

Financial Report

*Lafourche Parish Communications District
Raceland, Louisiana*

December 31, 2021 and 2020



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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Lafourche Parish Communications District,
Raceland, Louisiana.

Opinion

We have audited the accompanying financial statements of the business-type activities of the Lafourche Parish Communications District (the "District"), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of December 31, 2021 and 2020, and the respective changes in net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an economic, or historical context. We have applied certain limited procedures to the

required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information on page 27 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Status of Implementation of Wireless E911 Service and Schedules of Revenues Derived from the Wireless E911 Service Charge and the Use of Such Revenues, Schedules 1 and 2 on pages 24 through 26, respectively, have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022 on our consideration of the Lafourche Parish Communications District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Certified Public Accountants.

Houma, Louisiana,
March 31, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lafourche Parish Communications District

December 31, 2021 and 2020

The Management's Discussion and Analysis of the Lafourche Parish Communications District's (the "District") financial performance presents a narrative overview and analysis of the District's financial activities for the years ended December 31, 2021 and 2020. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District's assets exceeded its liabilities at the close of fiscal year 2021 and 2020 by \$3,167,539 and \$3,208,265 (net position), respectively, which represent a decrease of 1.27% and 2.94% from the prior fiscal years.

The District's total revenues increased by \$74,653 (or 4.29%) for year ended December 31, 2021 and \$15,794 (or .92%) for the year ended December 31, 2020.

The District's total expenses increased for the year ended December 31, 2021 by \$18,276 (or 1.00%) primarily due to an increase in repairs and maintenance and depreciation. The District's expenses decreased by \$104,729 (or 5.40%) for the year ended December 31, 2020 primarily due to a decrease in repairs and maintenance and other services and charges.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of four parts: (1) management's discussion and analysis; (2) financial statements; (3) supplementary information; and (4) special reports by certified public accountants and management. The financial statements also include notes to the financial statements, which explain some of the information in the financial statements in more detail.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the District report information about the District using accounting methods similar to those used by private sector businesses. These statements offer short-term and long-term financial information about its activities. The Statements of Net Position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the year's revenues and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the year and can be used to determine whether the District has successfully recovered all its costs through its fees and other charges, profitability and credit worthiness. The final required financial statement is the Statements of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments throughout the year. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities.

FINANCIAL ANALYSIS OF THE DISTRICT

The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information in a way that the reader can determine if the District is in a better financial position as a result of the year's activities. These statements report the net position of the District and changes in them. The net position (difference between assets and liabilities) can be used to measure financial health or financial position. Over time, increases and decreases in the District's net position are one indicator as to whether its financial health is improving or deteriorating. There are other non-financial factors to consider, such as changes in economic conditions, population growth, new or changed government legislation and technology changes.

NET POSITION

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2021 and 2020, assets exceeded liabilities by \$3,167,539 and \$3,208,265, respectively. A significant portion of the District's net position (99.39%) as of December 31, 2021 and (85.94%) as of December 31, 2020 reflects its investment in capital assets (e.g., construction in progress, building and improvements; office furniture, fixtures and equipment; machinery and equipment) net of related debt. Consequently, these assets are not available for future spending.

(Continued)

NET POSITION (Continued)**Condensed Statements of Net Position**

	December 31,		
	2021	2020	2019
Current and other assets	\$ 359,423	\$ 509,017	\$ 656,102
Capital assets	<u>3,183,440</u>	<u>3,312,288</u>	<u>3,470,293</u>
Total assets	<u>3,542,863</u>	<u>3,821,305</u>	<u>4,126,395</u>
Long-term liabilities outstanding	330,000	555,000	770,000
Other liabilities	<u>45,324</u>	<u>58,040</u>	<u>51,027</u>
Total liabilities	<u>375,324</u>	<u>613,040</u>	<u>821,027</u>
Net position:			
Net investment in capital assets	3,150,440	2,757,288	2,700,293
Unrestricted	<u>17,099</u>	<u>450,977</u>	<u>605,075</u>
Total net position	<u>\$ 3,167,539</u>	<u>\$ 3,208,265</u>	<u>\$ 3,305,368</u>

