

**Basic Financial Statements
And Independent Auditors Report**

**Morehouse Soil and Water Conservation District
Bastrop, Louisiana**

June 30, 2025

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To the Board of Commissioners
Morehouse Soil and Water Conservation District
Bastrop, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and major funds of Morehouse Soil and Water Conservation District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Morehouse Soil and Water Conservation District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Morehouse Soil and Water Conservation District, as of June 30, 2025, and the respective changes in financial position 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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 Morehouse Soil and Water Conservation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Morehouse Soil and Water Conservation District's ability to continue as a going concern for twelve months beyond the financial statement issuance 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 GAAS *and GAS* 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 GAAS *and GAS*, 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 Morehouse Soil and Water Conservation 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 Morehouse Soil and Water Conservation District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8-9 and 26-27, respectively be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Morehouse Soil and Water Conservation District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2026 on our consideration of Morehouse Soil and Water Conservation 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 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 Morehouse Soil and Water Conservation District's internal control over financial reporting and compliance.

Langley, William & Co, L.L.C.

Lake Charles, Louisiana

March 23, 2026

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

MOREHOUSE PARISH SOIL AND WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

This Management's Discussion and Analysis (MD&A) provides an objective and easily readable overview of the financial activities of the Morehouse Parish Soil and Water Conservation District (the "District") for the fiscal year ended June 30, 2025. It should be read in conjunction with the accompanying financial statements and notes.

Overview of the District

The District is a local political subdivision of the State of Louisiana organized under the authority of Louisiana Revised Statute (R.S.) 3:1201. Its mission is to promote the conservation of soil, water, and related natural resources within the boundaries of Morehouse Parish. Core services include providing technical support to agricultural producers, facilitating conservation practice implementation, administering state and federal program funding opportunities, and conducting outreach designed to promote sustainable land and water use.

Government-Wide Financial Highlights

Net Position increased from \$342,743 in the prior year to \$438,574 as of June 30, 2025, representing an overall improvement of \$95,831 (28%). This increase was primarily driven by additional revenue earned through administration of new conservation programs during the fiscal year.

The District continues to operate without any long-term debt, maintaining strong financial flexibility.

Governmental Fund Highlights

Governmental fund balances provide insight into available resources for near-term operations. The District's combined governmental fund balance at year-end was \$427,875, an increase of \$106,584 from the prior year.

The General Fund balance increased to \$237,702, up \$25,313, due to continued revenues from established conservation programs.

The Special Revenue Fund balance increased to \$190,173, up \$81,271, primarily resulting from the District's expanded role in administering newly added programs.

These increases reflect the District's growing involvement in conservation initiatives benefiting landowners throughout Morehouse Parish.

Capital Assets

No capital asset purchases or disposals occurred during the fiscal year.

MOREHOUSE PARISH SOIL AND WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

Budgetary Highlights

The General Fund reported a favorable expenditure variance of \$20,872 due to lower-than-planned use of contracted services, contributing to an overall favorable variance of \$28,614.

The Special Revenue Fund experienced a favorable revenue variance of \$17,056, as program-related earnings exceeded expectations. The District achieved an overall favorable budget variance of \$14,451.

No budgetary compliance issues were noted during the year.

Economic Factors and Outlook

The District ended the fiscal year with a current ratio of approximately 7.0 to 1, indicating a strong liquidity position. The District's financial outlook remains stable; however, ongoing operations and program levels are largely dependent on continued state and federal conservation funding. Management is not aware of any financial conditions expected to negatively impact the District's ability to operate in the upcoming fiscal year.

