PRAIRIE ROAD WATER DISTRICT
(A Component Unit of Ouachita Parish Police Jury)
Monroe, Louisiana

Financial Statements
As of and for the Year Ended December 31, 2025

PRAIRIE ROAD WATER DISTRICT
(A Component Unit of Ouachita Parish Police Jury)
Monroe, Louisiana

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As of and for the Year Ended December 31, 2025

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Prairie Road Water District
Monroe, Louisiana

Opinions

We have audited the accompanying accrual basis financial statements of the enterprise fund of the **Prairie Road Water District** (A Component Unit of Ouachita Parish Police Jury, the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Prairie Road Water District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the enterprise fund of the Prairie Road Water District, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Prairie Road Water District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Prairie Road Water District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Prairie Road Water 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 Prairie Road Water District's ability to continue as a going concern for a reasonable period of time.

Board of Commissioners
Prairie Road Water District
Monroe, Louisiana

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Prairie Road Water District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head and Board of Commissioners is presented for the 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 and Board of Commissioners 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. Such 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 and Board of Commissioners is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Commissioners
Prairie Road Water District
Monroe, Louisiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2026, on our consideration of the Prairie Road Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Prairie Road Water District's internal control over financial reporting and compliance.

Woodard & Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

July 29, 2026

Required Supplementary Information

PRAIRIE ROAD WATER DISTRICT
(A Component Unit of Ouachita Parish Police Jury)
Monroe, Louisiana

Management's Discussion and Analysis
For the Year Ended December 31, 2025

Our discussion and analysis of Prairie Road Water District (the District) provide an overview of the District's activities for the year ended December 31, 2025. Please read our discussion and analysis in conjunction with the District's financial statements that begin on page 10.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion Analysis – for State and Local Governments, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of:

- Management's discussion and analysis (MD&A)
- Statement of net position
- Statement of revenue, expenses, and changes in net position
- Statement of cash flows
- Notes to financial statements
- RSI other than MD&A, If applicable

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

Enterprise Fund Financial Statements

The Statement of Net Position and the Statement of Revenue, Expenses, and Changes in Net Position provide information in a way that shows the change in the District's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most businesses. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and the changes in it. Net position – the difference between assets (what the District owns) and liabilities (what the District owes) is a way to measure the financial position of the District. Over time, increases or decreases in the District's net position is an indicator of whether the District's financial position is improving or deteriorating.

The Statement of Cash Flows provides information on the changes in cash during the year. This statement reports the net cash provided or used by operating activities, capital and related financing activities, and investing activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's net position increased by $214,629 during 2025 due to the increase in operating revenue. Operating revenue increased from the prior year because of a water rate increase of $13.50 from $30 to $43.50. Operating expenses increased $79,074 from the prior year with the largest increase in chlorine and chemicals expense and contract labor. The following presents an analysis of net position and changes in net position for the year ended December 31, 2025:

Prairie Road Water District
Governmental Activities—Statement of Net Position
(Condensed)

	December 31,	
	2025	**2024**
Current and other assets	$ 428,030	$ 232,266
Non-current assets, net	48,543	102,163
Capital assets (net)	1,862,030	1,983,085
Total assets	2,338,603	2,317,514
Current liabilities	70,101	102,961
Liabilities payable from restricted assets	51,537	95,217
Non-current liabilities	4,000	121,000
Total liabilities	125,638	319,178
Net investment in capital assets	1,808,030	1,770,085
Restricted	23,679	16,120
Unrestricted	381,256	212,131
Total net position	$ 2,212,965	$ 1,998,336

Changes in Net Position

Unrestricted net position was $381,256 at year end. Net position restricted for debt service was $23,679 and the net investment in capital assets was $1,808,030 at year end.

PRAIRIE ROAD WATER DISTRICT
(A Component Unit of Ouachita Parish Police Jury)
Monroe, Louisiana

Management's Discussion and Analysis
For the Year Ended December 31, 2025

A summary of the District's changes in net position is as follows:

Prairie Road Water District
Governmental Activities—Statement of Activities
(Condensed)

	December 31, 2025	December 31, 2024
Operating revenue	$ 878,321	$ 675,906
Operating expenses	659,309	580,235
Non-operating revenue (expenses)	(4,383)	42,569
Changes in net position	214,629	138,240
Net position – beginning	1,998,336	1,860,096
Net position - ending	$ 2,212,965	$ 1,998,336

CAPITAL ASSETS AND DEBT

Capital Assets

At the end of the year, the District had capital assets (net of accumulated depreciation) totaling $1,862,030. Capital assets included land, the water system, office building, parking lot, vehicles, and equipment costing $1,000 or more. Additional information about the District's capital assets is presented in Note 4 to the financial statements.

