

LOUISIANA RURAL WATER ASSOCIATION, INC.

FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REPORT

Year Ended June 30, 2025

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INDEPENDENT AUDITORS' REPORT

November 20, 2025

To the Board of Directors
Louisiana Rural Water Association, Inc.
Kinder, LA

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Louisiana Rural Water Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Louisiana Rural Water Association, Inc. as of June 30, 2025, and the changes in its net assets 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

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Louisiana Rural Water Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors
Louisiana Rural Water Association, Inc.
November 20, 2025
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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Rural Water Association, Inc.'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 Louisiana Rural Water Association, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, schedule of general and administrative expenses, schedule of indirect expenses and schedule of functional allocation of expenses are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the

To the Board of Directors
Louisiana Rural Water Association, Inc.
November 20, 2025
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responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, schedule of general and administrative expenses, schedule of indirect expenses and schedule of functional allocation of expenses are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to chief executive officer is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Louisiana Rural Water Association, Inc.'s June 30, 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 9, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2025 on our consideration of Louisiana Rural Water Association, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards in considering Louisiana Rural Water Association, Inc.'s internal control over financial reporting and compliance.

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LOUISIANA RURAL WATER ASSOCIATION, INC.

Statement of Financial Position

June 30, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash	\$ 398,444	\$ 172,319
Investments	751,272	782,016
Accounts receivable	340,467	414,476
Prepaid expenses	51,424	29,727
Total Current Assets	<u>1,541,607</u>	<u>1,398,538</u>
Fixed assets, at cost (net of accumulated depreciation of \$1,438,939 for 2025)	<u>1,013,344</u>	<u>1,090,334</u>
TOTAL ASSETS	<u><u>\$ 2,554,951</u></u>	<u><u>\$ 2,488,872</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 146,558	\$ 152,624
Deferred income	393,856	317,927
Vacation and sick leave payable	453,443	469,392
Total Current Liabilities	<u>993,857</u>	<u>939,943</u>
Net Assets		
Unrestricted	<u>1,561,094</u>	<u>1,548,929</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,554,951</u></u>	<u><u>\$ 2,488,872</u></u>

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

LOUISIANA RURAL WATER ASSOCIATION, INC.

Statement of Activities

Year Ended June 30, 2025

	Unrestricted	Donor restricted	Totals	
			2025	2024
REVENUES AND RECLASSIFICATIONS				
Grants	\$ 2,710,205	\$ -	\$ 2,710,205	\$ 2,918,295
Contributions - In-kind	34,751	-	34,751	16,292
Membership fees	366,007	-	366,007	378,552
Conference	548,710	-	548,710	550,111
Training	106,689	-	106,689	113,374
Advertising	39,036	-	39,036	38,375
Interest	29,311	-	29,311	40,545
Other - federal programs	69,887	-	69,887	41,609
Miscellaneous	45,338	-	45,338	30,828
Net Assets Released from Restrictions:				
Satisfaction of program restrictions	-	-	-	-
Total Revenues and Reclassifications	<u>3,949,934</u>	<u>-</u>	<u>3,949,934</u>	<u>4,127,981</u>
EXPENSES				
General and administrative	1,155,171	-	1,155,171	1,187,283
Federal program subsidies	69,887	-	69,887	41,609
Program services:				
LA - WARN	34,072	-	34,072	21,651
E.P.A.	189,615	-	189,615	137,621
E.P.A. - SMAP	-	-	-	705
E.P.A - Water Wells	-	-	-	6,345
E.P.A - Compliance TAT	13,021	-	13,021	27,230
E.P.A.- Decentralized WW	10,408	-	10,408	34,715
E.P.A - Lagoons	31,561	-	31,561	83,367
Circuit rider - National Rural Water	463,223	-	463,223	415,100
Wastewater - National Rural Water	161,358	-	161,358	127,024
Energy	515,777	-	515,777	522,242
Drinking water - USDA	138,895	-	138,895	131,634
USDA - Decentralized WW	95,077	-	95,077	104,726
Energy Efficiency	148,837	-	148,837	126,274
Apprenticeship	126,109	-	126,109	104,726
LA - OCD Water Sector	188,302	-	188,302	239,538
DEQ - Homeowner sewer maintenance	54,172	-	54,172	66,114
Community Development Block Grant	37,350	-	37,350	4,329
NRWA MTAT	138,056	-	138,056	76,107
LMGA Natural Gas	149,730	-	149,730	150,588
Capacity Development training	100,000	-	100,000	97,925
Bil Deq-WW	117,148	-	117,148	152,718
Total Expenses	<u>3,937,769</u>	<u>-</u>	<u>3,937,769</u>	<u>3,859,571</u>
INCREASE (DECREASE) IN NET ASSETS	12,165	-	12,165	268,410
NET ASSETS - BEGINNING OF YEAR	<u>1,548,929</u>	<u>-</u>	<u>1,548,929</u>	<u>1,280,519</u>
NET ASSETS - END OF YEAR	<u>\$ 1,561,094</u>	<u>\$ -</u>	<u>\$ 1,561,094</u>	<u>\$ 1,548,929</u>

