WARD 3, AVOYELLES PARISH
WATERWORKS DISTRICT
MANSURA, LOUISIANA

Annual Financial Statements

December 31, 2025 and 2024

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

To the Board of Directors
Ward 3, Avoyelles Parish Waterworks District
Mansura, Louisiana

Opinions

We have audited the financial statements of the business-type activities of Ward 3, Avoyelles Parish Waterworks District (the District), a component unit of the Avoyelles 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 District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of December 31, 2025, and the respective changes in its financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matter

The financial statements of the District, as of and for the year ended December 31, 2024, were audited by other auditors, whose report, dated May 21, 2025, expressed and unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, 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 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *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 GAAS 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Management has omitted the management's discussion and analysis information that U.S. GAAP require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is 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 GAAS. In our opinion, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with the *Government Auditing Standards*, we have also issued our report dated May 12, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Mauldin & Jenkins, LLC

Baton Rouge, LA
May 12, 2026

BASIC FINANCIAL STATEMENTS

WARD 3, AVOYELLES PARISH WATERWORKS DISTRICT **Statement A**
MANSURA, LOUISIANA
Statements of Net Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and Cash Equivalents	**$ 537,157**	$ 325,878
Investments	**368,368**	364,530
Accounts Receivable, Net	**97,532**	96,143
Prepaid Insurance	**25,401**	21,904
Inventories	**38,588**	37,126
Total Current Assets	**1,067,046**	845,581
Restricted Assets		
Note Payment - Cash and Cash Equivalents	**80,210**	80,210
Depreciation and Contingency Fund Accounts - Cash and Cash Equivalents	**78,140**	68,441
Meter Deposits - Cash	**101,112**	96,194
Reserve - Cash and Cash Equivalents	**241,391**	211,428
Total Restricted Assets	**500,853**	456,273
Capital Assets		
Depreciable Capital Assets, Net of Accumulated Depreciation	**2,291,629**	2,406,047
Non-Depreciable Capital Assets	**11,645**	11,645
Total Capital Assets	**2,303,274**	2,417,692
Total Assets	**3,871,173**	3,719,546

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

MANSURA, LOUISIANA
Statements of Net Position (Continued)
December 31, 2025 and 2024

	2025	2024
Liabilities		
Current Liabilities (Payable from Current Assets)		
Accounts Payable	**42,080**	33,054
Compensated Absences	**5,683**	5,709
Accrued Expenses	**7,930**	5,756
Note Payable, Current Portion	**11,653**	10,976
Total Current Liabilities (Payable from Current Assets)	**67,346**	55,495
Current Liabilities (Payable from Restricted Assets)		
Customer Deposits	**101,129**	96,055
Accrued Interest Payable	**5,188**	5,188
Water Revenue Bonds Payable, Current Portion	**40,603**	39,502
Total Current Liabilities (Payable from Restricted Assets)	**146,920**	140,745
Long-Term Liabilities		
Water Revenue Bonds Payable	**2,001,534**	2,042,135
Long-Term Note Payable	**30,058**	41,710
Total Long-Term Liabilities	**2,031,592**	2,083,845
Total Liabilities	**2,245,858**	2,280,085
Net Position		
Net Investment in Capital Assets	**260,029**	322,871
Restricted	**353,933**	315,528
Unrestricted	**1,011,353**	801,062
Total Net Position	**$ 1,625,315**	$ 1,439,461

