:	Collection locations are limited to the administrative office.	Not Applicable: No findings were reported.
	a) Employees that are responsible for cash collections do not share cash drawers/registers.	Due to the absence of personnel, there is no segregation of duties.	***Due to the limited size of the entity, opportunities for segregation of duties are limited.***

Collections (excluding EFTs)			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
	b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.	Due to the absence of personnel, there is no segregation of duties.	***Due to the limited size of the entity, opportunities for segregation of duties are limited.***
	c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.	Due to the absence of personnel, there is no segregation of duties.	***Due to the limited size of the entity, opportunities for segregation of duties are limited.***
	d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.	Due to the absence of personnel, there is no segregation of duties.	***Due to the limited size of the entity, opportunities for segregation of duties are limited.***
6	Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	Management has demonstrated that payments are made to a surety.	Not Applicable: No findings were reported.
7	Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as	Management has asserted that currency is not accepted as a form of payment.	Not Applicable: No findings were reported.

Collections (excluding EFTs)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:		
a. Observe that receipts are sequentially pre-numbered.	Management has asserted that currency is not accepted as a form of payment.	Not Applicable: No findings were reported.
b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.	Management has asserted that currency is not accepted as a form of payment.	Not Applicable: No findings were reported.
c. Trace the deposit slip total to the actual deposit per the bank statement.	Management has asserted that currency is not accepted as a form of payment.	Not Applicable: No findings were reported.
d. 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).	Management has asserted that currency is not accepted as a form of payment.	Not Applicable: No findings were reported.
e. Trace the actual deposit per the bank statement to the general ledger.	Management has asserted that currency is not accepted as a form of payment.	Not Applicable: No findings were reported.

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
8	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).	All processing is conducted at the administrative office.	Not Applicable: No findings were reported.
9	For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:		
	a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.	The contractor responsible for operations is authorized to initiate most purchases.	***Due to the limited size of the entity, opportunities for segregation of duties are limited.***
	b) At least two employees are involved in processing and approving payments to vendors.	Checks require dual signatures.	Not Applicable: No findings were reported.
	c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.	There are no restrictions on vendor files.	***Due to the limited size of the entity, opportunities for segregation of duties are limited.***

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.	The contractor responsible for operations mails payments.	***Due to the limited size of the entity, opportunities for segregation of duties are limited.***
10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:		
a. Observe that the disbursement matched the related original invoice/billing statement.	A sample of 12 disbursements totaling $8,081 indicated that 9 transactions totaling $6,973 that were fully supported by documentation. The remaining $1,108 were not adequately documented.	***Some of the documentation was misplaced after the payments were made. In the future, we will implement better retention procedures.***
b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.	Each check is signed by two board members.	Not Applicable: No findings were reported.
11 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	Based on bank statements, electronic disbursements are not utilized.	Not Applicable: No findings were reported.

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	**Results**	**Managements' Response**
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.		

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	**Results**	**Managements' Response**
12 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.	Management has asserted that no credit cards are utilized.	Not Applicable: No findings were reported.
13 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:		
a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.	Management has asserted that no credit cards are utilized.	Not Applicable: No findings were reported.
b. Observe that finance charges and late fees were not assessed on the selected statements.	Management has asserted that no credit cards are utilized.	Not Applicable: No findings were reported.

Credit Cards/Debit Cards/Fuel Cards/P-Cards			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
14	Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	Management has asserted that no credit cards are utilized.	Not Applicable: No findings were reported.

Travel and Expense Reimbursement		
Agreed-Upon Procedure	**Results**	**Managements' Response**
15 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected: a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov). b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased. c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h). d. Observe that each reimbursement was reviewed and approved, in writing, by	Based on the general ledger, travel and expense reimbursement was limited to a single transaction for $815. No supporting documentation was available.	***Some of the documentation was misplaced after the payments were made. In the future, we will implement better retention procedures.***

Travel and Expense Reimbursement		
Agreed-Upon Procedure	**Results**	**Managements' Response**
someone other than the person receiving reimbursement.		

Contracts		
Agreed-Upon Procedure	**Results**	**Managements' Response**
16 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:	Based on performance of this procedure, no contracts were executed during the period.	
a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.	Not Applicable	Not Applicable: No findings were reported.
b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).	Not Applicable	Not Applicable: No findings were reported.
c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.	Not Applicable	Not Applicable: No findings were reported.
d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.	Not Applicable	Not Applicable: No findings were reported.

Payroll and Personnel		
Agreed-Upon Procedure	**Results**	**Managements' Response**
17 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.	There are no employees, all operations are conducted by a contract operator.	Not Applicable: No findings were reported.
18 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:		
a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).	There are no employees, all operations are conducted by a contract operator.	Not Applicable: No findings were reported.
b. Observe that supervisors approved the attendance and leave of the selected employees/officials.	There are no employees, all operations are conducted by a contract operator.	Not Applicable: No findings were reported.
c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.	There are no employees, all operations are conducted by a contract operator.	Not Applicable: No findings were reported.
19 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination	There are no employees, all operations are conducted by a contract operator.	Not Applicable: No findings were reported.

Payroll and Personnel		
Agreed-Upon Procedure	**Results**	**Managements' Response**
payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.		
20 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	There are no employees, all operations are conducted by a contract operator.	Not Applicable: No findings were reported.

Ethics			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
21	Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:		
	a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.	There are no employees, all operations are conducted by a contract operator.	Not Applicable: No findings were reported.
	b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.	There are no employees, all operations are conducted by a contract operator.	Not Applicable: No findings were reported.
22	Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.	There are no employees, all operations are conducted by a contract operator.	Not Applicable: No findings were reported.

Debt Service			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
23	Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	Bonds issued were limited to Series 2025, which was approved by the State Bond Commission.	Not Applicable: No findings were reported.
25	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.	Sufficient deposits are available to cover reserves required by debt covenants but the amounts are not held in a separate designated account.	***Management intends to open the necessary accounts as soon as possible.***

Fraud Notice		
Agreed-Upon Procedure	**Results**	**Managements' Response**
23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	No misappropriations were reported.	Not Applicable: No findings were reported.
26 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.	The Water District does not own or occupy a facility that is open to the public.	Not Applicable: No findings were reported.

Information Technology Disaster Recovery /Business Continuity			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
27	Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**		
a.	Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.	We performed the procedure and discussed the results with management.	Not Applicable: No findings were reported.
b.	Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.	We performed the procedure and discussed the results with management.	Not Applicable: No findings were reported.
c.	Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.	We performed the procedure and discussed the results with management.	Not Applicable: No findings were reported.
28	Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in	We performed the procedure and discussed the results with management.	Not Applicable: No findings were reported.

Information Technology Disaster Recovery /Business Continuity			
	Agreed-Upon Procedure	**Results**	**Managements' Response**
	procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.		
29	Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267[1]. The requirements are as follows: 1. Hired before June 9, 2020 - completed the training; and 2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.	We performed the procedure and discussed the results with management.	Not Applicable: No findings were reported.

[1] While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

Sexual Harassment		
Agreed-Upon Procedure	**Results**	**Managements' Response**
30 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.	There are no employees, all operations are conducted by a contract operator.	Not Applicable: No findings were reported.
31 Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).	There are no employees, all operations are conducted by a contract operator.	Not Applicable: No findings were reported.
32 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344: a. Number and percentage of public servants in the agency who have completed the training requirements; b. Number of sexual harassment complaints received by the agency; c. Number of complaints which resulted in a finding that sexual harassment occurred; d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and e. Amount of time it took to resolve each complaint.	There are no employees, all operations are conducted by a contract operator.	Not Applicable: No findings were reported.