

WEST ALLEN PARISH WATER DISTRICT
Reeves, Louisiana

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 2025

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3-5
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	6-7
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	8
STATEMENT OF CASH FLOWS	9-10
NOTES TO FINANCIAL STATEMENTS	11-22
REQUIRED SUPPLEMENTARY INFORMATION	
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – BUDGET AND ACTUAL	24
OTHER INFORMATION	
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER	26
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	27-28
SCHEDULE OF FINDINGS AND RESPONSES	29

INDEPENDENT AUDITORS' REPORT

June 25, 2026

Board of Commissioners
West Allen Parish Water District
Reeves, Louisiana

Opinion

We have audited the accompanying financial statements of the business-type activities of West Allen Parish Water District, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Districts basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the West Allen Parish Water District as of December 31, 2025, and the respective changes in financial position and the cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable of financial audits contained in the *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 West Allen Parish 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the West Allen Parish 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the West Allen Parish 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the West Allen Parish Water 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 budgetary comparison information on page 24 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.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer but does not include basic financial statements and other auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our reports.

Report on Summarized Comparative Information

We have previously audited West Allen Parish Water District's December 31, 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated June 11, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2026 on our consideration of West Allen Parish Water District's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sharon Cassidy: Shillery

WEST ALLEN PARISH WATER DISTRICT

Statement of Net Position

December 31, 2025

	2025	2024
ASSETS		
Current Assets		
Cash	\$ 862,356	\$ 919,399
Receivables		
Accounts	56,722	52,207
Intergovernmental	505,425	27,753
Interest	6,837	6,837
Prepaid expenses	28,068	6,311
Restricted assets		
Bond sinking fund		
Cash	118,996	118,623
Bond reserve fund		
Cash	75,653	68,160
Bond short lived assets		
Cash	354,738	324,078
Bond contingency fund		
Cash	117,762	109,927
Customer deposits		
Cash	59,967	58,672
Total Current Assets	2,186,524	1,691,967
Property, plant and equipment, at cost, net of accumulated depreciation \$3,040,799 for 2025	7,398,280	5,663,713
 TOTAL ASSETS	 \$ 9,584,804	 \$ 7,355,680
 DEFERRED OUTFLOWS OF RESOURCES	 \$ -	 \$ -

Continued

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

WEST ALLEN PARISH WATER DISTRICT

Statement of Net Position - Continued

December 31, 2025

	2025	2024
LIABILITIES		
Current liabilities		
Accounts payable-operations	\$ 13,392	\$ 48,181
Accounts payable-construction in progress	635,163	-
Payable from restricted assets		
Current portion of revenue bonds	71,145	61,482
Customer deposits	58,717	56,498
Total Current Liabilities	778,417	166,161
Compensated absences	7,875	-
Long-term debt, net of current portion	3,300,994	3,388,346
TOTAL LIABILITIES	<u>\$ 4,087,286</u>	<u>\$ 3,554,507</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>
NET POSITION		
Net investment in capital assets	\$ 4,026,141	\$ 2,213,885
Net position - Restricted for debt service	667,149	620,788
Net position - Unrestricted	804,228	966,500
TOTAL NET POSITION	<u>\$ 5,497,518</u>	<u>\$ 3,801,173</u>