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

WARD 3, AVOYELLES PARISH WATERWORKS DISTRICT **Statement B**
MANSURA, LOUISIANA
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenue		
Water Sales and Fees	**$ 1,178,130**	$ 1,063,061
Other Revenues	**2,087**	24,307
Total Operating Revenues	**1,180,217**	1,087,368
Operating Expenses		
Cost of Water Sold	**358,083**	377,467
Depreciation	**152,281**	147,280
Salaries and Wages	**127,554**	111,985
Bad Debt	**115,428**	79,330
Supplies	**45,851**	39,754
Other	**29,223**	56,712
Insurance	**27,907**	25,023
Utilities	**23,871**	17,908
Repairs and Maintenance	**12,949**	15,400
Auditing Fees	**12,500**	15,000
Payroll Taxes	**9,932**	8,672
Fuels	**7,162**	5,375
Postage	**6,411**	6,497
Telephone	**6,234**	7,440
Dues	**4,844**	6,085
Contract Services	**2,740**	1,722
Commissioner Fees	**2,160**	2,880
Total Operating Expenses	**945,130**	924,530
Net Operating Income	**235,087**	162,838
Nonoperating Revenue (Expense)		
Interest Income	**10,381**	10,488
Interest Expense	**(59,614)**	(60,054)
Total Non-Operating Expense, Net	**(49,233)**	(49,566)
Change in Net Position	**185,854**	113,272
Net Position, Beginning of Year	**1,439,461**	1,326,189
Net Position, End of Year	**$ 1,625,315**	$ 1,439,461

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

WARD 3, AVOYELLES PARISH WATERWORKS DISTRICT **Statement C**
MANSURA, LOUISIANA
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Cash from Operating Revenues	$ 1,183,876	$ 1,048,675
Cash Paid to Employees	(135,312)	(119,202)
Cash Paid for Operating Expenses	(651,296)	(673,575)
Net Cash Provided by Operating Activities	397,268	255,898
Cash Flows from Capital and Related Financing Activities		
Acquisition of Capital Assets	(37,863)	(59,679)
Proceeds of Note Payable	-	59,679
Principal Paid on Note Payable	(10,975)	(6,993)
Principal Paid on Water Revenue Bonds	(39,500)	(38,430)
Interest Payments on Water Revenue Bonds	(59,614)	(60,054)
Net Cash Used in Capital and Related Financing Activities	(147,952)	(105,477)
Cash Flows from Investing Activities		
Interest on Investments	10,381	10,488
Increase in Investments	(3,838)	(9,004)
Net Cash Provided by Investing Activities	6,543	1,484
Net Increase in Cash and Cash Equivalents	255,859	151,905
Cash and Cash Equivalents, Beginning of Year	782,151	630,246
Cash and Cash Equivalents, End of Year	$ 1,038,010	$ 782,151
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Cash and Cash Equivalents, Unrestricted	$ 537,157	$ 325,878
Cash and Cash Equivalents, Restricted	500,853	456,273
Total Cash and Cash Equivalents	$ 1,038,010	$ 782,151

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

WARD 3, AVOYELLES PARISH WATERWORKS DISTRICT **Statement C**
MANSURA, LOUISIANA
Statements of Cash Flows (Continued)
For the Years Ended December 31, 2025 and 2024

	2025	2024
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities		
Net Operating Income	**$ 235,087**	$ 162,838
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities		
Depreciation	**152,281**	147,280
Increase in:		
Accounts Receivable	**(1,389)**	(38,903)
Prepaid Insurance	**(3,497)**	(3,652)
Inventories	**(1,462)**	(14,986)
Increase in:		
Accounts Payable	**9,026**	1,656
Accrued Expenses	**2,148**	1,455
Customer Deposits	**5,074**	210
Net Cash Provided by Operating Activities	**$ 397,268**	$ 255,898

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

Introduction

Ward 3, Avoyelles Parish Waterworks District (the District) was incorporated on July 10, 1973 as a non-profit corporation as defined in Louisiana Revised Statute (R.S.) 33:3811 to construct, maintain, and improve the system of water supply within the District not served by municipal systems. A five-member board (the Board) appointed by the Avoyelles Parish Police Jury governs the District; therefore, the District is considered a component unit of the Avoyelles Parish Police Jury.

The accounting and reporting policies conform to generally accepted accounting principles as applicable to enterprise funds of a governmental entity.

Note 1. Summary of Significant Accounting Policies

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
The District's financial statements are prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The District applies all Governmental Accounting Standards Board (GASB) pronouncements as described in the following paragraphs.