Contact Information

This report is designed to provide stakeholders with a general understanding of the District's financial condition. Questions concerning any of the information provided may be directed to:

Morehouse Parish Soil and Water Conservation District
9604 Marlatt Street
Bastrop, Louisiana 71220

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

MOREHOUSE SOIL AND WATER CONSERVATION DISTRICT
BASTROP, LOUISIANA
Statement of Net Position
June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 110,982
Accounts receivable (net of allowance for uncollectibles)	48,971
Certificates of deposit	282,461
Capital assets (net of accumulated depreciation)	<u>16,997</u>
Total Assets	<u><u>\$ 459,411</u></u>
LIABILITIES	
Accounts payable	\$ 14,539
Accrued compensated absences	<u>6,298</u>
Total Liabilities	20,837
NET POSITION	
Investment in capital assets	16,997
Restricted	190,173
Unrestricted	<u>231,404</u>
Total Net Position	<u><u>438,574</u></u>
Total liabilities and net position	<u><u>\$ 459,411</u></u>

See accompanying notes and independent auditors' report.

MOREHOUSE SOIL AND WATER CONSERVATION DISTRICT
BASTROP, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2025

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 704,051	\$ 4,200	\$ 494,966	\$ (204,885)
Total Governmental Activities	\$ 704,051	\$ 4,200	\$ 494,966	(204,885)
			General revenues:	
			Farm bill	48,735
			State funds	47,043
			NACD/NRCS grant	193,743
			Interest	11,195
			Total general revenues	300,716
			Change in net position	95,831
			Net position at beginning of year	342,743
			Net position end of year	\$ 438,574

See accompanying notes and independent auditors' report.

FUND FINANCIAL STATEMENTS

**MOREHOUSE SOIL AND WATER CONSERVATION DISTRICT
BASTROP, LOUISIANA
Balance Sheet-Governmental Fund
June 30, 2025**

	GOVERNMENTAL FUND TYPE		TOTALS
	GENERAL FUND	SPECIAL REVENUE	JUNE 30, 2025
<u>ASSETS</u>			
Cash and cash equivalents	\$ 110,982	\$ -	\$ 110,982
Certificates of deposit	191,704	90,757	282,461
Accounts receivable (net of allowance for uncollectibles)	4,217	44,754	48,971
Due from general fund	-	62,122	62,122
TOTAL ASSETS	\$ 306,903	\$ 197,633	\$ 504,536
<u>LIABILITIES AND FUND BALANCE</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 7,079	\$ 7,460	\$ 14,539
Due to special revenue fund	62,122	-	62,122
Total Liabilities	69,201	7,460	76,661
<u>Fund Equity:</u>			
Assigned	-	190,173	190,173
Unassigned	237,702	-	237,702
Total Fund Equity	237,702	190,173	427,875
TOTAL LIABILITIES AND FUND EQUITY	\$ 306,903	\$ 197,633	\$ 504,536
Fund Balance of governmental fund			\$ 427,875
Amounts reported for governmental activities in the Statement of Net Position is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of :			
Depreciable capital assets, net of accumulated depreciation			16,997
Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Those liabilities consist of:			
Compensated absences payable			(6,298)
Net position of governmental activities			\$ 438,574

See accompanying notes and independent auditors' report.

MOREHOUSE SOIL AND WATER CONSERVATION DISTRICT
BASTROP, LOUISIANA
Statement of Revenue, Expenditures and Changes in Fund Balance-Governmental Fund
For the Year Ended June 30, 2025

	GENERAL FUND	SPECIAL REVENUE	TOTALS JUNE 30, 2025
<u>REVENUES</u>			
Intergovernmental Revenue:			
Farm bill	\$ 48,735	\$ -	\$ 48,735
State funds	47,043	-	47,043
NACD/NRCS grant	-	193,743	193,743
Water quality	-	494,966	494,966
Other Revenue:			
Interest	7,598	3,597	11,195
Rentals	-	4,200	4,200
Total Revenues	103,376	696,506	799,882
<u>EXPENDITURES</u>			
Current services			
Producer payments- 319 program	-	566,237	566,237
Personnel services and related benefits	70,343	46,922	117,265
Travel and other charges	4,362	123	4,485
Operating services	3,358	1,953	5,311
Total Expenditures	78,063	615,235	693,298
Excess of revenues over expenditures	25,313	81,271	106,584
Fund Balances-Beginning,	212,389	108,902	321,291
Fund Balances-Ending	\$ 237,702	\$ 190,173	\$ 427,875
Total net change in fund balance-governmental fund-per Statement of Revenues, Expenditures and Changes in Fund Balance			\$ 106,584
Amounts reported for governmental activities in the Statement of Activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Depreciation expense for the year ended June 30, 2025			(6,522)
Change in compensated absences			(4,231)
Change in net position of governmental activities			\$ 95,831

See accompanying notes and independent auditors' report.

