

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended
December 31, 2024

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2024

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

Opinion

I have audited the accompanying financial statements of Columbia Heights Water District (the "District"), a component unit of Caldwell Parish, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of December 31, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide* issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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*, I:

- 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 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.

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS WATER DISTRICT
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Independent Auditor's Report
December 31, 2024

- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

I am 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 I have 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 on pages 8 through 10 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head and Board of Commissioners and the Schedule of Prior Year Findings are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head and Board of Commissioners and the Schedule of Prior Year Findings are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana
Independent Auditor's Report
December 31, 2024

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated May 22, 2025, on my consideration of the District's internal control over financial reporting and on my tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report dated May 19, 2025, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



Calhoun, Louisiana
May 22, 2025

REQUIRED SUPPLEMENTAL INFORMATION

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

Our discussion and analysis of Columbia Heights Water District's (hereafter referred to as the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the District's financial statements that begin on page 12.

BASIC 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 and 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 :

- a. Management's discussion and analysis (MD&A)
- b. Statement of net position
- c. Statement of revenues, expenses, and changes in net position
- d. Statement of cash flows
- e. Notes to the financial statements
- f. 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 provides 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 them. 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 are 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 financing activities, and investing activities.

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

**COMPARATIVE ANALYSIS OF
FINANCIAL DATA**

The District's net position increased by \$26,974 for 2024. Operating revenue increased \$17,312 and operating expenses increased \$6,388. The following presents an analysis of net position and changes in net position of the District's business-type activities:

	<u>2024</u>	<u>2023</u>
Assets		
Current assets	\$915,265	\$795,090
Restricted assets	539,134	531,129
Capital assets	<u>2,730,047</u>	<u>2,876,402</u>
Total assets	<u>4,184,446</u>	<u>4,202,621</u>
Liabilities		
Current liabilities	126,040	122,073
Long-term liabilities	<u>2,433,605</u>	<u>2,482,721</u>
Total liabilities	<u>2,559,645</u>	<u>2,604,794</u>
Net Position		
Net investment in capital assets	247,333	345,903
Restricted	539,134	531,129
Unrestricted	<u>838,334</u>	<u>720,795</u>
Total net position	<u><u>\$1,624,801</u></u>	<u><u>\$1,597,827</u></u>
	<u>2024</u>	<u>2023</u>
Operating revenue	\$526,292	\$508,980
Operating expenses	440,003	433,615
Non-operating revenue (expenses)	(59,315)	(64,281)
Change in net position	26,974	11,084
Net position - beginning	<u>1,597,827</u>	<u>1,586,743</u>
Net position - ending	<u><u>\$1,624,801</u></u>	<u><u>\$1,597,827</u></u>

OVERALL FINANCIAL POSITION

The District's increase in net position for 2024 was \$26,974. Unrestricted net position (those assets available to finance the daily operations of the District) was \$838,334 at year end, which is an increase of \$117,539 from the prior year. At year end, the amount restricted by revenue bonds is \$539,134 and the net investment in capital assets is \$247,333.

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

CAPITAL ASSETS AND DEBT

Capital Assets

At the end of the year, the District has capital assets (net of accumulated depreciation) totaling \$2,730,047. Capital assets include land, the water system, and equipment costing \$1,000 or more. The District purchased office equipment in the amount of \$1,748 during the year. Additional information about the District's capital assets is presented in Note 4 to the financial statements.

Debt

At the end of the year, the District has \$2,482,714 in outstanding revenue bonds payable. Interest expense for the year was \$68,948. Additional information about the District's debt is presented in Note 5 to the financial statements.

ECONOMIC FACTORS

Operating revenue and expenses for 2025 are expected to be approximately the same as 2024 amounts.