These financial statements are presented in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. These Statements established standards for financial reporting, with presentation requirements including a statement of net position (or balance sheet), a statement of revenues, expenses, and changes in net position, and a statement of cash flows. The District has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, that require capital contributions to the District be presented as a change in net position.

GASB Statement No. 63, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. GASB Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined deferred outflows of resources as a consumption of net assets by the government that is applicable to a future reporting period, and deferred inflows of resources as an acquisition of net assets by the government that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

GASB Concepts Statement No. 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in GASB Statement No. 34 and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure, and by renaming that measure as net position, rather than net assets. The definition and reporting of net position are further described in Note 1, Net Position. As required by the GASB, the District implemented GASB Statement No. 63 during the year ended December 31, 2012. The District did not have any deferred outflows of resources or deferred inflows of resources at December 31, 2025 or 2024.

The District has also previously adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities, and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The application of this standard to long-term debt offerings of the District is more fully described in Note 1, Long-Term Debt Obligations.

All activities of the District are accounted for in a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing authority is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all of the assets and liabilities associated with the operation of this fund are included on the statements of net position. The statements of revenues, expenses, and changes in net position include all costs of providing goods and services during the period.

The Enterprise Fund uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 principal operating revenues of the proprietary fund are water revenue and recurring customer user charges for the services provided by the Enterprise Fund. Re-connect and installation fees are recorded in the month service is rendered and collected. Operating expenses for the Enterprise Fund include the cost of water purchased, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents and Investments

Cash includes unrestricted amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and investments in bank certificates with original maturities of 90 days or less.

Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments are limited by R.S. 33:2955 and the District's investment policy. 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.

The following disclosures are required by GASB Statement No. 31:

- The District uses the quoted market prices to estimate the fair value of the investments.
- None of the investments are reported at amortized cost.
- There is no involuntary participation in an external investment pool.

The District’s investments consisted of certificates of deposit at December 31, 2025 and 2024.

Inventories

Inventories are valued at lower of cost or market and are expensed using the first-in, first-out method.

Note 1. Summary of Significant Accounting Policies (Continued)

Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current calendar year are recorded as prepaid items.

Restricted Assets

Restricted assets consist of meter deposits held in a bank account and monies set aside in accordance with the District's water revenue bonds.

Capital Assets

Capital assets of the District are defined by the District as assets with an initial individual cost of more than $2,500, and an estimated useful life in excess of one year. Capital assets are recorded at either historical cost or estimated historical cost if historical cost is not available. Donated assets are valued at their estimated fair market value on the date donated. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

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

Description	Estimated Useful Lives
Buildings and Improvements	7 - 30 Years
Equipment	5 - 10 Years
Distribution System	30 Years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Long-Term Debt Obligations

Long-term liabilities are recognized within the Enterprise Fund. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

With the implementation of GASB Statement No. 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, are revised. This standard was intended to complement GASB Statement No. 63. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB Statement No. 65. The District did not have any bond-related costs in the years ended December 31, 2025 or 2024.

Note 1. Summary of Significant Accounting Policies (Continued)

Net Position

In accordance with GASB Statement No. 34, as amended by GASB Statement No. 63, net position is classified into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of the historical cost of capital assets, including any 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, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.

Restricted - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - All other net position is reported in this category.

GASB Statement No. 63 revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming the measure as net position, rather than net assets.

Compensated Absences

The District's policy allows full time employees to accumulate unused vacation leave on a limited basis. Full time employees earn annual vacation leave based on number of years of service. One week of vacation leave is given to full time employees once they have been employed by the District for one year. Two weeks of vacation leave is given to full time employees once they have been employed by the District for two years.

At the end of each year, employees forfeit unused vacation that exceeds 80 hours. Upon termination of service, employees are entitled to be paid for up to 80 hours of unused vacation leave. The remainder of the vacation leave is forfeited upon termination. The noncurrent portion (amounts estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide statement of net position, and represents a reconciling item between the fund and government-wide presentations. At December 31, 2025 and December 31, 2024, the District had compensated absences of $5,683 and $5,709, respectively.