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

LOUISIANA RURAL WATER ASSOCIATION, INC.

Statement of Cash Flows

Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 12,165	\$ 268,410
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation	142,019	111,637
Unrealized (gain) loss on investments	502	502
(Increase) decrease in assets		
Accounts receivable	74,009	21,192
Prepaid expenses	(21,697)	107,525
Increase (decrease) in liabilities		
Accounts payable	(6,066)	(13,515)
Deferred income	75,929	(369,795)
Vacation and sick leave payable	(15,949)	12,579
Net cash from operating activities	<u>260,912</u>	<u>138,535</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net sale (purchase) of investments and noncash equivalents	30,242	310,132
Purchase of fixed assets	<u>(65,029)</u>	<u>(643,158)</u>
Net cash used by investing activities	<u>(34,787)</u>	<u>(333,026)</u>
Net increase (decrease) in cash equivalents	226,125	(194,491)
Cash equivalents - beginning of year	<u>172,319</u>	<u>366,810</u>
Cash equivalents - end of year	<u>\$ 398,444</u>	<u>\$ 172,319</u>

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

LOUISIANA RURAL WATER ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Association was formed in 1978 to provide training and technical assistance to rural water and wastewater systems throughout Louisiana.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Louisiana Rural Water Association, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Revenues

Revenues are derived primarily from federal and state grants and from membership fees. Grants are summarized as follows:

E.P.A. - To provide training and technical assistance to rural and small public water supply systems. Revenue of \$152,654 was recognized in the current year. Current grant agreement runs through July 31, 2025.

E.P.A. – Compliance TAT – To provide training and technical assistance for Treatment Works under the Clean Water Act (CWA) Section 104(b)(8) for Compliance. Revenues of \$13,021 was recognized in the current year. Current grant agreement runs through August 31, 2025.

E.P.A. – Decentralized WW – To provide training and technical assistance for Treatment Works under the Clean Water Act (CWA) Section 104(b)(8) for decentralized wastewater systems. Revenues of \$10,408 was recognized in the current year. Current grant agreement runs through August 31, 2025.

E.P.A. – Lagoons – To provide training and technical assistance for Treatment Works under the Clean Water Act (CWA) Section 104(b)(8) for lagoon wastewater systems. Revenues of \$13,620 was recognized in the current year. Current grant agreement runs through August 31, 2025.

E.P.A. – Tribal – To provide training and technical assistance for Treatment Works under the Clean Water Act (CWA) Section 104(b)(8) for tribal communities. Revenues of \$5,569 was recognized in the current year. Current grant agreement runs through August 31, 2025.

LOUISIANA RURAL WATER ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Circuit Rider - National Rural Water Association, Inc. - To provide technical assistance to systems servicing rural areas or cities/towns with a population under 10,000. Revenue of \$415,444 was recognized in the current year. Current grant agreement runs through October 31, 2025.

Wastewater - National Rural Water Association, Inc. - To provide technical assistance to "Rural Development Administration" funded and potentially funded wastewater systems. Revenue of \$222,101 was recognized in the current year. Current grant agreement runs through June 30, 2025.

Manufactured Homes Technical Assistance & Training Program – To assist and address specific challenges faced by rural manufactured home communities. Revenue of \$129,000 was recognized in the current year. Current grant agreement runs through June 30, 2025.

Energy - "Rural Water Energy Conservation Program". Revenue of \$494,597 was recognized in the current year. Current grant agreement ran through June 30, 2026.

Drinking Water - USDA - To provide training and technical assistance to implement federal drinking water grant. Revenue of \$147,408 was recognized in the current year. Current grant agreement runs through March 31, 2025.