BASIC FINANCIAL STATEMENTS

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

STATEMENT OF NET POSITION
December 31, 2024

ASSETS

Current assets:	
Cash	\$500,369
Investments	337,669
Receivables (net of allowance for uncollectible accounts)	77,227
Total current assets	<u>915,265</u>
Noncurrent assets:	
Restricted:	
Cash	322,118
Investments	217,016
Property, plant, and equipment:	
Land	57,489
Plant and equipment (net of accumulated depreciation)	2,672,558
Total property, plant, and equipment (net of accumulated depreciation)	<u>2,730,047</u>
Total noncurrent assets	<u>3,269,181</u>
Total assets	<u>4,184,446</u>

LIABILITIES

Current liabilities:	
Accounts payable	37,111
Payroll taxes payable	1,788
Accrued interest payable	2,058
Current portion of long-term debt	49,109
Customer meter deposits	35,974
Total current liabilities	<u>126,040</u>
Noncurrent liabilities - revenue bonds payable	<u>2,433,605</u>
Total liabilities	<u>2,559,645</u>

NET POSITION

Net investment in capital assets	247,333
Restricted by revenue bonds	539,134
Unrestricted	838,334
Total net position	<u>\$1,624,801</u>

See accompanying notes.

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2024

OPERATING REVENUE

Water sales	\$514,505
Connection fees	2,350
Installation fees	600
Other operating revenue	8,837
Total operating revenue	<u>526,292</u>

OPERATING EXPENSES

Commissioners fees	5,900
Accounting and audit	6,022
Repairs and maintenance	21,939
Materials and supplies	26,860
Office expense	5,301
Utilities	41,576
Insurance	29,509
Health insurance	8,481
Salaries	89,397
Payroll taxes	6,786
Sales tax	4,357
Contract labor	22,822
Safe drinking water fee	7,513
Gasoline and truck expense	5,670
Depreciation	148,103
Other operating expenses	9,767
Total operating expenses	<u>440,003</u>
OPERATING INCOME	<u>86,289</u>

NON-OPERATING REVENUE (Expenses)

Interest expense	(68,948)
Interest income	9,633
Total non-operating revenue (expenses)	<u>(59,315)</u>

CHANGE IN NET POSITION

NET POSITION - BEGINNING	1,597,827
NET POSITION - ENDING	<u><u>\$1,624,801</u></u>

See accompanying notes.

COLUMBIA HEIGHTS WATER DISTRICT
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STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$530,791
Customer deposit receipts, net	(408)
Payments to suppliers	(193,520)
Payments to employees and board members	(95,297)
Net cash provided by operating activities	<u>241,566</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Payment of principal on revenue bonds	(47,784)
Payment of interest on revenue bonds	(68,988)
Purchase of office equipment	(1,748)
Increase in restricted cash and investments	(8,005)
Net cash used by capital financing activities	<u>(126,525)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	9,633
Increase in investments	(19,507)
Net cash provided by investing activities	<u>(9,874)</u>

NET INCREASE IN CASH

105,167

CASH AT BEGINNING OF YEAR

395,202

CASH AT END OF YEAR\$500,369**Reconciliation of Operating Income to Net Cash****Provided by Operating Activities**

Operating Income	<u>\$86,289</u>
Adjustments:	
Depreciation	148,103
Decrease in accounts receivable	4,499
Increase in accounts payable	3,173
Decrease in payroll taxes payable	(90)
Decrease in customer deposits	(408)
Total adjustments	<u>155,277</u>
Net cash provided by operating activities	<u><u>\$241,566</u></u>

See accompanying notes.

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

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

INTRODUCTION

Columbia Heights Water District (the “District”)was created by the Caldwell Parish Police Jury on June 2, 1947, 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 who are appointed by the police jury. The commissioners receive \$100 per meeting attended. The District serves approximately 651 customers and has two part-time employees.