Note 1. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement - Adopted

The District adopted the following accounting pronouncement during the year ended December 31, 2025:

GASB Statement No. 102, Certain Risk Disclosures
The objective of the Statement is to provide users of government financial statements with essential information about risks related to government's vulnerabilities due to certain concentrations or constraints. The adoption of the Statement did not have a significant affect on the financial statements for the year ended December 31, 2025.

New Accounting Pronouncements - Not Yet Adopted

GASB Statement No. 103, Financial Reporting Model Improvements
The objective of the Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, Disclosure of Certain Capital Assets
The objective of the Statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 105, Subsequent Events
The objective of the Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The Statement is effective for fiscal years beginning after June 15, 2026.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for the fiscal year ending December 31, 2026.

Estimates

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

Note 2. Cash and Cash Equivalents and Investments

At December 31, 2025 and 2024, the District had cash and cash equivalents (book balances) as follows:

		2025		2024
Unrestricted Cash and Cash Equivalents	**$**	**537,157**	$	325,878
Restricted Cash and Cash Equivalents		**500,853**		456,273
Total	**$**	**1,038,010**	$	782,151
Certificates of Deposit	**$**	**368,368**	$	364,530

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District does not have a deposit policy for custodial credit risk. Under state law, deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities, plus the federal deposit insurance, must at all times equal the amount on deposit with the fiscal agent. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

At December 31, 2025, the District had $1,408,484 in deposits (collected bank balances). These deposits were secured from risk by $656,776 in federal deposit insurance and $751,708 of pledged securities held in the name of the fiscal agent bank by a custodial bank that is mutually acceptable to both parties. At December 31, 2024, the District had $1,149,569 in deposits (collected bank balances). These deposits were secured from risk by $656,553 in federal deposit insurance and $493,016 of pledged securities held in the name of the fiscal agent bank by a custodial bank that is mutually acceptable to both parties.

The following is a summary of restricted assets at December 31, 2025 and 2024:

		2025		2024
Note Payment Fund	**$**	**80,210**	$	80,210
Depreciation and Contingency Fund		**78,140**		68,441
Meter Deposits		**101,112**		96,194
Reserve Fund		**241,391**		211,428
Total Restricted Assets	**$**	**500,853**	$	456,273

Note 3. Receivables

The following is a summary of receivables at December 31, 2025 and 2024:

	Year Ended December 31, 2025		Year Ended December 31, 2024		(Decrease) Increase in Percent
Accounts Receivable					
Billed					
Current	**$ 97,532**	**30%**	$ 96,142	45%	-16%
31 - 60 Days Past Due	**37,166**	**11%**	35,646	17%	-5%
61 - 90 Days Past Due	**32,059**	**10%**	40,746	19%	-9%
Over 90 Days Past Due	**161,947**	**49%**	39,794	19%	31%
Subtotal	**328,704**		212,328		
Allowance for Uncollectible Accounts	**(231,172)**		(116,185)		
Net Accounts Receivable	**$ 97,532**		$ 96,143		

All customer receivables are reported at gross value and reduced by the portion that is expected to be uncollectible. Periodically, the Board reviews the aging of receivables and determines the actual amount uncollectible. Per board approval, uncollectible amounts are normally written off against accounts receivable, and the allowance for doubtful accounts is adjusted to a reasonable estimate of uncollectibility. Bad debt expense of $115,428 and $79,330 was recorded for the years ended December 31, 2025 and 2024, respectively, and the allowance for uncollectible accounts was $231,172 and $116,185, respectively, as of December 31, 2025 and 2024. Accounts receivable from one customer represented 52% of total accounts receivable for the year ended December 31, 2025.