Debt

At year end the District has $54,000 in outstanding water revenue bonds. Additional information about the District's debt is presented in Note 5 financial statements.

ECONOMIC FACTORS AND FUTURE OUTLOOK

Operating revenue and expenses are expected to remain approximately the same in 2026 as 2025. The District is in the process of procuring a Drinking Water Revolving Loan Fund loan for approximately $3.7 million dollars for improvements to the water system. The loan is expected to close in the fall of 2026 and the improvements are expected to take a year or more to complete. The program allows a 49% forgiveness on the amount received.

BASIC FINANCIAL STATEMENTS

Statement A

PRAIRIE ROAD WATER DISTRICT
(A Component Unit of Ouachita Parish Police Jury)
Monroe, Louisiana

Statement of Net Position
December 31, 2025

Assets		
Current assets		
Cash	$	261,848
Accounts receivable (net of allowance for uncollectible accounts)		115,687
Inventory		50,495
Total current assets		428,030
Noncurrent assets		
Restricted cash		48,543
Capital assets (net of accumulated depreciation)		1,862,030
Total noncurrent assets		1,910,573
Total assets	$	2,338,603
Liabilities and Net Position		
Current liabilities		
Accounts payable	$	12,893
Payroll taxes payable		929
Customer deposits		56,279
Total current liabilities		70,101
Liabilities payable from restricted assets		
Accrued interest payable		1,537
Current portion of revenue bonds payable		50,000
Total liabilities payable from restricted assets		51,537
Noncurrent liabilities - long-term debt - revenue bonds payable		4,000
Total liabilities	$	125,638
Net position		
Net investment in capital assets	$	1,808,030
Restricted for debt service		23,679
Unrestricted		381,256
Total net position	$	2,212,965

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

Statement B

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2025

Operating revenue		
Water sales	$	846,397
Connection and reconnection fees		22,107
Other fees		4,234
Sewer collection fees		5,133
Other revenue		450
Total operating revenue		878,321
Operating expenses		
Salaries		166,435
Contract labor		27,251
Payroll taxes		12,820
Commissioners fees		4,940
Depreciation		121,056
Chlorine and chemicals		97,813
Repairs		81,075
Utilities and telephone		29,208
Insurance		15,642
Office supplies and expense		12,303
Bad debt expense		10,760
Safe drinking water fee		10,163
Outside services		9,000
Accounting and audit		8,939
Dues and fees		8,222
Fuel		6,938
Supplies and parts		6,664
Billing services		5,413
Sales tax		4,963
Bank and credit card fees		3,736
Travel and mileage		2,728
Attorney fees		2,638
Publication expense		2,358
Equipment rental		2,180
Lab services		2,010
Postage		575
Taxes, licenses, and permits		321
Miscellaneous expense		3,158
Total operating expenses		659,309
Operating income		219,012
Nonoperating revenues (expenses)		
Interest income		730
Interest expense		(5,113)
Total non-operating revenue (expenses)		(4,383)
Change in net position		214,629
Net position at beginning of year		1,998,336
Total net position at end of year	$	2,212,965

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

Statement C

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Statement of Cash Flows
For the Year Ended December 31, 2025

Cash flows from operating activities		
Cash received from customers	$	851,007
Customer deposit receipts		(691)
Cash paid to suppliers		(381,180)
Cash paid to employees and commissioners		(184,669)
Net cash provided by operating activities		284,467
Cash flows from capital and related financing activities		
Principal paid on capital debt		(158,998)
Interest paid on capital debt		(6,793)
Net cash provided (used) by capital and related financing activities		(165,791)
Cash flow from investing activities		
Interest income		730
Net cash provided by investing activities		730
Net increase in cash		119,406
Cash at beginning of year		190,985
Cash at end of year	$	310,391
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$	219,012
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense		121,056
Bad debt expense		10,760
Changes in assets and liabilities		
Increase in accounts receivable		(27,317)
Increase in inventory		(6,184)
Decrease in accounts payable		(31,694)
Decrease in taxes payable		(474)
Decrease in customer deposits		(691)
Net cash provided by operating activities	$	284,467
Cash shown on Statement of Net Position		
Cash	$	261,848
Restricted cash		48,543
Total cash	$	310,391

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

NOTES TO THE FINANCIAL STATEMENTS

Introduction

Prairie Road Water District (the District) was created by the Ouachita Parish Police Jury on May 08, 1972, as authorized by Louisiana Revised Statute 33:3811 for the purpose of supplying safe drinking water to the population of the District. The District is governed by a five-member board of commissioners appointed by the police jury to serve indefinite terms. The commissioners receive $100 for each meeting they attend. The District has four employees and serves approximately 881 customers.