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	For the years ended December 31,			Percent Change	
	2021	2020	2019	2021-2020	2020-2019
Operating revenues	\$ 1,753,757	\$ 1,737,944	\$ 1,718,492	0.91%	1.13%
Non-operating revenues	<u>59,795</u>	<u>955</u>	<u>4,613</u>	6161.26%	-79.30%
Total revenues	<u>1,813,552</u>	<u>1,738,899</u>	<u>1,723,105</u>	4.29%	0.92%
Depreciation expense	195,267	159,230	160,794	22.63%	-0.97%
Other operating expense	1,635,329	1,651,224	1,744,934	-0.96%	-5.37%
Non-operating expense	<u>23,682</u>	<u>25,548</u>	<u>35,003</u>	-7.30%	-27.01%
Total expenses	<u>1,854,278</u>	<u>1,836,002</u>	<u>1,940,731</u>	1.00%	-5.40%
Decrease in net position	(40,726)	(97,103)	(217,626)	-58.06%	-55.38%
Net position beginning of year	<u>3,208,265</u>	<u>3,305,368</u>	<u>3,522,994</u>	-2.94%	-6.18%
Net position end of year	<u>\$ 3,167,539</u>	<u>\$ 3,208,265</u>	<u>\$ 3,305,368</u>	-1.27%	-2.94%

The

Statements of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of changes in net position.

NET POSITION (Continued)

During fiscal year 2021, operating revenues remained consistent with fiscal year 2020 due to no increase in rates for emergency 911 services. There was a \$39,261 increase in repairs and maintenance as a result of additional repairs and equipment maintenance in response to Hurricane Ida. There was an increase in depreciation expense as a result of asset additions made in recent years.

During fiscal year 2020, operating revenues remained consistent with fiscal year 2019 due to no increase in rates for emergency 911 services. There was a \$50,247 decrease in repairs and maintenance due to a decrease in equipment maintenance needed during the fiscal year and a decrease in 911 mapping and location charges since a Flyover Pictometry was not performed in the current year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District's investment in capital assets as of December 31, 2021, 2020, and 2019 amounts to \$3,183,440, \$3,312,288, and \$3,470,293, respectively (net of accumulated depreciation). This investment includes construction in progress, building, office furniture, equipment, and fixtures, machinery and equipment, and other capital assets.

	<u>December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Capital Assets			
Construction in progress	\$ -	\$ 171,752	\$ 171,752
Building	3,329,120	3,329,120	3,329,120
Office furniture, equipment and fixtures	165,148	145,726	144,501
Machinery and equipment	1,374,366	1,179,751	1,179,751
Other	196,831	203,224	203,224
	<u>5,065,465</u>	<u>5,029,573</u>	<u>5,028,348</u>
Less: accumulated depreciation	(1,882,025)	(1,717,285)	(1,558,055)
Totals	<u>\$ 3,183,440</u>	<u>\$ 3,312,288</u>	<u>\$ 3,470,293</u>

Major capital asset events during 2021 and 2020 included the following:

2021

- Office furniture, equipment, and fixtures includes purchases of computers, chairs, a recorder, an air conditioner unit, and an Access Control workstation and software.

2020

- Office furniture, equipment, and fixtures includes purchases of an HP Elite Desk 800 G5 Computer.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

During 2021, the District capitalized Part 1 of the Computer-Assisted Dispatch (CAD) Software and Hardware system.

During 2020, there were no changes to the District's construction in progress due to performance of system testing before acceptance of Computer-Assisted Dispatch (CAD) Software and Hardware. The District expects project to be completed in fiscal year 2021.

Additional information on the District's capital assets can be found in the Note 3, Exhibit D of this report.

Long-term Debt

Long-term debt outstanding consists of special revenue bonds. As of December 31, 2021, the District had \$330,000 in special revenue bonds outstanding as compared to \$555,000 in the prior year which is a decrease of \$225,000, the amount of principal payment on the 2016 outstanding bonds. As of December 31, 2020, the District had \$555,000 in special revenue bonds outstanding as compared to \$770,000 in the prior year which is a decrease of \$215,000, the amount of principal payments on the 2010 outstanding bonds and the 2016 outstanding bonds. More detailed information about the District's long-term debt is presented in Note 5, Exhibit D of this report.