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

WEST ALLEN PARISH WATER DISTRICT

Statement of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2025

	2025	2024
OPERATING REVENUES		
Charges for services	\$ 698,422	\$ 635,964
Miscellaneous revenue	44,797	44,389
TOTAL OPERATING REVENUES	<u>743,219</u>	<u>680,353</u>
OPERATING EXPENSES		
Advertising	2,404	1,074
Bank charges	577	840
Credit card processing fees	2,828	837
Depreciation	181,914	183,160
Dues	2,711	11,751
Insurance - general	36,568	28,149
Insurance - health	56,830	38,255
Mileage reimbursements	7	123
Miscellaneous	1,734	4,976
Office	12,488	7,274
Per diem	1,200	6,960
Postage	7,818	6,285
Professional fees	9,800	21,000
Salaries	208,062	162,439
Supplies and maintenance	59,587	75,134
Taxes and licenses	19,051	13,839
Telephone	8,800	7,131
Training	1,151	2,539
Transportation	22,542	16,892
Uniforms	1,668	160
Utilities	23,781	34,821
TOTAL OPERATING EXPENSES	<u>661,521</u>	<u>623,639</u>
OPERATING INCOME (LOSS)	<u>81,698</u>	<u>56,714</u>
NON-OPERATING REVENUES (EXPENSES)		
Grant revenues	1,688,440	27,753
Rent income	13,888	2,671
Interest income	17,559	39,675
Gain on sale of fixed assets	4,695	-
Interest expense	(109,935)	(112,948)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>1,614,647</u>	<u>(42,849)</u>
CHANGE IN NET POSITION	1,696,345	13,865
NET POSITION - BEGINNING	3,801,173	3,787,308
NET POSITION - ENDING	<u>\$ 5,497,518</u>	<u>\$ 3,801,173</u>

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

WEST ALLEN PARISH WATER DISTRICT

Statement of Cash Flows

Year Ended December 31, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 738,704	\$ 650,651
Cash payments to suppliers for goods and services	(325,872)	(261,606)
Cash payments to employees for services	(200,187)	(162,439)
NET CASH FROM OPERATING ACTIVITIES	<u>212,645</u>	<u>226,606</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grant revenues	1,210,768	27,753
Rent income	13,888	2,671
Purchase of fixed assets	(1,281,318)	(220,316)
Proceeds from revenue bonds	-	500,000
Proceeds from sale of surplus	4,695	-
Principal paid on revenue bonds	(77,689)	(83,667)
Interest paid on revenue bonds	(109,935)	(112,948)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(239,591)</u>	<u>113,493</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	17,559	39,675
Purchase of non-cash equivalents	(582,838)	(376,163)
Redemption of non-cash equivalents	820,540	-
NET CASH FROM INVESTING ACTIVITIES	<u>255,261</u>	<u>(336,488)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	228,315	3,611
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>778,310</u>	<u>774,699</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,006,625</u>	<u>\$ 778,310</u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	<u>\$ 109,935</u>	<u>\$ 112,948</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO TOTAL CASH:		
Cash and cash equivalents	\$ 1,006,625	\$ 778,310
Non-cash equivalents	582,847	820,549
Total Cash	<u>\$ 1,589,472</u>	<u>\$ 1,598,859</u>

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

Continued

WEST ALLEN PARISH WATER DISTRICT

Statement of Cash Flows - Continued

Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 81,698	\$ 56,714
Net cash provided by operating activities		
Depreciation	181,914	183,160
(Increase) decrease in:		
Accounts receivable	(4,515)	(32,373)
Interest receivable	-	(2,819)
Prepaid expenses	(21,757)	(2,655)
Increase (decrease) in:		
Accounts payable	(34,789)	20,554
Compensated absences	7,875	-
Customer deposits	2,219	4,025
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 212,645</u>	<u>\$ 226,606</u>

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

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The West Allen Parish Water District was created by the Allen Parish Police Jury under the provisions of Louisiana Revised Statutes 33:3811 for the purpose of providing water to the rural area of West Allen Parish. The District is governed by a board of commissioners composed of seven members, five appointed by the Allen Parish Police Jury and two appointed by the Village of Reeves, LA.

1. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for West Allen Parish Water District. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints a voting majority to the board and has the ability to impose its will, the District was determined to be a component unit of the Allen Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by the governmental unit, or the other governmental units that comprise the financial reporting entity.

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation

The accompanying financial statements of the West Allen Parish Water District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments", issued in June 1999.

The financial statements of the District are prepared on the accrual basis of accounting. Whereby revenues are recognized when earned and expenses are recognized when incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The operating revenues of the District come from metered sales to residential and commercial customers as well as service connection charges and penalties from late payment of bills. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. Cash and Cash Equivalents

The cash and cash equivalents of the District are subject to the following risks.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District 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 financial 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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statue 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statue 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity is its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of offsetting exposure to interest rate risk, the District diversifies its investments by security type and institution.