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 Caldwell Parish. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Statements

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and 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 :

1. Management's discussion and analysis (MD&A)
2. Statement of net position
3. Statement of revenue, expenses, and changes in net position
4. Statement of cash flows
5. Notes to the financial statements
6. RSI other than MD&A, if applicable

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

COLUMBIA HEIGHTS WATER DISTRICT
Notes to the Financial Statements

**B. Measurement Focus, Basis of Accounting, and
Financial Statement Presentation**

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 a 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, connection fees, installation fees, and other miscellaneous operating revenue. Operating expenses for enterprise funds include the costs of the services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

C. Deposits and Investments

Cash includes amounts in interest-bearing and non-interest bearing demand deposits. State law 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. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 2024, the District's investments consist of nonnegotiable certificates of deposit with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost. The District's interest rate risk is limited by the investment of funds for periods not to exceed 30 months.

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 amounts. The allowance is an estimate based on the amount of receivables that are past due and the amount collected in the month following the month billed. Past due amounts are written off as bad debts when considered uncollectible by management.

E. Restricted Assets

Certain resources set aside to meet the reserve requirements of the 2017 Water Revenue Bonds are classified as restricted assets on the balance sheet because their use is limited. It is the policy of the District to first use nonrestricted assets when both restricted and nonrestricted assets are available.

COLUMBIA HEIGHTS WATER DISTRICT
Notes to the Financial Statements

F. Property, Plant, and Equipment

Property, plant and equipment, which includes land, the water system, 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.

All capital assets, other than land are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - Water system	25 years
Equipment	5- 10 years

G. 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 revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2024, the District has cash, investments, restricted cash, and restricted investments, (book balances) as follows:

Non-interest bearing checking accounts	\$500,977
Interest bearing checking account	(608)
Interest bearing savings account	322,118
Investments - certificates of deposit	<u>554,685</u>
Total	<u>\$1,377,172</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2024, the District has \$1,417,801 in deposits (collected bank balances). These deposits are secured from risk by \$524,563 of

COLUMBIA HEIGHTS WATER DISTRICT
Notes to the Financial Statements

federal deposit insurance and \$568,086 of pledged securities held by an unaffiliated bank in the name of the fiscal agent bank resulting in \$325,152 of deposits being unsecured at December 31, 2024. The unsecured deposits were the result of a coding error by the fiscal agent bank while undergoing a software conversion event.

3. RECEIVABLES

At December 31, 2024, the District has net receivables of \$77,227 as follows:

Water sales - billed	\$120,042
Water sales - unbilled	4,022
Allowance for uncollectible accounts	<u>(46,837)</u>
Net receivables	<u><u>\$77,227</u></u>

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2024, is as follows:

	Balance at January 1, 2024	Increases	Decreases	Balance at December 31, 2024
Capital assets not being depreciated:				
Land	<u>\$57,489</u>			<u>\$57,489</u>
Capital assets being depreciated:				
Water system	3,748,173			3,748,173
Equipment	<u>84,728</u>	<u>\$1,748</u>		<u>86,476</u>
Total capital assets being depreciated	<u>3,832,901</u>	<u>1,748</u>	<u>NONE</u>	<u>3,834,649</u>
Less accumulated depreciation for:				
Water system	930,531	147,660		1,078,191
Equipment	<u>83,457</u>	<u>443</u>		<u>83,900</u>
Total accumulated depreciation	<u>1,013,988</u>	<u>148,103</u>	<u>NONE</u>	<u>1,162,091</u>
Total assets being depreciated, net	<u>2,818,913</u>	<u>(146,355)</u>	<u>NONE</u>	<u>2,672,558</u>
Total assets, net	<u><u>\$2,876,402</u></u>	<u><u>(\$146,355)</u></u>	<u><u>NONE</u></u>	<u><u>\$2,730,047</u></u>

COLUMBIA HEIGHTS WATER DISTRICT
Notes to the Financial Statements

Depreciation expense of \$148,103 for the year ended December 31, 2024, was reported in the statement of revenue, expenses, and changes in net position.