ECONOMIC FACTORS AFFECTING NEXT YEAR'S BUDGET

The District is not required by state law to prepare a budget, however a budget is completed for bond indenture purposes. When setting the 2022 budget, the District's Board of Commissioners and management considered many factors such as anticipated revenues and costs of operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Lafourche Parish Communications District, P.O. Box 1157, Raceland, LA 70394.

STATEMENTS OF NET POSITION

Lafourche Parish Communications District

December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current		
Cash and cash equivalents	\$ 76,933	\$ 250,387
Accounts receivable	244,272	219,192
Prepaid maintenance	38,218	39,438
	<u>359,423</u>	<u>509,017</u>
Capital Assets		
Non-depreciable	-	171,752
Depreciable, net	3,183,440	3,140,536
	<u>3,183,440</u>	<u>3,312,288</u>
Total capital assets	<u>3,183,440</u>	<u>3,312,288</u>
Total assets	<u>3,542,863</u>	<u>3,821,305</u>

LIABILITIES

Current		
Accounts payable and accrued expenses	45,324	58,040
Bond payable within one year	65,000	225,000
	<u>110,324</u>	<u>283,040</u>
Total current liabilities	<u>110,324</u>	<u>283,040</u>
Long-term		
Bond payable after one year	265,000	330,000
	<u>375,324</u>	<u>613,040</u>
Total liabilities	<u>375,324</u>	<u>613,040</u>

NET POSITION

Net Position		
Net investment in capital assets	3,150,440	2,757,288
Unrestricted	17,099	450,977
	<u>3,167,539</u>	<u>3,208,265</u>
Total net position	<u>\$ 3,167,539</u>	<u>\$ 3,208,265</u>

See notes to financial statements.

**STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**

Lafourche Parish Communications District

For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for services	\$ 1,745,080	\$ 1,718,886
Other operating revenues	8,677	19,058
Total operating revenues	<u>1,753,757</u>	<u>1,737,944</u>
OPERATING EXPENSES		
Personal services	785,084	819,233
Supplies and materials	12,682	21,012
Other services and charges	713,668	726,345
Repairs and maintenance	123,895	84,634
Depreciation	195,267	159,230
Total operating expenses	<u>1,830,596</u>	<u>1,810,454</u>
Operating loss	<u>(76,839)</u>	<u>(72,510)</u>
NON-OPERATING REVENUES (EXPENSES)		
Insurance proceeds	59,683	-
Interest income	112	955
Interest expense	(16,755)	(25,548)
Loss on disposal of capital assets	(6,927)	-
Non-operating revenues (expenses), net	<u>36,113</u>	<u>(24,593)</u>
CHANGE IN NET POSITION	<u>(40,726)</u>	<u>(97,103)</u>
NET POSITION		
Beginning of year	<u>3,208,265</u>	<u>3,305,368</u>
End of year	<u>\$ 3,167,539</u>	<u>\$ 3,208,265</u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS**Lafourche Parish Communications District**

For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,728,677	\$ 1,764,522
Cash payments to suppliers for goods and services	(869,209)	(769,568)
Cash payments to employees for services and benefits	(774,601)	(814,898)
	<u>84,867</u>	<u>180,056</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(73,346)	(1,225)
Principal paid on outstanding debt	(225,000)	(215,000)
Interest paid on outstanding debt	(19,770)	(28,437)
Insurance proceeds	59,683	-
	<u>(258,433)</u>	<u>(244,662)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	112	955
	<u>112</u>	<u>955</u>
Net decrease in cash and cash equivalents	(173,454)	(63,651)
CASH AND CASH EQUIVALENTS		
Beginning of year	250,387	314,038
End of year	<u>\$ 76,933</u>	<u>\$ 250,387</u>

**Exhibit C
(Continued)**

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	<u>\$ (76,839)</u>	<u>\$ (72,510)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	195,267	159,230
Decrease (increase) in assets:		
Accounts receivable	(25,080)	26,578
Prepaid maintenance	1,220	56,856
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	<u>(9,701)</u>	<u>9,902</u>
Total adjustments	<u>161,706</u>	<u>252,566</u>
Net cash provided by operating activities	<u><u>\$ 84,867</u></u>	<u><u>\$ 180,056</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Lafourche Parish Communications District**

December 31, 2021 and 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Lafourche Parish Communications District (the "District") conform to accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Nature of Activities

The District assesses a fixed monthly service charge to customers of local telephone and wireless communication companies providing service in Lafourche Parish, Louisiana. The companies collect the charge then remit those collections to the District. The District uses this service charge to run an emergency 911 system.

b) Reporting Entity

The District was formed by an Act of the State Legislature on July 14, 1983. A board was appointed by the Lafourche Parish Council and became effective on October 5, 1989.