Credit Risk: Generally, credit risk is the risk that the issuer of a debt type investment will not fulfill its obligation to the holder of the investment. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The District's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the District may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates of time deposits of state banks organized under Louisiana law and national banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

4. Accounts Receivable

Uncollectible amounts due for accounts receivable are recognized as bad debts using the direct write-off method. Uncollectible amounts are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible. This method does not result in a charge to bad debts that are materially different from the amount that would be charged if the reserve method were used.

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for water user fees. The District's ability to collect the amounts due from the users of the District water system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster or other calamity in this one concentrated geographic location.

5. Capital Assets

All fixed assets are valued at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation of each class of depreciable property is computed using the straight-line method. Estimated useful lives are as follows:

Distribution system	50 years
Office and shop building	10-15 years
Equipment	5-7 years
Software	3 years

6. Compensated Absences

The District has the following policy relating to vacation and sick leave:

- Vacation
- One week after 1 year of service,
 - Two weeks after 2 years of service,
 - Three weeks after 10 years of service,
 - Four weeks after 15 years of service,

- Sick Leave
- 10 days per year,
 - Maximum of 30 days may be carried over to the next year.

The District's recognition and measurement criterion for compensated absences follows:

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

GASB Statement No. 101 provides that vacation leave, sick leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is more likely than not that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

At December 31, 2025, the District had an accrual balance of \$7,875 for compensated absences.

7. Statement of Cash Flow

For purpose of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less when purchased to be cash equivalents. The statement reflects ending cash and cash equivalents of \$1,006,625 which represents unrestricted and restricted amounts of \$279,509 and \$727,116 respectively.

8. Budgets

An enterprise fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget.

Expenditures may not legally exceed budgeted appropriations at the activity level. The budget was amended once during the year.

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Net Position

In the financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position– All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the District’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

10. Use of Estimates

The preparation of the 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 and disclosures. Accordingly, actual results could differ from those estimates.

11. Subsequent Events

Management has evaluated subsequent events through June 25, 2026, the date the financial statements were available for issue.

12. Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government’s financial position and operations.

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2025

NOTE B - CASH DEPOSITS

At December 31, 2025, the District has cash balances (book balances) totaling \$1,589,472. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2025, the District has \$1,323,990 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$1,073,990 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

NOTE C – PROPERTY, PLANT AND EQUIPMENT

A summary of changes in property, plant and equipment for the year ended December 31, 2025 are as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Distribution system	\$ 7,750,657	\$ -	\$ -	\$ 7,750,657
Office and shop building	117,963	-	-	117,963
Equipment	397,777	1,883	(26,984)	372,676
Construction in Progress	212,226	1,914,601	-	2,126,827
Land	70,956	-	-	70,956
	<u>8,549,579</u>	<u>\$1,916,484</u>	<u>\$ (26,984)</u>	<u>10,439,079</u>
Less accumulated depreciation	<u>2,885,866</u>			<u>3,040,799</u>
TOTALS	<u>\$ 5,663,713</u>			<u>\$ 7,398,280</u>

Depreciation expense was \$181,914 for the year ended December 31, 2025.

Construction in Progress at December 31, 2025 of \$2,126,827 is for a water system improvement project. The total cost of the project is expected to be \$4,555,000 million. A state grant for \$3,767,478 million has been obtained to fund the project. The District will fund the remaining costs.

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2025

NOTE D - LONG-TERM DEBT

The following is a summary of bond transactions of the District for the year ended December 31, 2025.

Bonds payable, Beginning	\$ 3,449,828
Bonds issued	-
Bonds retired	<u>(77,689)</u>
Bonds payable, Ending	<u>\$ 3,372,139</u>

Bonds payable at December 31, 2025 are comprised of the following individual issues:

Revenue bonds

\$3,440,000 Revenue Bonds Series 2015 with USDA Dated March 17, 2015 due in monthly installments of \$12,488, maturity date of March 17, 2055. Interest at 3.0%	\$ 2,907,139
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\$500,000 Water Revenue Bonds Series 2024 Dated February 20, 2024 due in year installments ranging from \$46,677 to 49,980, maturity date of January 1, 2029, Interest at 5.5%	<u>465,000</u> 3,372,139
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Less currently payable	<u>(71,145)</u>
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LONG-TERM DEBT	<u>\$ 3,300,994</u>
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WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2025