Note 4. Capital Assets

A summary of changes in capital assets during the fiscal years ended December 31, 2025 and 2024 is as follows:

December 31, 2025	Beginning Balance	Increases	Decreases	Ending Balance
Non-Depreciable Assets				
Land	$ 11,645	$ -	$ -	$ 11,645
Total Non-Depreciable Assets	11,645	-	-	11,645
Depreciable Assets				
Buildings	76,975	-	-	76,975
Equipment	226,791	37,863	-	264,654
Distribution System	3,474,438	-	-	3,474,438
Total Capital Assets	3,778,204	37,863	-	3,816,067
Less: Accumulated Depreciation	(1,372,157)	(152,281)	-	(1,524,438)
Total Depreciable Assets, Net	2,406,047	(114,418)	-	2,291,629
Total Capital Assets	$ 2,417,692	$ (114,418)	$ -	$ 2,303,274

December 31, 2024	Beginning Balance	Increases	Decreases	Ending Balance
Non-Depreciable Assets				
Land	$ 11,645	$ -	$ -	$ 11,645
Total Non-Depreciable Assets	11,645	-	-	11,645
Depreciable Assets				
Buildings	76,975	-	-	76,975
Equipment	167,112	59,679	-	226,791
Distribution System	3,474,438	-	-	3,474,438
Total Capital Assets	3,718,525	59,679	-	3,778,204
Less: Accumulated Depreciation	(1,224,877)	(147,280)	-	(1,372,157)
Total Depreciable Assets, Net	2,493,648	(87,601)	-	2,406,047
Total Capital Assets	$ 2,505,293	$ (87,601)	$ -	$ 2,417,692

Depreciation expense totaling $152,281 and $147,280 was computed on a straight-line basis for financial statement purposes for the years ended December 31, 2025 and 2024, respectively.

Note 5. Long-Term Debt

The following is a summary of long-term obligation transactions for the years ended December 31, 2025 and 2024:

December 31, 2025	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Long-Term Debt					
Water Revenue Bonds Payable	$ 2,081,637	$ -	$ (39,500)	$ 2,042,137	$ 40,603
Truck Note	52,686	-	(10,975)	41,711	11,653
Total Long-Term Debt	$ 2,134,323	$ -	$ (50,475)	$ 2,083,848	$ 52,256

December 31, 2024	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Long-Term Debt					
Water Revenue Bonds Payable	$ 2,120,067	$ -	$ (38,430)	$ 2,081,637	$ 39,502
Truck Note	-	59,679	(6,993)	52,686	10,976
Total Long-Term Debt	$ 2,120,067	$ 59,679	$ (45,423)	$ 2,134,323	$ 50,478

Long-term debt payable at December 31, 2025 and 2024 were composed of the following:

	2025	2024
$2,998,000 Water Revenue Bonds dated June 9, 2009, bearing interest at 2.75% per annum, due in monthly payments of $8,021, principal payments commencing December 2019, final payment due December 2056.	**$ 2,042,137**	$ 2,081,637
$59,679 Truck Note dated April 19, 2024, bearing interest at 6% per annum, due in monthly principal and interest payments of $1,153, with final payment due April 2029.	**41,711**	52,686
Total	**$ 2,083,848**	$ 2,134,323

As part of the District's bond indenture, the District is to make monthly payments to a Reserve Fund of $2,478, and to a Contingency Fund of $802, commencing upon the date of completion and acceptance of the extension project.

Note 5. Long-Term Debt (Continued)

The annual requirements to amortize the Water Revenue Bonds, including interest payments, at December 31, 2025 were as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 40,603	$ 55,650	$ 96,253
2027	41,736	54,519	96,255
2028	42,896	53,356	96,252
2029	44,090	52,162	96,252
2030	45,318	50,934	96,252
2031 - 2035	246,239	235,021	481,260
2036 - 2040	282,490	198,770	481,260
2041 - 2045	324,079	157,181	481,260
2046 - 2050	371,790	109,470	481,260
2051 - 2055	426,526	54,734	481,260
2056 - 2060	176,370	4,808	181,178
Total	$ 2,042,137	$ 1,026,605	$ 3,068,742