Louisiana Office of Community Development – Water Sector – To provided rate studies of Louisiana public water systems and community sewerage systems. Revenues of \$180,050 was recognized in the current year. Current grant agreements runs through January 31, 2026.

DEQ homeowner sewage maintenance – To educate homeowners on the importance of inspecting and maintaining their own individual sewage treatment system. Revenue of \$63,197 was recognized in the current year. Current grant agreement runs through August 31, 2025.

Capacity Development - To provide on-site technical assistance and training for public water systems. Revenue of \$100,000 was recognized in the current year. Current grant agreement runs through June 30, 2025.

LOUISIANA RURAL WATER ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Community Development Block Grant – To conduct and provide rate analysis assistance to public water systems that have been identified by the Louisiana Office of Community Development as a recipient of funding for the program. Revenue of \$37,350 was recognized in the current year. Current grant agreement runs through July 31, 2025.

Energy Efficiency – To provide training and technical assistance on renewable energy systems and energy efficiency improvements. Revenues of \$122,954 was recognized in the current year. Current grant agreement runs through June 30, 2025.

Apprenticeship/Preapprenticeship – To provide training to water utility apprentices in rural water systems. From classroom instruction and on-the-job training, apprentices are provided the tools necessary to be a successful operation specialist in the community. Revenues of \$125,653 was recognized in the current year. Current grant agreement runs through September 30, 2025.

Bipartisan Infrastructure Law – DEQ Water and Wastewater – To provide federal investment to strengthen the nation's drinking water and wastewater systems. Revenues of \$112,718 was recognized in the current year. Current grant agreement runs through December 31, 2025.

LMGA Natural Gas – To provide technical assistance to Louisiana Municipal Natural Gas Purchasing and Distribution Authority members. Revenues of \$150,000 was recognized in the current year. Current grant agreement runs through March 31, 2025.

Very Small Water System – To provide training for very small water system's operations. Revenue of \$15,000 was recognized in the current year. Current grant agreement runs through June 30, 2025.

Louisiana State Treasury – ACT 170 – To provide emergency response funds. Revenue of \$199,461 was recognized in the current year. Current grant agreement runs through June 30, 2025.

LOUISIANA RURAL WATER ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 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.

Accounts Receivable

Accounts receivable at June 30, 2025 of \$340,467 represents receivables from the federal and state grants, all deemed collectable.

Advertising Costs

The Association expenses advertising costs as incurred. Expenses incurred were \$5,338 for 2025.

Deferred Income

Grant funds received from the grantor for particular operating purposes are deemed to be earned and reported as revenues when the Association has incurred expenditures in compliance with the specific restrictions. Such amounts received but not yet earned are reported as deferred amounts. There are \$0 of deferred amounts at June 30, 2025.

Deferred income of \$393,856 at June 30, 2025 represents July 2025 conference income received prior to June 30, 2025.

Cash

Cash includes amounts in demand deposits. The Association's policy is to secure required collateral to safeguard all of the financial instruments. At June 30, 2025, the Association had \$592,052 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal depository insurance, and \$342,052 of pledged securities held by the custodial bank and government securities.

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

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Association will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the financial agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229

LOUISIANA RURAL WATER ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Association that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Association's name.

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

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

Prepaid Expenses

Prepaid expenses of \$51,424 at June 30, 2025 represent July 2025 conference expenses of \$37,918 and other prepaid expenses of \$13,506.

Vacation and Sick Leave Policies

The Association's vacation policy permits 10 days after one year of service, 15 days after five years of service and 20 days after 20 years of service. Accrued vacation must be taken within one year. Employees are paid for unused vacation days upon termination of employment. Accrued vacation payable is recorded at \$76,764 at June 30, 2025.

The Association's sick leave policy permits the accumulation of one day per month up to a maximum of 120 days. Employees are not paid for unused sick days upon termination of employment. Accrued sick leave is recorded at \$376,679 at June 30, 2025.

The Association has received permission from its federal grantor agency to accrue funded vacation and sick leave benefits. The federal programs fund the accruals to accumulate funds to pay for terminations and long-term illnesses of employees paid from those programs. The accrual cannot be more than the legal liability for those programs.