The District is a component unit of the Lafourche Parish Council. The District has reviewed all of its activities and, based on established criteria, determined that there are no potential component units which should be included in the financial statements.

c) Method of Accounting

The District's financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position and a statement of cash flows. Net position is classified into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Method of Accounting (Continued)

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted - This component of net position consists of resources that do not meet the definition of "restricted" or "net investment in capital assets."

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

d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

e) Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the District considers cash and cash equivalents to include amounts in checking accounts and investments with maturities of three months or less at purchase.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Accounts Receivable

The financial statements of the District contain no allowance for uncollectible accounts receivable. Management believes that accounts receivable as of December 31, 2021 and 2020 are collectible and possible bad debt losses are immaterial.

g) Prepaid Maintenance

Prepaid maintenance consists of the cost of maintaining hardware and software of the 911 communication system. The contracts are for five year terms with payments made in advance and amortized ratably over the term of the contract.

h) Capital Assets

Capital assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair value on the date of donation. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as construction in progress during design and construction and are reported in the appropriate asset classification at completion of the project.

Depreciation of all capital assets, excluding land, and construction in progress is calculated over the estimated useful lives using the straight-line method as follows:

Building and improvements	10 - 40 years
Office furniture, equipment, and fixtures	5 years
Machinery and equipment	5 years
Vehicle	5 years
Other	5 years

i) Vacation and Sick Leave

Vacation and sick leave are determined by length of service for full-time employees as follows:

2 - 3 years	1 week vacation and 1 week sick leave
3 - 9 years	2 weeks vacation and 2 weeks sick leave
10 years or more	3 weeks vacation and 3 weeks sick leave

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Vacation and Sick Leave (Continued)

Vacation must be used by the end of the year. Unused vacation is paid to employees upon termination of employment; unused sick leave is not paid. Sick leave does accumulate however; unused leave cannot exceed 240 hours. The accumulated balance of unpaid vacation leave as of December 31, 2021 and 2020 was \$25,876 and \$30,863, respectively.

j) Revenues and Expenses

Operating revenue and expenses consists of those revenues and expenses that result from the ongoing operations of the District. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities.

When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the District's policy to apply those expenses to restricted assets to the extent such are available and then to unrestricted net position. As of December 31, 2021 and 2020, the District had no restricted net position.

k) New GASB Statements

During the year ending December 31, 2021, the District implemented the following GASB Statements:

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement did not affect the District's financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) New GASB Statements (Continued)

Statement No. 98, "*The Annual Comprehensive Financial Report*" establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym sounds like a profoundly objectionable racial slur. This statement did not affect the District's financial statements.

The GASB has issued the following statements which will become effective in future years as shown below:

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers, postemployment benefits, government acquisitions and financing, insurance related activities of public risk pools, fair value measurements and derivative instruments. The requirements of this statement apply to all financial statements of all state and local governments at date varying upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of the statement on the financial statements.

Statement No. 93, "*Replacement of Interbank Offered Rates*" provides for those governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Management has not as yet determined the effect of the statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) New GASB Statements (Continued)

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public - private and public - public partnership arrangements (PPPs). As used in the statement a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating an underlying nonfinancial asset for a period of time in an exchange or exchange like transaction. The requirements of this statement are effective for years beginning after June 15, 2022. Management has not yet determined the effect of the statement on the financial statements.