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

Fund Equity of Fund Financial Statements

GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* require the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as prepaid expenses.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers such as federal or state regulations for future use or through enabling legislation and are, therefore, not available for future appropriation or expenditure. The District has $48,543 in restricted fund balances in the current fiscal year.

Committed: Fund balance that can only be used for specific purposes determined by the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless District removes or changes the specified use by taking the same type of action it employed to previously commit fraud. Committed fund balance is the result of either a policy of the District or motions passed by the Board of Commissioner's committing the funds. The District does not have any such fund balances in the current fiscal year.

Assigned: Fund balance that is constrained by the Board of Commissioner's intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by the Board. The District does not have any assigned fund balances in the current fiscal year.

Unassigned: Fund balance that is residual classification for the general fund. The District has not established benchmarks for unassigned fund balance requirements. The Board of Commissioner's has not established a formal policy regarding the order of spending fund balances that are restricted, committed, or assigned. The District's informal policy for the spending prioritization of fund balances is that restricted would receive the top priority followed by committed. Assigned balances receive the least priority and would be authorized to be spent only if adequate funds were available. If expenditures incurred exceed the amounts that have been committed or assigned to a specific purpose, amounts unassigned would be reduced to eliminate the deficit.

Note 1 – Summary of Significant Accounting Policies

A. Basis of Accounting

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

Enterprise funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenue of the District is water sales, installation fees, reconnect fees, penalties, and other operating fees. Operating expenses for enterprise funds include the costs of the services, administrative expenses, and depreciation of capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

B. Deposits

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

C. Capital Assets

Capital assets which includes land, the water system and improvements, buildings, parking lot, vehicles, and equipment, are reported in the enterprise fund financial statements. All of the District's capital assets are capitalized at historical cost. The District maintains a threshold level of $1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital contributions of constructed assets are recorded at cost when the project is completed, and the asset is put into service by the District.

Capital assets, except land, are depreciated using the straight-line method over the following useful lives:

	Estimated Lives
Infrastructure – water system	25 years
Buildings	25 years
Parking lot	20 years
Vehicle and equipment	5 – 15 years

D. Receivables

Accounts receivable consist of amounts due from customers for water service provided prior to year end. Receivables for water sales are shown net of an allowance for uncollectible accounts. The allowance is an estimate based on the amount of receivables that are collected in the month following the month billed. Payment is due on or before the 15th of the month following the month of service. Non-payment within 15 days of the due date will result in service disconnection. Past due amounts are written off and turned over to a collection agency when they are considered uncollectible by management.

E. Restricted Assets

Certain amounts that are required by loan resolutions to be set aside in reserve accounts are classified as restricted assets on the balance sheet because their use is limited. It is the District's policy to first expend restricted assets when an expense is incurred for which both restricted and unrestricted assets are available.

F. Inventory

Inventory consists of parts and supplies, valued at cost, using the first-in, first-out method. Inventory is recorded using the "purchase method" whereby supplies are charged as expenses when acquired. Inventory on hand at the end of year is reported as an asset.

G. Long-Term Debt

Long-term debt, such as revenue bonds payable, is reported as a liability on the statement of net position.

H. Compensated Absences

The District's full-time employees earn from 5 to 15 days of vacation leave per year depending upon length of service. New employees must work one year before they are entitled to vacation time. Vacation must be taken in the calendar year earned. Full-time employees earn 4 days of sick leave per year 90 days continuous employment. Sick leave may not be accumulated. In addition, full-time employees earn 1 paid birthday per calendar year, after 90 days of continuous employment.