LOUISIANA RURAL WATER ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Classification of Net Assets

Net assets of the Association are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Association. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

The Association does not interpret the guidance in the standard to include amounts restricted by awarding agencies as donor-restricted. The Association believes that these amounts do not meet the spirit of the standard for such a classification or is there any industry standard indicating that others will treat these assets as donor-restricted.

All net assets of the Association at June 30, 2025 were considered to be net assets without donor restrictions.

LOUISIANA RURAL WATER ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Subsequent Events

Management has evaluated subsequent events through November 20, 2025, the date the financial statements were available to be issued.

NOTE B - INVESTMENTS

Investments are composed of governmental mutual funds investing in debt and equity securities and the Louisiana Asset Management Pool (LAMP) and are carried at net asset value. The net asset value is calculated as the total value of the investment's assets minus the total value of its liabilities and is obtained from monthly investment statements. Investments as of June 30, 2025 are summarized as follows:

Type of Debt Investment	Fair Value	Maturity			Credit Rating (Standards and Poor's)
		Less than 1 Year	1 to 5 Years	6 to 10 Years	
Investments at fair value					
Certificates of deposit	\$ 175,749	\$ -	\$ 175,749	\$ -	N/A
Subtotal	<u>175,749</u>	<u>-</u>	<u>175,749</u>	<u>-</u>	
Investments measured at the net asset value (NAV)					
Federated U.S. Government Securities CI A Mutual Fund	146,718	146,718	-	-	Unrated
Louisiana Asset Management Pool	<u>428,805</u>	<u>428,805</u>	<u>-</u>	<u>-</u>	AAAm
Total investments measured at NAV	<u>575,523</u>	<u>575,523</u>	<u>-</u>	<u>-</u>	
Total Investments	<u>\$ 751,272</u>	<u>\$ 575,523</u>	<u>\$ 175,749</u>	<u>\$ -</u>	

The Association categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Association has the following recurring fair value measurements as of June 30, 2025:

Level 2 inputs – certificate of deposits totaling \$175,749 are valued using a market based approach comprised of a combination of directly observable quoted prices and a matrix pricing technique that relies on the securities' relationship to other benchmark quoted securities.

Interest Rate Risk: The Association's policy on investments states that safety of principal is the foremost objective, followed by liquidity and yield. Each investment transaction shall seek to first insure that capital losses are avoided no matter the sources.

LOUISIANA RURAL WATER ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2025

NOTE B – INVESTMENTS – CONTINUED

Credit Rate Risk: The Association has investments in LAMP, an external investment pool of \$428,805 that is rated AAAM by Standard & Poor's, Federated U.S. Government Securities Mutual Funds of \$146,718 which are unrated and certificates of deposit of \$175,749 which are unrated. Its policy states that investment decisions should not incur unreasonable risks in order to obtain current investment income and requires the overall quality rating on rated investments to be no lower than AA- as measured by Standard & Poor's or the equivalent rating (Aa3) by Moody's Investor Service.

Concentration of Credit Risk: The Association's investment portfolio had concentration of credit risk on June 30, 2025 due to the holdings of Federated U.S. Government Securities mutual fund at 20%, LAMP at 57% and Certificate of Deposits at 23% all permitted by Statute and by the Association's Investment Policy.

Custodial Credit Risk-Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the Association will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Association's policy addresses custodial credit risk for investments by requiring that they must be held by national banks, state-chartered banks or a national or state trust company in the name of the Association.

The \$428,805 in money market investments is invested in LAMP. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955. LAMP is a governmental investment pool that reports at fair value. The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAAM by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the

LOUISIANA RURAL WATER ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2025

NOTE B – INVESTMENTS – CONTINUED

weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.

The following summarizes the investment return:

Interest earned	\$ 30,413
Unrealized gain (loss)	<u>(1,103)</u>
Net investment return	<u>\$ 29,310</u>

NOTE C - FIXED ASSETS

A summary of fixed assets follows:

Building and land	\$ 729,607
Equipment	<u>1,722,676</u>
	2,452,283
Less accumulated depreciation	<u>1,438,939</u>
	<u>\$ 1,013,344</u>

Fixed Assets are stated at cost, net of accumulated depreciation. Acquisitions of property and equipment in excess of \$1,000 are capitalized. Depreciation is provided over the estimated useful lives, ranging from 5 to 31 years, of the respective assets calculated on the straight line method. Depreciation expense for the year ended June 30, 2025 was \$142,019.