NOTE D - LONG-TERM DEBT – CONTINUED

The annual requirements to amortize all debts outstanding as of December 31, 2025 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 71,145	\$ 102,098
2027	91,279	108,007
2028	94,264	104,792
2029	97,310	101,456
2030	101,418	97,983
2031-2035	560,028	432,802
2036-2040	626,225	316,475
2041-2045	527,635	221,665
2046-2050	612,910	136,370
2051-2055	589,925	38,633

The revenue bonds are to be retired from revenues derived from the operations of the District. As of December 31, 2025 the District has no unused lines of credit nor any assets pledged as collateral. The remedies for significant events of default is all installments to be immediately due and payable. In addition, the district will pay reasonable attorney fees and other such expenses.

NOTE E - COMPONENTS OF RESTRICTED NET POSITION

	<u>Revenue Bond Sinking</u>	<u>Revenue Bond Reserve</u>	<u>Revenue Bond Short Lived Asset</u>	<u>Revenue Bond Contingency</u>	<u>Customer deposit</u>	<u>Total</u>
Cash and interest receivable	<u>\$ 118,996</u>	<u>\$ 75,653</u>	<u>\$ 354,738</u>	<u>\$ 117,762</u>	<u>\$ 59,967</u>	<u>\$727,116</u>

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "bond sinking" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "Bond Reserve" account is used to report resources set aside to meet unexpected shortfalls in the sinking account. The "Bond Short-Lived Asset" account is used to report resources set aside to fund capital outlay replacements. The "Bond Contingency" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2025

NOTE E - COMPONENTS OF RESTRICTED NET POSITION

The amount of net position reserved for debt service is detailed as follows:

Restricted assets: revenue bond sinking, reserve, Short-lived asset and contingency funds	\$ 667,149
Less:	
Accrued interest, payable from restricted assets	<u>-</u>
Net position reserved for debt service	<u>\$ 667,149</u>

NOTE F - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE G – BOARD MEMBER COMPENSATION

In accordance with Louisiana Revised Statute 33:3819, per diem is allowed not to exceed \$60 per meeting attended, up to twenty-four regular meetings and twelve special meetings. The Board has approved per diem at \$60.

Per diem paid commissioners for the year ended December 31, 2025 were as follows:

	<u>Amount</u>	<u>Term Ends</u>
Reeves, Jr. William	\$ 840	May 2, 2027
Ritter, Carl	360	May 3, 2026
Firth, Chancy	840	December 15, 2026
Theunissen, Chad	180	October 6, 2030
Savoie, Thomas	840	April 2, 2029
Williams, Charlie	480	April 3, 2028
Reeves, Carianne	780	January 5, 2030
Monceaux, Glen	<u>780</u>	January 1, 2029
	<u>\$ 5,100</u>	

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2025

NOTE H – AGING OF ACCOUNTS RECEIVABLE

Aging of Accounts Receivable – proprietary fund as of December 31, 2025 are as follows:

<u>0-30</u> <u>Days</u>	<u>31-60</u> <u>Days</u>	<u>61-90</u> <u>Days</u>	<u>over 90</u> <u>Days</u>	<u>Total</u>
\$ 53,096	\$ 51	\$ 3,575	\$ -	\$ 56,722

NOTE I – SCHEDULE OF INSURANCE COVERAGE

The schedule of insurance coverage as of December 31, 2025 is as follows:

	<u>Limits</u>	<u>Expiration Date</u>
Automobile liability	\$1,000,000 bodily injury and physical damage	October 1, 2026
Real Property & Business Property	\$1,868,080 per occurrence-bodily injury and physical damage	October 1, 2026
Commercial general liability	\$1,000,000 per occurrence, \$3,000,000 aggregate	October 1, 2026
Commercial Crime	\$500,000/250,000/100,000 Employee theft, Forgery, Fraud	October 1, 2026
Public officials & Management Liability	\$1,000,000/1,000,000/1,000,000 Wrongful acts, employee practices, Employee benefit plans	October 1, 2026
Commercial Excess Liability	\$1,000,000/1,000,000	October 1, 2026