I. Estimates

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

Note 2 – Cash and Restricted Cash

At December 31, 2025, the District had petty cash, cash, and restricted cash in interest bearing checking amounts totaling $310,391. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by Federal Deposit Insurance Corporation (FDIC) or the pledge of securities owned by the fiscal agent bank. These deposits were fully collateralized by FDIC and a pledge of securities, and accordingly, the District had no custodial credit risk related to its cash deposits at December 31, 2025.

Note 3 – Receivables

At December 31, 2025, the District had receivables, net of allowance for uncollectible accounts of $115,687 as follows:

Billed water sales	$	108,855
Unbilled water sales		28,856
Sewer collection fees		413
Less: allowance for uncollectible accounts		(22,437)
Total receivables	$	115,687

Note 4 – Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2025, is as follows:

Notes to the Financial Statements
For the Year Ended December 31, 2025

	Balance January 1, 2025	Increases	Decreases	Balance December 31, 2025
Capital assets not being depreciated:				
Land	$ 25,791	$ -	-	$ 25,791
Construction in Progress		-	-	
Total assets not being depreciated	25,791	-	-	25,791
Capital assets being depreciated:				
Water system	3,089,277	-	-	3,089,277
Buildings	134,469	-	-	134,469
Parking lot	20,650	-	-	20,650
Vehicles	63,824	-	-	63,824
Equipment	93,486			93,486
Total capital assets being depreciated	3,401,706	-	-	3,401,706
Less accumulated depreciated for:				
Water system	1,306,471	109,045	-	1,415,517
Buildings	56,364	2,684	-	59,048
Parking lot	17,208	1,032	-	18,060
Vehicles and equipment	64,546	8,295	-	72,842
Total accumulated depreciation	1,444,409	121,056	-	1,565,467
Total assets being depreciated, net	1,957,294	121,056		1,836,239
Total assets, net	$ 1,983,085	$ 121,056	-	$ 1,862,030

Depreciation expense of $121,056 for the year ended December 31, 2025, was reported in the statement of revenue, expenses, and changes in net position.

Note 5 – Long-Term Debt

The following is a summary of revenue bonds payable transactions for the year ended December 31, 2025:

		Direct Borrowing - Revenue Bonds
Balance January 1, 2025	$	213,000
Additions		-
Reductions		(159,000)
Balance December 31, 2025	$	54,000

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term debt as of December 31, 2025:

Current portion	$	50,000
Long-term portion		4,000
Total	$	54,000

The Series 2014 Water Revenue Refunding Bonds were purchased by Origin Bank and was paid fully in the fiscal year 2025. The Series 2015 Water Revenue Bonds were purchased jointly by Origin Bank and the Louisiana Public Facilities Authority. All outstanding debt at December 31, 2025, in the amount of $54,000, is revenue bonds payable with a maturity date of January 1, 2027 and interest rate of 2.90%. The interest payable in the next fiscal year is $2,320. Both series of revenue bonds are secured by a pledge of the income and revenue of the District after the payment of all reasonable and necessary expenses for operating and maintaining the water system. The owners of the revenue bonds have the right to appoint a third party to take possession of the water system and operate, maintain, manage, and control the water system in the event that the District should default on the payment of interest on or principal of the bonds as they become due, or fail to fund the reserve accounts as established in the bond resolutions. The individual debt is as follows:

	$383,000 Water Revenue Bonds	$426,000 Water Revenue Refunding Bonds
Original issue date	4/2/2015	1/7/2014
Interest rate	2.90%	3.35%
Final payment due	1/1/2027	1/1/2026
Interest to maturity	$ 3,103	$ 0
Principal outstanding	$54,000	$ 0
Funding source	Water revenue	Water revenue

The principal and interest payments are due as follows:

Year Ending December 31,	Principal payments	Interest Payments	Total
2026	$ -	$ 2,320	$ 2,320
2027	54,000	783	54,783
Total	$ 54,000	$ 3,103	$ 57,103

The bond resolutions for the 2015 Water Revenue Bonds discussed in Note 5 above require the District to set aside certain amounts in reserve accounts. At December 31, 2025, the District had a total of $48,543 set aside for the loan reserve accounts that are reported as restricted cash in the accompanying financial statements.

Note 6 – Agreement with Greater Ouachita Water Company

On November 9, 2011, Greater Ouachita Water Company transferred the water well and water distribution system in Huntington Park and Prairie Ridge Park Subdivisions to the District. As consideration for this transfer, the District agreed to maintain and operate the water systems in these subdivisions and provide water service to all customers located there. The District also entered into a sewer billing and collection agreement with Greater Ouachita Water Company for the sewerage system in these subdivisions. The contract automatically renews from year to year unless cancelled by either party upon giving the other party 120 days' notice prior to the end of any one year term. The District is paid 10% of the total amount collected from sewer customers which totaled $5,133 for 2025.