The annual requirements to amortize all the Truck Note, including interest payments, at December 31, 2025 were as follows:

Year Ending December 31,	Principal	Interest	Total
2026	11,653	2,185	$ 13,838
2027	12,371	1,466	13,837
2028	13,132	706	13,838
2029	4,555	57	4,612
Total	$ 41,711	$ 4,414	$ 46,125

Note 6. Restricted Net Position

At December 31, 2025 and 2024, the District had $353,933 and $315,528, respectively, in restricted net position. Restricted net position (restricted for capital activity and debt service) represents the District's funds restricted by revenue bond debt covenants, contracts with customers for meter deposits, and the unspent portion of capital debt related to amounts restricted for capital projects, less liabilities related to those restricted funds. A liability relates to restricted assets if the asset results from incurring the liability or if the liability will be liquidated with the restricted assets.

Note 7. Water Rates

The District charged the following water rates to its customers based on volume for each of the years ended December 31, 2025 and 2024:

Residential	**2025**	2024	
First 1,000 gallons	**$ 25.00**	$ 20.00	
Over 1,000 gallons	**$ 10.00**	$ 15.00	per 1,000 gallons
Commercial			
First 2,000 gallons	**$ 53.50**	$ 53.50	
Over 2,000 gallons	**$ 12.25**	$ 12.25	per 1,000 gallons

At December 31, 2025 and 2024, the number of customers served by the District was 921 and 940, respectively.

Note 8. Board Members' Per Diem Payments

The following is a schedule of fees paid to Board Members during the years ended December 31, 2025 and 2024:

	2025	2024
Gaston Rabalais	**$ 180**	$ 720
Arlene Schexnyder	**660**	720
Chris Burke	**600**	720
Donald Sampson	**720**	720
Todd Saucier	**360**	-
Total	**$ 2,160**	$ 2,880

Note 9. Insurance

The following is a schedule of insurance coverages at December 31, 2025:

Coverage	Amount	Period
Commercial General Liability		11/6/2025 to 11/6/2026
Each Occurrence	$ 1,000,000	
Damage of Rental Premises	1,000,000	
Medical Expense	10,000	
Personal Injury	1,000,000	
General Accident	3,000,000	
Products Comp. and Aggregate	3,000,000	
Auto Insurance		11/6/2025 to 11/6/2026
Combined Single Limit (CSL)	$ 1,000,000	
Worker's Compensation at Statutory Limitations		7/6/2025 to 7/6/2026
Each Accident	$ 1,000,000	
Disease Expense - Employee	1,000,000	
Disease - Policy Limit	1,000,000	

OTHER SUPPLEMENTARY INFORMATION

WARD 3, AVOYELLES PARISH WATERWORKS DISTRICT
MANSURA, LOUISIANA
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2025

Agency Head
Joan Decuir, Director

Purpose	Amount
Salary	$3,600
Benefits - Insurance	$0
Benefits - Retirement	$0
Benefits - Other	$0
Car Allowance	$0
Vehicle Provided by Government	$0
Per Diem	$0
Reimbursements - Telephone	$0
Reimbursements - Supplies	$0
Registration Fees	$0
Conference Travel	$0
Continuing Professional Education Fees	$0
Housing	$0
Unvouchered Expenses	$0
Special Meals	$0

See independent auditor’s report.

MAULDIN & JENKINS
CPAs & ADVISORS

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*

Independent Auditor's Report

To the Board of Directors
Ward 3, Avoyelles Parish Waterworks District
Mansura, 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 accompanying financial statements of Ward 3, Avoyelles Parish Waterworks District (the District), a component unit of the Avoyelles Parish Police Jury, as of and for the year ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 12, 2026.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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.