NOTE D - FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE E - CONTINGENCIES

The Association receives a substantial amount of its support from federal and state government grants. A significant reduction in the level of this support, if this were to occur, may have an effect on the programs and activities.

NOTE F - INCOME TAXES

The Association is exempt from federal income taxes under the provision of Section 501(c)(6) of the Internal Revenue Code.

LOUISIANA RURAL WATER ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2025

NOTE G – RETIREMENT PLAN

The Association has a defined contribution salary deferral plan covering substantially all employees. Under the plan, the Association contributes seven percent of each eligible employee's salary. Employees may contribute up to fifteen percent, but must contribute at least three percent, of each eligible employee's salary. Plan expenses incurred by the Association for the year ended June 30, 2025 was \$96,894.

NOTE H – COMPARATIVE INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

NOTE I – LIQUIDITY

At June 30, 2025, the Association has \$1,490,183 cash, investments and receivables available to meet needs for general expenditures consisting of cash of \$398,444, accounts receivable of \$340,467 and investments of \$751,272. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

The Association manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the Association are expected to be met on a monthly basis from grant income. In general, the Association maintains sufficient financial assets on hand to meet thirty days' worth of normal operating expenses.

SUPPLEMENTAL INFORMATION

LOUISIANA RURAL WATER ASSOCIATION

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR NUMBER	DISBURSEMENTS/ EXPENDITURES
United States Department of Agriculture			
Passed through National Rural Water Association, Inc			
Technical Assistance and Training Grants:			
Circuit Rider	10.761		\$ 415,444 *
Energy Efficiency	10.761		148,837 *
Waste Water	10.761		127,024 *
Wastewater - Decentralized	10.761		95,077 *
Sourcewater - USDA	10.761		147,408 *
Manufactured Homes Technical Assistance & Training Program	10.761		138,056 *
Apprenticeship/Pre-Apprenticeship	10.761		125,653 *
			<u>1,197,499</u>
United States Environmental Protection Agency			
Passed through National Rural Water Association, Inc			
Technical Assistance for Treatment Works (Clean Water Act [CWA] Section 104(b)(8))			
Compliance	66.446		13,021
Decentralized	66.446		10,408
Lagoon	66.446		13,620
Tribal	66.446		5,569
			<u>42,618</u>
Surveys, Studies, Investigations, Demonstrations, and Training Grants - Section 1442 of the Safe Drinking Water Act			
Training	66.424		152,654
Passed through Louisiana Department of Health			
Capitalization Grants for Drinking Water State Revolving Funds			
Capacity Development	66.468		100,000
Passed through Louisiana Department of Environmental Quality			
Nonpoint Source Implementation Grants			
Clean Water state Revolving Fund	66.460		63,197
	66.458		112,718
			<u>471,187</u>
United States Department of the Treasury			
Passed through the Louisiana Division of Administration - Office of Community Development			
Coronavirus State and Local Fiscal Recovery Funds - Water Sector	21.027		180,050
United States Department of Housing and Urban Development			
Passed through the Louisiana Division of Administration - Office of Community Development			
Community Development Block Grant	14.228		37,350
Total Federal Awards			<u>\$ 1,886,086</u>

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Louisiana Rural Water Association under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Louisiana Rural Water Association it is not intended to and does not present the financial position, changes in net position, or cash flows of the Louisiana Rural Water Association.

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

* major program

LOUISIANA RURAL WATER ASSOCIATION, INC.

Schedule of General and Administrative Expenses

Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>
Advertising	\$ 5,338	\$ 4,524
Conference - other	85,142	85,493
Conference - LRWA	209,514	195,237
Dues	175	19,946
Employee benefits	36,057	40,097
Fringe and Benefits	(63,500)	(36,912)
Indirect expenses - Internal	265,396	313,112
Indirect expenses - unallocated excess	274,933	173,806
Miscellaneous	37,449	40,626
Newsletter	44,780	55,252
Office expense	(1,846)	(257)
Public relations	7,038	7,259
Retirement	6,315	8,533
Rural water rally	45,562	35,171
Salaries	105,403	142,113
Scholarship	6,000	4,500
Taxes - payroll	8,049	10,738
Training	51,019	45,960
Travel - administrative	32,347	42,085
	<u>\$ 1,155,171</u>	<u>\$ 1,187,283</u>

LOUISIANA RURAL WATER ASSOCIATION, INC.