Note 7 – Commitments under Contracts

In April 2023, the District entered into an agreement with Calgon Carbon Corporation to provide turn-key carbon exchange services to the District at the Miller Road well site. The agreement also contains an early payout option which allows the District to make a lump sum payment of $40,800 after making the 12th monthly payment. The District elected not to take the early payout option. The agreement was paid off in the fiscal year 2025.

Note 8 – Risk Management

The District purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reduction in insurance coverage from coverage in the prior year. Any settlements have not exceeded insurance coverage in any of the past three fiscal years.

Note 9 – Contingencies

The District 2022, the Louisiana Department of Health (LDH) issued an administrative order citing the District to take certain remedial actions to comply with all applicable rules, regulations, and standards, including but not limited to, the regulations contained within the Louisiana State Sanitary Code. State law provides that if the District fails to comply with any provision of the administrative order, LDH may assess a penalty up to maximum of $917 per day, for each day the District is not in compliance. Additionally, if LDH finds it necessary to refer the matter for civil action, the court may impose a civil penalty not to exceed $3,000 per day for each day of violation and for each act of violation. The District responded to LDH with its plans to remedy the violations which includes the ground storage tank replacement project. The ground storage tank replacement project was completed in June 2024. In addition, the District's 2023 water grade from LDH was a "F". LDH cited violations federal and state water quality standards and unresolved infrastructure deficiencies as the basis of the 2023 water grade. The District's LDH 2025 water grade was a "D".

Note 10 – Subsequent events

Management has evaluated subsequent events through July 29, 2025, the date which the financial statements were available to be issued and determined the following pending subsequent event occurred that requires disclosure:

The District is in the process of procuring a Drinking Water Revolving Loan Fund loan for approximately $3.7 million dollars for improvements to the water system. The loan is expected to close in the fall of 2026, and the improvements are expected to take a year or more to complete. The program allows a 49% forgiveness on the amount received.

SUPPLEMENTARY INFORMATION

PRAIRIE ROAD WATER DISTRICT
(A Component Unit of Ouachita Parish Police Jury)
Monroe, Louisiana

Schedule of Compensation, Benefits, and
Other Payments to Agency Head and Board Members
For the Year Ended December 31, 2025

Board compensation

Agency Head- Isaac White-President	$	1,300
George Corteau		1,300
William Whitfield		1,000
Sidney McKinley		900
James Johnson-Deceased		400
Herbert Munholland-Deceased		100
Total	$	5,000

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

Board of Commissioners
Prairie Road Water District
Monroe, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the enterprise fund of the Prairie Road Water District, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Prairie Road Water District's basic financial statements and have issued our report thereon dated July 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Prairie Road Water District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Prairie Road Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Prairie Road Water 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we identified a certain deficiency in internal control, described in the accompanying Schedule of Current Year Findings and Management's Corrective Action Plan 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 Prairie Road Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 result 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 Prairie Road Water District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Woodard & Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

July 29, 2026

Prairie Road Water District
(A Component Unit of Ouachita Parish Police Jury)
Monroe, Louisiana

Schedule of Findings and Management's Corrective Action Plan
For the Year Ended December 31, 2025

We have audited the basic financial statements of the Prairie Road Water District as of and for the year ended December 31, 2025, and have issued our report thereon dated July 29, 2026. 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 Governmental Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2025, resulted in an unqualified opinion.

Schedule I – Summary of Auditor's Report

Report to Internal Control and Compliance Material to Financial Statements:

Internal Control

Material Weakness _X_Yes __No

Significant Deficiencies __Yes _X_No

Compliance

Compliance Material to Financial Statements __Yes _X_No

Schedule II – Findings – Financial Statements Audit

2025-001 Inadequate Segregation of Accounting Duties (first reported 2005)

Criteria

The Committee of Sponsoring Organizations of the Treadway Commission Report (COSO) requires that internal controls be designed and operating to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. Internal controls should be designed to require adequate segregation of duties over accounting functions.

Condition

The accounting duties of billing, collecting, depositing, and posting customer payments to customers accounts may be performed by any of the office employees of the District. Although it was noted that more than one employee balances the cash receipts at the end of each day, all other duties may be performed by any office employee creating a situation whereby the duties are not adequately segregated.