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines an SBITA; (2) establishes that an SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of an SBITA; and (4) requires note disclosures regarding an SBITA. The requirements of this statement are effective for the years beginning after June 15, 2022. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting/or Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*" provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) New GASB Statements (Continued)

financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the years beginning after June 15, 2021. Management has not yet determined the effect of this statement on the financial statements.

l) Subsequent Events

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through March 31, 2022, which is the date the financial statements were available to be issued.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Bank Deposits:

State law requires deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Note 2 - DEPOSITS (Continued)

The balances of deposits for bank balances and reported amounts as of December 31, 2021 and 2020 are as follows:

	2021		2020	
	Bank Balances	Report Amount	Bank Balances	Report Amount
Cash	\$ 123,448	\$ 76,933	\$ 289,726	\$ 250,387

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk, which complies with state law. As of December 31, 2021, none of the District's bank balance of \$123,448 was exposed to custodial credit risk. These deposits were insured with FDIC insurance.

Note 3 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Capital assets not being depreciated:				
Construction in progress	\$ 171,752	\$ -	\$(171,752)	\$ -
Capital assets being depreciated:				
Building and improvements	3,329,120	-	-	3,329,120
Office furniture, equipment, and fixtures	145,726	24,895	(5,473)	165,148
Machinery and equipment	1,179,751	197,008	(2,393)	1,374,366
Other	203,224	23,195	(29,588)	196,831
Total capital assets being depreciated	4,857,821	245,098	(37,454)	5,065,465
Less accumulated depreciation for:				
Building and improvements	(774,562)	(84,151)	-	(858,713)
Office furniture, equipment, and fixtures	(122,042)	(9,582)	2,995	(128,629)
Machinery and equipment	(678,295)	(85,129)	1,396	(762,028)
Other	(142,386)	(16,405)	26,136	(132,655)
Total accumulated depreciation	(1,717,285)	(195,267)	30,527	(1,882,025)
Total capital assets being depreciated, net	3,140,536	49,831	(6,927)	3,183,440
Total capital assets, net	\$3,312,288	\$ 49,831	\$(178,679)	\$3,183,440

Note 3 - CHANGES IN CAPITAL ASSETS (Continued)

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Capital assets not being depreciated:				
Construction in progress	\$ 171,752	\$ -	\$ -	\$ 171,752
Capital assets being depreciated:				
Building and improvements	3,329,120	-	-	3,329,120
Office furniture, equipment, and fixtures	144,501	1,225	-	145,726
Machinery and equipment	1,179,751	-	-	1,179,751
Other	203,224	-	-	203,224
Total capital assets being depreciated	4,856,596	1,225	-	4,857,821
Less accumulated depreciation for:				
Building and improvements	(690,410)	(84,152)	-	(774,562)
Office furniture, equipment, and fixtures	(115,400)	(6,642)	-	(122,042)
Machinery and equipment	(627,998)	(50,297)	-	(678,295)
Other	(124,247)	(18,139)	-	(142,386)
Total accumulated depreciation	(1,558,055)	(159,230)	-	(1,717,285)
Total capital assets being depreciated, net	3,298,541	(158,005)	-	3,140,536
Total capital assets, net	\$3,470,293	\$(158,005)	\$ -	\$3,312,288

Note 4 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of December 31, 2021 and 2020 consisted of the following:

	2021	2020
Vendors	\$ -	\$20,184
Payroll and related expenses	41,641	31,158
Interest on long-term debt	3,683	6,698
Totals	\$45,324	\$58,040

Note 5 - LONG-TERM DEBT

On September 23, 2016, the District issued \$600,000 of Special Revenue Bonds, Series 2016. The serial bonds carry interest rates of 3.25% and are repayable through September 1, 2026 primarily from charges for services. Charges for services, \$1,745,080 for the year ended December 31, 2021, are pledged for payment of the bonds.