NOTES TO THE FINANCIAL STATEMENTS

MOREHOUSE PARISH SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

INTRODUCTION

The Morehouse Parish Soil and Water Conservation District, “District” was created by and in accordance with provisions of Louisiana Revised Statute (LSA-R.S.) 3:1201 and serves citizens within the boundaries of Morehouse Parish of the State of Louisiana. The purpose of the District is to provide for the conservation of the soil and soil resources of their district, to control and prevent soil erosion and floodwater and sediment damages, and for furthering the conservation, development, utilization, and disposal of water. The District is to also preserve natural resources, control floods, prevent impairment of dams and reservoirs, assist in maintaining the navigability of rivers and harbors, preserve wildlife, protect public lands, and protect and promote the health, safety, and general welfare of the people of their district.

The governing authority of each district shall consist of five supervisors who shall be landowners or farm operators and qualified voters within the state. Three of the supervisors will be elected within the district on the second Saturday in June each year and the other two are appointed by the State Soil and Water Conservation District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted (GAAP) 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; Statement 63, Financial Reporting of Deferred Outflows of Resources, and Net Position and Statement 65, Items Previously Reported as Assets and Liabilities. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide.

The significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization’s relationship with the primary government. For financial reporting purposes, in conformance with GASB Statement No. 14, the District includes all funds that are within the oversight responsibility of the District. Based on consideration of the foregoing criteria, the District is deemed to be a separate reporting entity.

B. BASIS OF PRESENTATION

The District’s basic financial statements consists of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

MOREHOUSE PARISH SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION (continued)

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. These funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as the fund balance. In general, the fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations. The minimum number of funds is maintained consistent with legal and managerial requirements.

The District has two funds, the General Fund and a Special Revenue Fund which are considered its major funds.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues, expenditures, expenses, transfers of assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recognized in the accounts and reported in the financial statements.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or non-current) associated with its activities are reported. Government-wide fund equity is classified as net position.

MOREHOUSE PARISH SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement Focus (continued)

In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their statement of revenues, expenditures, and changes in fund balance reports sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of available spendable financial resources during a given period. This approach is then reconciled, through adjustment, to a government-wide view of the operations.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the government activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlays) generally are recorded when a liability is incurred, as under accrual accounting.

D. ASSETS, LIABILITES, AND NET POSITION

Cash and Investments

Cash includes amounts in demand deposits and interest-bearing demand deposits. The cash includes amounts in time deposits and investments with original maturities of 90 days or less as cash equivalents. Under state law (LSA R.S. 33:2955), the District may deposit funds with a fiscal agent organized under Louisiana Law or any other state of the United States, or under the laws of the United States. In addition, local governments may invest in certificates and time deposits of state banks organized under Louisiana laws and national banks having principal offices in Louisiana.

Receivables/Payables

Receivables consist of all revenues earned at year-end and not yet received. Major receivables for the governmental activities are related to intergovernmental revenue. All receivables are current and therefore due within one year. Allowances are reported when accounts are proven to be uncollectible. Management believes all receivables are collectible; therefore, an allowance is not necessary.

Payables consist of necessary and ordinary expenses of the Fund.

MOREHOUSE PARISH SOIL AND WATER CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITES, AND NET POSITION (continued)

Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure that are used in operations and that have an initial individual cost of \$2,500 or more and an estimated useful life of greater than one year. Such assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

- Buildings and improvements: 20–40 years
- Equipment and vehicles: 3–10 years
- Infrastructure: 20–40 years