Schedule of Findings and Management's Corrective Action Plan
For the Year Ended December 31, 2025

Cause

Limited number of employees due to the small size of the water system.

Effect

Errors or irregularities may not be detected within a timely period.

Recommendation

Management should review the duties of billing, collecting, depositing, and posting customer payments to customer accounts along with the personnel on staff to determine whether it would be feasible to assign duties such that work is performed by one individual and checked in some way by someone different.

Management's Corrective Action Plan

We will review the duties of billing, collecting, depositing, and posting customer payments to customer accounts along with the personnel on staff to determine whether it would be feasible to assign duties such that work is performed by one individual and checked in some way by someone different.

Person responsible for Corrective Action Plan

Judy Parker, General Manager

Anticipated Completion

July 28, 2026

Prairie Road Water District
(A Component Unit of Ouachita Parish Police Jury)
Monroe, Louisiana

Summary Status of Prior Year Findings
For the Year Ended December 31, 2025

The following is a summary of the status of the prior year findings included in the audit report dated March 27, 2024, covering the audit of the financial statements of Prairie Road Water District as of and for the year ended December 31, 2024.

Financial Statements Findings Reported in Accordance with *Government Auditing Standards* for the fiscal year ended 2024.

2024-001 Inadequate Segregation of Accounting Duties (first reported 2005)

Criteria

The Committee of Sponsoring Organizations of the Treadway Commission Report (COSO) requires that internal controls be designed and operating to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. Internal controls should be designed to require adequate segregation of duties over accounting functions.

Condition

The accounting duties of billing, collecting, depositing, and posting customer payments to customers accounts may be performed by any of the office employees of the District. Although it was noted that more than one employee balances the cash receipts at the end of each day, all other duties may be performed by any office employee creating a situation whereby the duties are not adequately segregated.

Management's Planned Corrective Action

It is not economically feasible to correct this deficiency based on the size of the water system.

Status

Refer to Finding 2025-001.

STATEWIDE AGREED-UPON PROCEDURES

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Prairie Road Water District Board of Commissioners and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025, through December 31, 2025. **Prairie Road Water District's** (the District) management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

   i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

   ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

   iii. ***Disbursements***, including processing, reviewing, and approving.

   iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

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

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

viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

<u>Result: No exceptions were identified as a result of this procedure.</u>

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 meets with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

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

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.

<u>Result: No exceptions were identified as a result of this procedure.</u>

3) Bank Reconciliations

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

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

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

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

<u>Result: Of the five bank accounts selected, one did not have documentation reflecting that management has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.</u>

4) Collections (excluding electronic funds transfers)

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

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

i. Employees responsible for cash collections do not share cash drawers/registers.

ii. Each employee responsible for collecting cash is also 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 also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

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

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

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

i. Observe that receipts are sequentially pre-numbered.

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

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

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

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

Result: Management did not have evidence reflecting that 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 also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Of the four deposits tested, one was not held for one business day or less

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

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

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

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

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

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

   iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

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

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

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

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

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

<u>Result: Management did not have evidence reflecting that at least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making a purchase.</u>

Management did not have evidence reflecting that 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.

Management did not have evidence reflecting that 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.

Of the five disbursements tested, none included evidence of segregation of duties tested under procedure #5B above.

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

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

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

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

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

C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Result: No exceptions were identified as a result of 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

   i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

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

   iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

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

Result: No exceptions were identified as a result of 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

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

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

   iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

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

Result: No exceptions were identified as a result of 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.

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

   i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

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

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

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

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

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

Result: No exceptions were identified as a result of 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; and

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

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

Result: No exceptions were identified as a result of this procedure.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Result: No exceptions were identified as a result of this procedure.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

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

Result: No exceptions were identified as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures,

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

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

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

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

Result: 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.

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

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

   i. Number and percentage of public servants in the agency who have completed the training requirements.

   ii. Number of sexual harassment complaints received by the agency.

   iii. Number of complaints which resulted in a finding that sexual harassment occurred.

   iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

   v. The amount of time it took to resolve each complaint.

Result: The report was not dated or before February 1.

Management's Responses to Results

We will consider the results of the statewide agreed-upon procedures report and take action as deemed necessary and feasible.

Restriction on Use

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

Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Woodard + Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

July 29, 2026