The following is a summary of the bond transactions of the District for the years ended December 31, 2021 and 2020:

	2021	2020
Bonds payable, beginning of year	\$555,000	\$ 770,000
Bonds retired	(225,000)	(215,000)
Bonds payable, end of year	\$330,000	\$ 555,000

The annual requirements to amortize all long-term debt outstanding as of December 31, 2021 are as follows:

Year	Principal	Interest	Totals
2022	\$ 65,000	\$11,050	\$ 76,050
2023	65,000	8,938	73,938
2024	70,000	6,825	76,825
2025	70,000	4,550	74,550
2026	60,000	2,275	62,275
Totals	\$330,000	\$33,638	\$363,638

Note 6 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

Note 7 - EMPLOYEE RETIREMENT PLAN

The District contributes to a Simple IRA Group Plan (the "Plan"), a defined contribution pension plan, for its full-time employees. The Plan is administered by America Funds. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the District's Board of Directors. For each employee in the pension plan, the District is required to make matching contributions, up to 3% of annual salary to an individual employee account. Employees are permitted to make contributions to the pension plan, up to the applicable Internal Revenue Code limits, \$13,500 for both 2021 and 2020. For the years ended December 31, 2021 and 2020, employee contributions totaled \$33,377 and \$33,122, respectively, and the District recognized pension expense of \$16,276 and \$16,465, respectively.

Employees are immediately vested in their own contributions and earnings on those contributions and in District contributions and earnings on District contributions when made.

As of December 31, 2021 and 2020, the District did not report a liability to the Plan.

Note 8 - COMMITMENTS

The Federal Communications Commission (FCC) and the Louisiana State Legislature have issued rulings and statutes requiring wireless telecommunication providers to provide the number and location of the caller to the communications district when a caller accesses 911. State statutes require the caller location service to be operating within one year of collecting a consumer fee for the service.

The District implemented the rulings and has begun collecting the service charges from all providers effective January 1, 2000. Proceeds from the consumer service charges for the years ended December 31, 2021 and 2020 were \$1,276,358 and \$1,265,910, respectively. These consumer charges shall be used for the payment of District costs associated with system implementation.

Note 9 - COMPENSATION OF BOARD OF COMMISSIONERS

No compensation was paid to members of the Board of Commissioners for the years ended December 31, 2021 and 2020.

SUPPLEMENTARY INFORMATION SECTION

STATUS OF IMPLEMENTATION OF WIRELESS E911 SERVICE

Lafourche Parish Communications District

December 31, 2021

(Unaudited)

The Louisiana State Legislature has enacted Act 655 (the "Act"), to amend and reenact Louisiana Revised Statutes 33:9101, 9102, 9103, 9105, 9106, and 9109 relative to communication districts. The Act, effective August 1, 2016, authorizes Louisiana Communication Districts to establish, by resolution of the Board of Commissioners, the ability to collect an emergency telephone service charge in the amount of \$1.25 per wireless user per month levied on wireless users of Commercial Mobile Radio Service (CMRS) who can access the 911 emergency telephone number system. Phase One requires CMRS carriers to implement locational services and have the capability to assign wireless calls usable numbers for callback and forwarding uninterrupted calls.

The purpose of the Act is to provide a funding mechanism to cover the costs of implementing enhancements to the emergency 911 telephone system for cellular and other wireless telephone users as provided by the Federal Communications Commission in Matter #94-102. Enhancements will automatically provide the wireless telephone number and wireless tower location of the wireless caller to the District when a caller accesses the 911 system. Although these enhancements currently exist for persons dialing from "landline telephones," certain technological enhancements must be made in order to provide this information from wireless devices. The districts are required to negotiate and enter into a cooperative endeavor agreement provided for by the Act with each CMRS carrier to ensure that the service charge is collected, remitted and the service enhancements are implemented. For any district having a population of not less than thirty thousand persons as of the most recent federal decennial census, the enhancements shall be completed by the District and all of the CMRS carriers providing service within the District within one year of the initial levy of the service charge. Proceeds received shall be used for payment of CMRS carrier and district costs associated with the implementation of Phase One. Any funds collected in excess of those necessary to pay costs of such enhancements may be expended for any lawful purpose of the District.

The Lafourche Parish Communications District (the "District") notified each CMRS carrier by certified letter of the adoption by the Board of Commissioners of Resolution No. 99-09-01 which levied an emergency telephone service charge of \$0.85 per month per wireless CMRS connection as of January 1, 2000. The District then sent a letter to each CMRS carrier concerning signing a cooperative endeavor agreement. The District has completed cooperative endeavor agreements with all CMRS carriers. The District notified each CMRS carrier of the adoption by the Board of

Commissioners of Resolution No. 2016-07-001 which increased the emergency telephone service charge to \$1.25 per month per wireless CMRS connection effective September 1, 2016.