MAULDIN & JENKINS, LLC • 8555 UNITED PLAZA BLVD, SUITE 400 • BATON ROUGE, LOUISIANA 70809 •
225-296-5150 • FAX 225-296-5151 • www.mjcpa.com

Mauldin & Jenkins

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Mauldin & Jenkins, LLC

Baton Rouge, LA
May 12, 2026

Part I - Summary of Auditor's Results

Financial Statements

1.	Type of auditor's report issued:	Unmodified
2.	Internal control over financial reporting and compliance and other matters:	
	a. Material weaknesses identified?	No
	b. Significant deficiencies identified?	No
	c. Noncompliance material to the financial statements?	No
	d. Other matters identified?	No
3.	Management letter comment provided?	None

Part II - Findings Related to the Financial Statements

None.

Part III - Compliance and Other Matters

Compliance

None.

Other Matters

None.

There were no prior year audit findings.

AGREED-UPON PROCEDURES REPORT

Ward 3, Avoyelles Parish Waterworks District

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2025 - December 31, 2025

To the Board Members of the
Ward 3, Avoyelles Parish Waterworks District
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. Ward 2, Avoyelles Parish Waterworks District (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, 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 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. ***Purchasin*g**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

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

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

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

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

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

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

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

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

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

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

Results: We observed no exceptions in the performance of these procedures.

2) Board (or Finance Committee, if applicable)

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, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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: Upon performing the procedures above, we observed that procedure iii was not applicable as the entity does not have a general fund. As result of performing the remaining procedures, no exceptions were observed.

3) Bank Reconciliations

A. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for 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 written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

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

Results: We observed no exceptions in the performance of these procedures.

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).

Results: We observed no exceptions in the performance of these procedures.

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 that are responsible for cash collections do not share cash drawers/registers;

ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

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

Results: Due to the small nature of the District, it has only one office employee who performs each of the above functions. We observed that procedures i, ii, iii, and iv are exceptions since one employee collects cash, makes deposits, and operates the cash drawer. We observed that the exceptions are partially mitigated as a Board member reviews daily collection reconciliations prior to the deposit being made and the same Board member reviews the monthly bank reconciliations.

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 enforced during the fiscal period.

Results: We observed no exceptions in the performance of these procedures.

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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc*. Obtain supporting documentation for each of the 10 deposits and:

i. Observe that receipts are sequentially pre-numbered.

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

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

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

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

Results: We observed no exceptions in the performance of these procedures.

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

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

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

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

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

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

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

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

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

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

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

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

   Results: We observed no exceptions in the performance of these procedures.

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

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

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

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

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

C. Using the monthly statements or combined statements selected under procedure #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 (i.e., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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.

Results: We observed no exceptions in the performance of these procedures.

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 on more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

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

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

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

Results: We observed no exceptions in the performance of these procedures.

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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

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

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

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

Results: We observed no exceptions in the performance of these procedures.

9) Payroll and Personnel

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

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

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

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

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

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

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

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

Results: We observed no exceptions in the performance of these procedures.

10) Ethics

A. Using the 5 randomly selected employees/official from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

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

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

Results: We observed no exceptions in the performance of these procedures.

11) Debt Service

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

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

Results: We observed no exceptions in the performance of these procedures

12) Fraud Notice

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

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

Results: We observed no exceptions in the performance of these procedures.

13) Information Technology Disaster Recovery/Business Continuity

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 note stored on the government's local server or network, and (c) was encrypted.

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.

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.

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

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:

   i. Hired before June 9, 2020 - completed the training; and

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

Results: We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/ official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1st, 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: We observed no exceptions in the performance of these procedures.

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

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

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

Mauldin & Jenkins, LLC

Baton Rouge, LA
May 12, 2026

Mr. Michael J. Waguespack
Louisiana Legislative Auditor
1600 N 3rd St.
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Statewide Agreed-upon Procedures

The management of the Ward 3, Avoyelles Parish Waterworks District wishes to provide the following responses relative to the results of the 2025 statewide agreed-upon procedures engagement:

1. Collections: - Due to the small nature of the District, one employee performs each of the functions. To mitigate this exception, a board member reviews and initials daily collection reconciliation prior to deposit. A board member also reviews the monthly bank reconciliation.

Sincerely,

Joan De Cuir

Joan Decuir
Board President