5. REVENUE BONDS PAYABLE

On January 20, 2017, the District issued \$2,788,000 in Water Revenue Bonds, Series 2017. The bonds were issued in series R-1 in the amount of \$2,052,000 and R-2 in the amount of \$736,000. The bonds were purchased by the United States Department of Agriculture (USDA) and principal was advanced to the District in amounts needed to repay the principal and interest due on two different series of Bond Anticipation Notes and to provide financing for a portion of the costs of constructing and acquiring improvements to the water system. Both series of the water revenue bonds bear interest at 2.75% and are payable over a 40 year period in monthly installments of principal and interest through December 20, 2056. The bonds are secured by a pledge of the income and revenue of the District after the payment of all reasonable and necessary expenses of operating and maintaining the water system. USDA has 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 resolution.

The following is a summary of revenue bonds payable transactions for the year ended December 31, 2024:

Direct Borrowing.....		
	2017 Water Revenue Bonds - R1	2017 Water Revenue Bonds - R2	Total
Balance at January 1, 2024	\$1,862,486	\$668,012	\$2,530,498
Additions			NONE
Reductions	<u>(35,168)</u>	<u>(12,616)</u>	<u>(47,784)</u>
Balance at December 31, 2024	<u>\$1,827,318</u>	<u>\$655,396</u>	<u>\$2,482,714</u>

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 water revenue bonds as of December 31, 2024:

Current portion	\$49,109
Long-term portion	<u>2,433,605</u>
Total	<u>\$2,482,714</u>

The principal and interest payments on all debt outstanding are due as follows:

COLUMBIA HEIGHTS WATER DISTRICT
Notes to the Financial Statements

Year Ending December 31,	Principal Payments	Interest Payments	Total
2025	\$49,109	\$67,663	\$116,772
2026	50,476	66,296	116,772
2027	51,882	64,890	116,772
2028	53,327	63,445	116,772
2029	54,812	61,960	116,772
2030-2034	297,826	286,034	583,860
2035-2039	341,673	242,187	583,860
2040-2044	391,974	191,886	583,860
2045-2049	449,681	134,179	583,860
2050-2054	515,883	67,977	583,860
2055-2056	226,071	6,517	232,588
Total	<u>\$2,482,714</u>	<u>\$1,253,034</u>	<u>\$3,735,748</u>

6. RESTRICTED ASSETS

The letter of conditions issued by the USDA in connection with the 2017 Water Revenue Bond requires the District to make monthly transfers of \$487 per month into a Reserve Fund until \$116,772 has been accumulated therein. The District is also required to deposit \$973 per month into a Contingency Fund and \$1,492 per month into a Short-Lived Assets Fund. At December 31, 2024, the District has \$130,579 set aside in the Reserve Fund, \$86,437 set aside in the Contingency Fund, and \$322,118 set aside in the Short-Lived Assets Fund.

7. 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 reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

8. SUBSEQUENT EVENTS

The District has evaluated subsequent events through May 22, 2025, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION SCHEDULES

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year Ended December 31, 2024

**SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
AND BOARD OF COMMISSIONERS**

The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head and Board of Commissioners is presented in compliance with Louisiana Revised Statute 24:513 A (3) and House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As provided by Louisiana Revised Statute 33:3819, Columbia Heights Water District commissioners receive \$100 per meeting attended.

SCHEDULE OF PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in Schedule 2.

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD AND BOARD OF COMMISSIONERS
For the Year Ended December 31, 2024

BOARD COMPENSATION

Agency Head - Louis Champagne - President	\$1,100
Tommy Basco	1,200
Monty Adams, Sr.	1,200
Ronnie Darden	1,200
Laura Roquemore	<u>1,200</u>
Total	<u>\$5,900</u>

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2024

<u>Finding Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Status of Finding</u>
2023-001	2000	Inadequate Segregation of Accounting Duties	Unresolved - see 2024-001 in current year findings.