The CMRS carriers have been remitting the wireless E911 service charges collected from the CMRS connections (customers) beginning January 1, 2000, accordingly the District has continued reimbursement of implementation costs. Reimbursements for implementation cost have been minimal since 2007.

The District is Phase One and Phase Two compliant with all CMRS carriers as of January 2007.

The District is recovering part of the costs of additional staff hired to handle additional call volume with the wireless revenues, as well as, recover other costs related to the new wireless requirements. Other wireless costs include the service charge that is assessed by the CMRS carriers based on the cost of updating their technology to implement the enhancement phase. The schedule of wireless revenues and use of wireless revenues can be found in Schedule 3 as required by the Act.

Phase Two requires the District and all carriers to achieve "the capability to identify the latitude and longitude of a mobile unit making a 911 call within the radius of no more than 125 meters in 67% of all cases." No cost recovery was deemed necessary for Phase Two compliance. As of January 12, 2007, all CMRS carriers, as well as the District, were Phase Two compliant.

SCHEDULES OF REVENUES DERIVED FROM THE
WIRELESS E911 SERVICE CHARGE AND
THE USE OF SUCH REVENUES

Lafourche Parish Communications District

For the years ended December 31, 2021 and 2020

(Unaudited)

	2021 Wireless	2020 Wireless
	<u> </u>	<u> </u>
OPERATING REVENUES		
Charges for services	\$ 1,281,555	\$ 1,252,415
Other operating revenues	7,045	15,491
	<u> </u>	<u> </u>
Total operating revenues	<u>1,288,600</u>	<u>1,267,906</u>
OPERATING EXPENSES		
Personal services	637,419	665,883
Supplies and materials	10,297	17,079
Other services and charges	583,284	595,669
Repairs and maintenance	100,592	68,792
Depreciation	158,540	129,424
	<u> </u>	<u> </u>
Total operating expenses	<u>1,490,132</u>	<u>1,476,847</u>
Operating loss	<u>\$ (201,532)</u>	<u>\$ (208,941)</u>

Note:

Allocation of wireless operating expenses was determined by applying the percentage of wireless calls to total calls to the operating expenses described in the Statements of Revenue, Expenses, and Changes in Net Position. For the years ended December 31, 2021 and 2020, other services and charges included Phase 1 implementation costs totaling \$20,458 and \$28,289, respectively. The remaining costs were allocated. Revenues from charges for services are based on actual reported revenues for wireless services. The number of total calls and wireless calls was furnished by the District's management.

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Lafourche Parish Communications District

For the year ended December 31, 2021

Agency Head Name: Katie Zeringue, Administrator

Purpose	
Salary	\$ 83,733
Benefits - insurance	13,100
Benefits - retirement	2,512
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	2,069
Conference travel	1,273
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	<u>\$ 102,687</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners,
Lafourche Parish Communications District,
Raceland, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Lafourche Parish Communications District (the "District"), State of Louisiana, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 31, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Certified Public Accountants.

Houma, Louisiana,
March 31, 2022.

SCHEDULE OF FINDINGS AND REPOSES

Lafourche Parish Communications District

For the year ended December 31, 2021

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are
not considered to be a material weakness? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

b) Federal Awards

Lafourche Parish Communications District did not expend federal awards in excess of \$750,000 during the year ended December 31, 2021.

Section II - Financial Statement Findings

No financial statement findings were reported during the audit for the year ended December 31, 2021.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche Parish Communications District

For the year ended December 31, 2021

Section I - Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2020.

No significant deficiencies were reported during the audit for the year ended December 31, 2020.

Compliance

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2020.

Section II - Internal Control and Compliance Material to Federal Awards

Lafourche Parish Communications District did not expend federal awards during the year ended December 31, 2020.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2020.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Communications District

For the year ended December 31, 2021

Section I - Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2021.

No significant deficiencies were reported during the audit for the year ended December 31, 2021.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2021.

Section II - Internal Control and Compliance Material to Federal Awards

Lafourche Parish Communications District did not expend federal awards during the year ended December 31, 2021.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2021.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners,
Lafourche Parish Communications District,
Raceland, Louisiana.