Schedule of Indirect Expenses

Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>
Board members	\$ -	\$ -
Depreciation	120,864	87,338
Employee benefits	158,849	127,290
Equipment lease	7,752	6,448
Insurance	34,790	26,971
Office supplies	37,992	31,099
Postage	2,216	1,925
Professional fees	19,300	19,615
Repairs and maintenance	45,115	33,526
Retirement	32,632	28,438
Salaries	466,165	406,260
Taxes - payroll	35,919	31,254
Telephone	46,892	46,525
Travel - Administrative	50,877	51,064
Travel - Board	44,110	42,333
Utilities	5,870	6,124
	<u>\$ 1,109,343</u>	<u>\$ 946,210</u>

LOUISIANA RURAL WATER ASSOCIATION, INC.

Schedule of Functional Allocation of Expenses

Year Ended June 30, 2025

	June 30, 2025			June 30, 2024		
	Program Services	Supporting Activities - Management and General	Total	Program Services	Supporting Activities - Management and General	Total
Advertising	\$ -	\$ 5,338	\$ 5,338	\$ -	\$ 4,524	\$ 4,524
Board member expenses	-	-	-	-	-	-
Conference-other	-	85,142	85,142	-	85,493	85,493
Conference-LRWA	-	209,514	209,514	-	195,237	195,237
Depreciation	21,155	120,864	142,019	24,299	87,338	111,637
Dues	-	175	175	-	175	175
Employee benefits	334,631	194,907	529,538	296,729	167,387	464,116
Equipment lease	-	7,752	7,752	-	6,448	6,448
Federal program subsidies	-	69,887	69,887	-	41,609	41,609
Fringe and taxes	-	(63,500)	(63,500)	-	(36,912)	(36,912)
Indirect expenses	568,922	265,396	834,318	459,291	313,112	772,403
Indirect expenses-unallocated	-	(834,408)	(834,408)	-	(772,403)	(772,403)
Insurance	-	34,790	34,790	-	26,971	26,971
LA Warn expenses	34,072	-	34,072	21,651	-	21,651
Miscellaneous	34,751	37,446	72,197	15,292	40,625	55,917
Newsletter	-	44,780	44,780	-	55,252	55,252
Office expense	-	(1,846)	(1,846)	-	(257)	(257)
Office supplies	-	37,992	37,992	-	31,099	31,099
Postage	-	2,216	2,216	-	1,925	1,925
Professional fees	-	19,300	19,300	-	19,615	19,615
Public relations	-	7,038	7,038	-	7,259	7,259
Repairs and maintenance	1,618	45,115	46,733	7,725	33,526	41,251
Retirement	57,947	38,947	96,894	66,074	36,971	103,045
Rural water rally	-	45,562	45,562	-	54,942	54,942
Salaries	1,034,263	571,569	1,605,832	1,109,987	548,372	1,658,359
Scholarship	-	6,000	6,000	-	4,500	4,500
Taxes-payroll	81,019	43,968	124,987	86,482	41,992	128,474
Telephone	-	46,892	46,892	-	46,525	46,525
Training	117,521	51,019	168,540	116,738	45,960	162,698
Travel-administrative	-	83,224	83,224	-	93,150	93,150
Travel-board	426,811	44,110	470,921	426,411	42,333	468,744
Utilities	-	5,870	5,870	-	6,124	6,124
Total	\$ 2,712,710	\$ 1,225,059	\$ 3,937,769	\$ 2,630,679	\$ 1,228,892	\$ 3,859,571

OTHER INFORMATION

LOUISIANA RURAL WATER ASSOCIATION, INC.

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO CHIEF EXECUTIVE OFFICER

Year Ended June 30, 2025

Chief Executive Officer: Patrick Credeur, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 148,057
Benefits - insurance	31,980
Benefits - retirement	10,364
Benefits - cell phone	-
Vehicle provided by government	-
Per diem	4,205
Reimbursements	1,480
Travel-mileage	19,574
Registration fees	858
Conference travel	16,659
Continuing professional education fees	-
Housing-lodging	8,121
Unvouchered expenses	-
Meal reimbursements	-
Dues	-

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

November 20, 2025

To the Board of Directors
Louisiana Rural Water Association, Inc.
Kinder, LA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Louisiana Rural Water Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated November 20, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Rural Water Association, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Rural Water Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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, 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Board of Directors
Louisiana Rural Water Association, Inc.
November 20, 2025
Page Two

Compliance and Other Matters

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

Purpose of this Report

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

Shagson, Cassidy: Skully

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

November 20, 2025

To the Board of Directors
Louisiana Rural Water Association, Inc.
Kinder, LA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Louisiana Rural Water Association, Inc's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Louisiana Rural Water Association, Inc's major federal programs for the year ended June 30, 2025. Louisiana Rural Water Association, Inc's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Louisiana Rural Water Association, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Louisiana Rural Water Association, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Louisiana Rural Water Association, Inc's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Louisiana Rural Water Association, Inc's federal programs.