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 2025

NOTE J – SCHEDULE OF RATES AND NUMBER OF CUSTOMERS

At December 31, 2025 the number of customers were as follows:

Residential	1,132
Commercial	30
Tax exempt/Govt.	12

The schedule of rates:

Residential:	\$30.00/per month first 2,000 gallons \$7.75 per 1,000 gallon thereafter
Commercial:	\$53.25/per month first 5,000 gallons \$7.75 per 1,000 gallon thereafter
Sewer:	\$20.00/per month first 3,000 gallons \$2.00 per 1,000 gallon thereafter
Church sewer:	\$40.00/per month first 13,000 gallons \$2.00 per 1,000 gallon thereafter

REQUIRED SUPPLEMENTARY
INFORMATION

WEST ALLEN PARISH WATER DISTRICT

Statement of Revenues, Expenses and Changes in
Net Position - Budget and Actual

Year Ended December 31, 2025

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 650,000	\$ 610,000	\$ 698,422	\$ 88,422
Miscellaneous revenue	60,000	20,000	44,797	24,797
TOTAL OPERATING REVENUES	<u>710,000</u>	<u>630,000</u>	<u>743,219</u>	<u>113,219</u>
OPERATING EXPENSES				
Advertising	1,000	2,000	2,404	(404)
Bank charges	1,000	1,000	577	423
Credit card processing fees	500	-	2,828	(2,828)
Depreciation	180,000	180,000	181,914	(1,914)
Dues	8,000	8,000	2,711	5,289
Insurance - general	30,000	38,000	36,568	1,432
Insurance - health	35,000	35,000	56,830	(21,830)
Mileage reimbursements	500	-	7	(7)
Miscellaneous	1,000	1,000	1,734	(734)
Office	8,000	12,000	12,488	(488)
Per diem	5,500	5,500	1,200	4,300
Postage	6,000	8,000	7,818	182
Professional fees	12,000	12,000	9,800	2,200
Salaries	175,000	175,000	208,062	(33,062)
Supplies and maintenance	60,000	70,000	59,587	10,413
Taxes and licenses	13,000	13,000	19,051	(6,051)
Telephone	7,000	9,000	8,800	200
Training	1,000	3,000	1,151	1,849
Transportation	20,000	20,000	22,542	(2,542)
Uniforms	500	1,500	1,668	(168)
Utilities	35,000	35,000	23,781	11,219
TOTAL OPERATING EXPENSES	<u>600,000</u>	<u>629,000</u>	<u>661,521</u>	<u>(32,521)</u>
OPERATING INCOME (LOSS)	<u>110,000</u>	<u>1,000</u>	<u>81,698</u>	<u>80,698</u>
NON-OPERATING REVENUES (EXPENSES)				
Grant revenues	-	750,000	1,688,440	938,440
Rent Income	12,800	12,800	13,888	1,088
Interest income	12,000	20,000	17,559	(2,441)
Gain on sale of fixed assets	-	-	4,695	4,695
Interest expense	(88,374)	(88,374)	(109,935)	(21,561)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(63,574)</u>	<u>694,426</u>	<u>1,614,647</u>	<u>920,221</u>
CHANGE IN NET POSITION	46,426	695,426	1,696,345	1,000,919
NET POSITION - BEGINNING	<u>3,801,173</u>	<u>3,801,173</u>	<u>3,801,173</u>	<u>-</u>
NET POSITION - ENDING	<u>\$ 3,847,599</u>	<u>\$ 4,496,599</u>	<u>\$ 5,497,518</u>	<u>\$ 1,000,919</u>

OTHER INFORMATION

WEST ALLEN PARISH WATER DISTRICT

Schedule of Compensation, Benefits and Other Payments
To Chief Executive Officer

Year Ended December 31, 2025

Chief Executive Officer: Chancy Firth, Board President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	840
Reimbursements	-
Travel	-
Registration fees	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing Unvouchered expenses	-
Special meals	-