Compensated Absences

The District’s policy states that employees are eligible for sick leave if they are incapacitated for performance of their duties because of illness or injury, or due to scheduled healthcare appointments upon approval by direct supervisor and/or the Board of Directors. The policy states that employees are also eligible for annual leave. Annual leave shall be requested and approved by direct supervisor and/or the Board of Directors 2 weeks prior to 1st requested day off for 3 days or more of planned absence and no less than 2 days prior to 1st requested day off for 1-2 days planned absence in order to be paid. Both sick and annual leave will be credited to the employee’s record each pay period, shall not be advanced, have a minimum charge of ½ hour, and accrue at the following rates:

Years of Service	Leave Hours Earned Per Hours Worked	Approximate Hours Accrued per Month
0-3	0.0461	8
3-5	0.0576	20
5-10	0.0692	12
10-15	0.0807	14
15+	0.0923	16

The cost of leave privileges is recognized as current year expenditure in the general fund when the leave is actually taken. The cost of leave privileges not requiring current resources is reflected in the government-wide financial statements. As of June 30, 2025, employees of the District’s office have accumulated \$7,326.

MOREHOUSE PARISH SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET POSITION (continued)

Net Position Classifications

Net Position

The District classifies net position in the government-wide financial statements, as follows:

- *Net Investment in Capital Assets* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced if applicable by the outstanding balance of borrowings attributable to the acquisition or improvement of 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 other net position that does not meet the definition of the above two components and is available for general use by the District.

The District's policy is to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balances

In accordance with GASB 54, the district classifies fund balances in governmental funds as follows:

- *Nonspendable* – Amounts that are not in spendable form (such as prepaid expenses) because they are legally and contractually required to be maintained intact.
- *Restricted* – Amounts constrained to specific purposes by their providers (such as grantors or higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed* – Amounts constrained by the District itself. To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the action to remove or change the constraint.
- *Assigned* – Amounts the District intends to use for a specific purpose. Intent can be expressed by an official or body to which the governing body delegates the authority.
- *Unassigned* – All amounts not included in other spendable.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

MOREHOUSE PARISH SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ESTIMATES

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

F. BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- b) The statement of revenues, expenditures, and changes in fund balances - budget and actual for all governmental fund types presents comparisons of legally adopted budgets with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.
- c) Unused appropriations of all of the above annually budgeted funds lapse at the end of the fiscal year.
- d) Prior to June 15, the District Board of Directors prepares a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to June 30, the budget is legally enacted through the passage of an ordinance.
- e) The Board is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.
- f) The budgets was amended in the reporting year. The budget amounts shown in the financial statements are the final authorized amounts.

2. CASH AND CASH EQUIVALENTS AND CERTIFICATES OF DEPOSITS

As of June 30, 2025 the District has cash (book balances) totaling \$110,982 in interest bearing demand deposits.

The cash of the District is subject to the following risks:

Custodial Credit Risk: Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. 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 or exceed the amount on deposit with the fiscal agent.

As of June 30, 2025, the District has \$120,328 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

MOREHOUSE PARISH SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

2. CASH AND CASH EQUIVALENTS AND CERTIFICATES OF DEPOSITS (continued)

Certificate of deposits with maturities longer than three months are measured at cost, which approximates the fair value. At year end, the district’s certificates of deposit totaling \$282,461 were fully insured by the FDIC coverage, with various maturities.

3. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2025, consists of \$48,971 for services from intergovernmental agencies.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance 6/30/2024	Additions	Deletions/ Reclassifications	Balance 6/30/2025
Governmental Activities:				
Capital assets, being depreciated				
Equipment	\$ 41,875	\$ -	\$ -	\$ 41,875
Less accumulated depreciation for				
Equipment	18,356	6,522	-	24,878
Total capital assets being depreciated, net	\$ 23,519	\$ 6,522	\$ -	\$ 16,997

Depreciation expense for the year ended June 30, 2025 was \$6,522.

5. INTERFUND RECEIVABLES AND PAYABLES

All cash collections and routine operating disbursements, including those programs under the Special Revenue Fund, are processed through the General Fund operating account. As a result, interfund receivables and payables accumulate to reflect amounts owed between the funds from program operations.

During the current fiscal year, the balance due to the Special Revenue fund from General fund increased from \$0 to \$62,122.