To the Board of Directors
Louisiana Rural Water Association, Inc.
November 20, 2025
Page Two

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Louisiana Rural Water Association, Inc's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Louisiana Rural Water Association, Inc's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Louisiana Rural Water Association, Inc's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Louisiana Rural Water Association, Inc's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Rural Water Association, Inc's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

To the Board of Directors
Louisiana Rural Water Association, Inc.
November 20, 2025
Page Three

compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Haggen, Cassidy: Skully

LOUISIANA RURAL WATER ASSOCIATION, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weaknesses(es) identified? ___ yes X no
- Control deficiencies identified that are
not considered to be material weakness(es)? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes X no
- Control deficiencies identified
that are not considered to be material
weakness(es)? ___ yes X none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of the Uniform Guidance? ___ yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.761	Circuit Rider
10.761	Energy Efficiency
10.761	Waste Water
10.761	Wastewater - Decentralized
10.761	Sourcewater-USDA
10.761	Manufactured Homes Technical Assistance and Training Program
10.761	Apprenticeship/Pre-Apprenticeship

Dollar threshold used to distinguish between type A and type B programs: \$1,000,000

Auditee qualified as low-risk auditee? ___ yes X no

II – Financial Statement Findings

None

Continued

LOUISIANA RURAL WATER ASSOCIATION, INC.

Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2025

III – Federal Award Findings and Questioned Costs

None

IV – Prior Year audit Findings

None

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025

October 22, 2025

Board of Directors
Louisiana Rural Water Association, Inc.
Kinder, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2024 through June 30, 2025. The Association's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

1) Written Policies and Procedures

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

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

The Association's policies and procedures manual addresses budgeting.

- 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.

The Association's policies and procedures manual addresses purchasing.

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

The Association's policies and procedures manual addresses disbursements.

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

The Association's policies and procedures manual does not address receipts/collections.

Management Response: The Association will update its policies and procedures manual to include each of the receipts/collection items.

- 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.

The Association's policies and procedures manual addresses payroll.

- 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.

The Association's policies and procedures manual addresses contracting.

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

The Association's policies and procedures manual addresses travel and reimbursement.

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

The Association's policies and procedures manual addresses credit cards.

- 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.

The Association's policies and procedures manual addresses ethics.

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

The Association's policies and procedures manual does not address debt service.

Management Response: The Association will update its policies and procedures manual to include each of the debt service items.

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

The Association's policies and procedures manual addresses budgeting.

- xiii. *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.

The Association's policies and procedures manual addresses budgeting.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- iii. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in

the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

3) Bank Reconciliations

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

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- 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.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

4) Collections

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe the job duties are properly segregated at each collection location such that:
- i. Employees that are responsible for cash collections do not share cash drawers/registers;
No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.
 - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit:
No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.
 - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not responsible for collecting cash, unless another employee/official verifies the reconciliation.
No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supported documentation for each of the deposits and:
- i. Observe that receipts are sequentially pre-numbered.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

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

The listing was provided by management.

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

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

At least two employees are not involved in initiating, approving and making a purchase.

Management Response: Due to limited staff, this procedure is not feasible.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excess fuel card usage) were reviewed and approved, in writing, (or electronically approved) by someone other than the authorized card holder; and

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

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

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

9) Payroll and Personnel

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

10) Ethics

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

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

11) Debt Service

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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.

No exceptions were found as a result of this procedure.

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

The Association has the required notice posted in a conspicuous place upon its premises, but not its website.

Management Response: Website will be updated to include fraud information.

13) Information Technology Disaster Recovery/Business Continuity

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

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

14) Prevention of Sexual Harassment

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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;

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

We were engaged by Louisiana Rural Water Association, Inc. 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 Louisiana Rural Water Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Shagren, Cassidy: Gullory