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

June 25, 2026

Board of Commissioners
West Allen Parish Water District
Reeves, Louisiana

We have audited, 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, the financial statements of the business-type activities of West Allen Parish Water District as of and for the year ended December 31, 2025, and the related notes to the financial statements which collectively comprise West Allen Parish Water District's basic financial statements, and have issued our report thereon dated June 25, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Allen Parish Water District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Allen Parish Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of West Allen Parish 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be

material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Allen Parish 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Shagun, Cassidy: Shullory

WEST ALLEN PARISH WATER DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES

Year Ended December 31, 2025

I. Summary of Auditors' Results:

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
 - Control deficiencies identified that are
not considered to be material weakness(es)? _____ yes X no
- Noncompliance material to financial statements
noted? _____ yes X no

II. Findings Relating to the Financial Statements Which are Required to be Reported in
Accordance with Generally Accepted Governmental Auditing Standards

None

III. Federal Award Findings and Responses

None

IV. Prior Year Findings

None

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2025

June 26, 2026

Board of Commissioners
West Allen Parish Water District
and the Louisiana Legislative Auditor
Reeves, Louisiana

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

West Allen Parish Water District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal year January 1, 2025 through December 31, 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.

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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 confirmations with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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).

No exceptions were found as a result of this procedure.

- 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) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

operations after a critical event.

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

- 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 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 special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions were found as a result of this procedure.

- iii. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

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, electronically logged):

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Research was not completed for checks outstanding for more than 12 months.

Management Response: Management will research checks outstanding for more than 12 months.

4) Collections

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash check 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).

The listing was provided by management.

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 no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe the job duties are properly segregated at each collection location such that:

- i. Employees that are responsible for cash collections do not share cash drawers registers;

The cash drawer is shared.

Management Response: Due to limited staff Management has decided it is not feasible to have separate cash drawers.

- 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:

No exceptions as a result of this procedure.

- 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; and

No exceptions as a result of this procedure.

- 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 responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure 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 supported documentation for each of the deposits and:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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).

No exceptions were found as a result of this procedure.

- v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions were found as a result of this procedure.

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).

The listing was provided by management.

- B. For each location selected under #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;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of 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;

No exceptions were found as a result of 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; and

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of 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, and

No exceptions were found as a result of 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.

No evidence of segregation of duties.

Management Response: Management will ensure there are signatures on all invoices moving forward.

- 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) 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.

No exceptions were found as a result of this procedure.

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.

The listing was provided by management.

- 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 excess fuel card usage) were reviewed and approved, in writing, (or electronically approved) by someone other than the authorized card holder; and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of 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, observed 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).

No exceptions were found as a result of this procedure.

- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

No exceptions were found 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);

No exceptions were found as a result of 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;

No exceptions were found as a result of 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); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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;

No exceptions were found as a result of this procedure.

- 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);

No exceptions were found as a result of 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); and

No exceptions were found as a result of this procedure.

- 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

No exceptions were found 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 five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to the authorized salaries pay rates in the personnel files.

No exceptions were found as a result of this procedure.

- 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);

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of 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 the entity policy.

No exceptions were found as a result of 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, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found 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 each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42.1170; and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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 the State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

The District did not issue any debt.

- 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).

No exceptions were found 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

The District was not aware of any misappropriation of public funds or assets during the fiscal year.

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

No exceptions were found as a result of 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 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.

No exceptions were found as a result of this procedure.

- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, 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.

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

- D. 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.

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

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 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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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:

Report was not completed on or before February 1, 2025.

Management Response: Management will complete the Districts annual sexual harassment report on or before February 1 in the fiscal year.

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

Report was not completed on or before February 1, 2025.

Management Response: Management will complete the Districts annual sexual harassment report on or before February 1 in the fiscal year.

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

Report was not completed on or before February 1, 2025.

Management Response: Management will complete the Districts annual sexual harassment report on or before February 1 in the fiscal year.

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

Report was not completed on or before February 1, 2025.

Management Response: Management will complete the Districts annual sexual harassment report on or before February 1 in the fiscal year.

- v. Amount of time it took to resolve each complaint.

Report was not completed on or before February 1, 2025.

Management Response: Management will complete the Districts annual sexual harassment report on or before February 1 in the fiscal year.

We were engaged by West Allen Parish Water 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 West Allen Parish Water 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.

Haggen, Cassidy: Shilley