Amounts not required for future program operations may be made available to the General Fund upon authorization by the Board of Supervisors. Any such transfers are intended to reduce the interfund balances that have accumulated from prior years’ program earnings.

6. COMPENSATION OF BOARD MEMBERS

The board members of the District were paid per diem of:

Chris Carter \$252

7. LITIGATION

Management has advised that there is no litigation pending against the District as of June 30, 2025.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

**MOREHOUSE SOIL AND WATER CONSERVATION DISTRICT
BASTROP, LOUISIANA
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
Governmental Fund - General Fund
For the Year Ended June 30, 2025**

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Intergovernmental Revenue:				
Farm bill	\$ 41,334	\$ 43,108	\$ 48,735	\$ 5,627
State funds	39,348	44,926	47,043	2,117
Interest	7,200	7,600	7,598	(2)
Total Revenues	87,882	95,634	103,376	7,742
<u>EXPENDITURES</u>				
Current services				
Personnel services and related benefits	64,000	68,300	70,343	(2,043)
Professional services	-	20,000	-	20,000
Travel and other charges	1,000	3,300	4,362	(1,062)
Operating services	5,500	5,655	3,358	2,297
Materials and supplies	1,300	850	-	850
Equipment	1,000	-	-	-
Maintenance & repairs	450	830	-	830
Total Expenditures	73,250	98,935	78,063	20,872
Excess of revenues over expenditures	14,632	(3,301)	25,313	28,614
Fund Balances-Beginning,	212,389	212,389	212,389	
Fund Balance-Ending	\$ 227,021	\$ 209,088	\$ 237,702	

See accompanying notes and independent auditors' report.

**MOREHOUSE SOIL AND WATER CONSERVATION DISTRICT
BASTROP, LOUISIANA**

**Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
Governmental Fund - Special Revenue Fund
For the Year Ended June 30, 2025**

	SPECIAL REVENUE			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<u>REVENUES</u>				
Intergovernmental Revenue:				
NACD/NRCS Grant	\$ 81,600	\$ 151,600	\$ 193,743	\$ 42,143
Water quality	50,000	520,000	494,966	(25,034)
Interest	3,400	3,650	3,597	(53)
Rentals	8,000	4,200	4,200	-
Total Revenues	<u>143,000</u>	<u>679,450</u>	<u>696,506</u>	<u>17,056</u>
<u>EXPENDITURES</u>				
Current services				
Producer payments- 319 program	50,000	564,460	566,237	(1,777)
Personnel services and related benefits	80,000	46,000	46,922	(922)
Travel	2,000	-	123	(123)
Operating services	1,000	920	1,953	(1,033)
Supplies	3,000	1,250	-	1,250
Equipment	2,000	-	-	-
Maintenance & repairs	100	-	-	-
Total Expenditures	<u>138,100</u>	<u>612,630</u>	<u>615,235</u>	<u>(2,605)</u>
Excess of revenues over expenditures	4,900	66,820	81,271	14,451
Fund Balances-Beginning,	<u>108,902</u>	<u>108,902</u>	<u>108,902</u>	
Fund Balance-Ending	<u>\$ 113,802</u>	<u>\$ 175,722</u>	<u>\$ 190,173</u>	

See accompanying notes and independent auditors' report.

SUPPLEMENTARY INFORMATION

**MOREHOUSE SOIL AND WATER CONSERVATION DISTRICT
BASTROP, LOUISIANA**

**Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2025**

Jason Waller
Chairman

	Purpose	<u>Amount</u>
Salary		\$ -
Benefits-insurance		-
Benefits-retirement		-
Benefits-other		-
Benefits-other		-
Benefits-other		-
Car allowance		-
Vehicle provided by government		-
Per diem		-
Reimbursements		-
Travel		-
Registration fees		-
Conference travel		-
Housing		-
Unvouchered expenses		-
Special meals		-
Other		-
		<u>\$ -</u>

See accompanying notes and independent auditors' report.