Independent Auditor's Report
Required by *Government Auditing Standards*

The following independent auditor's report on internal control over financial reporting and on compliance and other matters is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Auditor's Report on
Internal Control Over Financial Reporting and on
Compliance and Other Matters
Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

I have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor, the financial statements of Columbia Heights Water District (the "District"), a component unit of Caldwell Parish, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon dated May 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

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

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS WATER DISTRICT
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Independent Auditor's Report on
Internal Control Over Financial Reporting
and on Compliance and Other Matters, etc.
December 31, 2024

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I identified a certain deficiency in internal control, described in the accompanying Schedule of Current Year Findings and Management's Planned Corrective Action as item 2024-001, that I consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, I performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in my audit and described in the accompanying Schedule of Current Year Findings and Management's Planned Corrective Action. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Calhoun, Louisiana
May 22, 2025

COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

Schedule of Current Year Findings and
Management's Planned Corrective Action
For the Year Ended December 31, 2024

Section I - Summary of Auditor's Reports

Financial Statements

1. Type of auditor's report issued - Unmodified.
2. Internal control over financial reporting:

Material weakness(es) identified? - Yes
3. Noncompliance material to financial statements noted? - No

Section II - Financial Statement Findings

2024-001. Inadequate Segregation of Accounting Duties

Criteria: Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

Condition: The accounting duties of billing and posting all customer payments to customers accounts and collecting and depositing mail receipts is performed by one individual whom the District contracts with to provide accounting services.

Cause: Limited number of accounting personnel due to the small size of the District.

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

Recommendation: None.

Management's Response: It is not economically feasible to correct this deficiency based on the size of the District and its limited revenue.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS WATER DISTRICT
Columbia, Louisiana

LOUISIANA LEGISLATIVE AUDITOR:

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period January 1, 2024 through December 31, 2024. Columbia Heights 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 LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe that 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.

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December 31, 2024

- 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, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***Credit Cards (and debit cards, fuel cards, 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 (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 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.

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- 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.

Results of procedure: The travel and expense reimbursement category does not include subcategories for dollar thresholds by category of expense and documentation requirements.

No other 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.
 - ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results of procedure: No exceptions were found as a result of this procedure.

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

Results of procedure: No exceptions were found as a result of this procedure.

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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees responsible for cash collections do not share cash drawers/registers;

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

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Results of procedure: The individual who is responsible for collecting mail receipts also prepares the bank deposit for the mail receipts.

The individual who is responsible for collecting mail receipts posts all collections to the customer account software as well as to the general ledger and is also responsible for reconciling all collections to the customer account software as well as to the general ledger.

No other exceptions were found as a result of this procedure.

5. Non-Payroll Disbursements (excluding credit 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 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 payments 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.

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- 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 that 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.

Results of procedure: Either of the two employees may place an order or make a purchase without prior approval.

The individual responsible for processing payments is also responsible for adding/modifying vendor files.

The individual responsible for processing payments is also responsible for mailing the checks to vendors.

No other exceptions were found as a result of this procedure.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards) - (No Testing Required)

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:

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

Results of procedure: No exceptions were found as a result of this procedure.

8) Contracts - (No Testing Required)

9) Payroll and Personnel - (No Testing Required)

10) Ethics

- A. Using 5 randomly selected employees/officials 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.
 - 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.

Results of procedure: Two of the five selected employees/officials did not complete one hour of ethics training during the year.

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No other exceptions were found as a result of this procedure.

11) Debt Service - (No Testing Required)

12) Fraud Notice - (No Testing Required)

13) Information Technology Disaster Recovery/Business Continuity - (No Testing Required)

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Ethics Procedure #10A above obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Results of procedure: Two of the five selected employees/officials did not complete one hour of sexual harassment training during the year.

No other exceptions were found as a result of this procedure.

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

I was engaged by the District to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my 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.



Calhoun, Louisiana
May 19, 2025