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

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

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*

To the Board of Commissioners
Morehouse Soil and Water Conservation District
Bastrop, 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 major funds of Morehouse Soil and Water Conservation District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated March 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Morehouse Soil and Water Conservation 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 Morehouse Soil and Water Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Morehouse Soil and Water Conservation District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Morehouse Soil and Water Conservation 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Langley, Williams + Co, L.L.C.

Lake Charles, Louisiana

March 23, 2026



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

LESTER LANGLEY, JR. - RETIRED
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PHILLIP D. ABSHIRE, JR. - RETIRED
DAPHNE BORDELON BERKEN - DECEASED

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Morehouse Parish Soil and Water Conservation District
Bastrop, LA

To the Governing Board of the Morehouse Parish Soil and Water Conservation 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 July 1, 2024 through June 30, 2025. The Morehouse Parish Soil and Water Conservation District's management is responsible for those C/C areas identified in the SAUPs.

The Morehouse Parish Soil and Water Conservation District's Office has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- 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(s) rate of pay or approval and maintenance of pay rate schedules.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. ***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, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - 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/Electronic Municipal Market Access ("EMMA") reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
 - xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception: There were many categories and subcategories that did not have written policies and procedures.

Management's response: We will add the policies and procedures mentioned above to our written policies and procedures going forward.

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, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum,
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on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.

- 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.

There were no exceptions noted as a result of applying these procedures.

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:

We obtained a list of bank accounts from management and management's representation that the list was complete.

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

There were no exceptions noted as a result of applying these procedures.

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

There were no exceptions noted as a result of applying these procedures.

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

There were no outstanding reconciling items for more than 12 months; therefore, this procedure is not applicable.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained a listing of all deposit sites for the fiscal period and management's representation that the listing is complete.

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

their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- i. Employees responsible for cash collections do not share cash drawers/registers.
- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Exception: One employee is responsible for all the duties.

Management's response: Due to small size, the cost outweighs the benefit of segregation of duties.

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

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

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

There were only electronic deposits; therefore, this procedure is not applicable.

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

There were only electronic deposits; therefore, this procedure is not applicable.

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

There were only electronic deposits; therefore, this procedure is not applicable.

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

There were only electronic deposits; therefore, this procedure is not applicable.

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

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

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

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

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

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

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

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

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

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

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

- 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.

Exception: The employee responsible for mailing checks is also an authorized signer.

Management's response: Due to small size, the cost outweighs the benefit of segregation of duties.

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

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

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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.

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

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Exception: Disbursement documentation did not include evidence of segregation of duties.

Management's response: Due to small size, the cost outweighs the benefit segregation of duties.

- 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.

This procedure is not applicable due to there being no electronic disbursements during the fiscal year.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

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

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

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

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

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

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

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

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

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov).

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

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

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

- 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).

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

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

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

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. 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

We obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities from management and management's representation that the listing is complete.

- 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.

None of the selected contracts were subject to bid law; therefore, this procedure is not applicable.

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

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

- 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).

There were no amendments during the fiscal period; therefore, this procedure is not applicable.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

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

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.

We obtained a listing of employees and management's representation that the listing is complete.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

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

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

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

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

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

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

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

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

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

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

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

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.

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

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

There were no changes to the entity's ethics policy; therefore, this procedure is not applicable.

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

Exception: The District has not appointed an ethics designee.

Management's Response: Going forward, management will appoint an ethics designee.

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.

Not applicable.

- 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).

Not applicable.

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.

Management has asserted that the entity did not have any misappropriations of public funds or assets.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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

13) Information Technology Disaster Recovery/Business Continuity

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

- A. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if 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.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

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

We performed the procedure and 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.

Exception: None of the employees completed the sexual harassment training.

Management's Response: Going forward, all employees will complete at least one hour of sexual harassment training during the calendar year.

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

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

- 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.

Exception: The District did not prepare an annual sexual harassment report for the current fiscal period.

Management's Response: Going forward, the District will complete and submit an annual sexual harassment report for the fiscal year.

We were engaged by the Morehouse Parish Soil and Water Conservation District's Office 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 Morehouse Parish Soil and Water Conservation District's Office 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.



Langley, Williams & Co., LLC
Lake Charles, LA
March 23, 2026