We have performed the procedures described in Schedule 4 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Lafourche Parish Communications District's (the "District") management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 4.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet out 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 Statue 24:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
March 31, 2022.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Lafourche Parish Communications District

For the year ended December 31, 2021

The required procedures and our findings are as follows:

Procedures Performed on the District's Written Policies and Procedures:

1. 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:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.
Performance: Obtained and read the written policy for budgeting, and found it to address all the functions listed above.
There were no exceptions noted.
 - b) 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.
Performance: Obtained and read the written policy for purchasing, and found it to address all the functions listed above.
There were no exceptions noted.
 - c) Disbursements, including processing, reviewing, and approving.
Performance: Obtained and read the written policy for disbursements, and found it to address all the functions listed above.
There were no exceptions noted.
 - d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Performance: Obtained and read the written policy for receipts.
Exception: The policy does not contain a provision regarding management's actions to determine completeness of all collections.

Procedures Performed on the District's Written Policies and Procedures: (Continued)

- e) 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(s) rate of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel.
Exception: The policy does not contain a provision regarding the approval process for employee rate of pay or approval and maintenance of pay rate schedules.

- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the purchasing handbook for contracting.
Exception: The policy does not contain provisions regarding types of services requiring written contract, stated terms and conditions, legal review, and monitoring process.

- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Performance: Obtained and read the written policy for credit cards.
Exception: The policy does not contain provisions regarding allowable business uses, documentation requirements, and required approvers of statements.

- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement, and found it to address all the functions listed above.
There were no exceptions noted.

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.
There were no exceptions noted.

- j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Performance: Inquired of management as to a debt service policy
Exception: Management confirmed there is no debt service policy.

Procedures Performed on the District's Written Policies and Procedures: (Continued)

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

Performance: Inquired of management as to a disaster recovery/business continuity policy.

Exception: Management confirmed there is no disaster recovery/business continuity policy.

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

Performance: Inquired of management as to a written sexual harassment policy.

Exception: Management confirmed there is no written sexual harassment policy.

Procedures Performed on the District's Board:

2. 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:

- a) 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, or other equivalent document.

Performance: Obtained and read the written minutes of the Board meetings. The Board is required to meet quarterly. All meetings had a quorum.

There were no exceptions noted.

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

Performance: Obtained and read the written minutes of the Board meetings.

There were no exceptions noted.

Procedures Performed on the District's Board: (Continued)

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

Performance: Obtained the prior year's audit report and observed the unrestricted fund balance in the General Fund. The General Fund did not have a negative ending unrestricted fund balance.

There were no exceptions noted.

Procedures Performed on the District's Bank Reconciliations:

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

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

There were no exceptions noted.

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

Performance: Obtained monthly bank reconciliation for the month of December for the operating bank account and four additional accounts selected. Inspected management's documentation for timely preparation of the bank reconciliations.

There were no exceptions noted.

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

Performance: Inspected the District's documentation for the December bank reconciliation for the five bank accounts selected.

There were no exceptions noted.

- c) 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.

Performance: Inspected documents for items outstanding for more than 12 months. There was one check outstanding for more than 12 months from the statement closing date.

Exception: There was no documentation indicating that the outstanding check was researched.

Procedures Performed on the District's Collections:

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. Select five deposit sites (or all deposit sites if less than five).

Performance: Obtained the listing of deposit sites from management, and received management's representation in a separate letter.

There were no exceptions noted.

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

Performance: Obtained the listing of collection locations from management, and received management's representation in a separate letter.

There were no exceptions noted.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Performance: Inspected policy manuals, inquired of management and observed receipts and general ledger transactions.

There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of management and observed receipts and general ledger transactions.

There were no exceptions noted.

- c) 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.

Performance: Inspected policy manuals, inquired of management and observed receipts and general ledger transactions.

There were no exceptions noted.

Procedures Performed on the District's Collections: (Continued)

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

Performance: Inspected policy manuals, inquired of management and observed receipts and general ledger transactions.

There were no exceptions noted.

6. 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.

Performance: Obtained a listing of all employees who have access to cash and inquired of management if these employees are covered by a bond or insurance policy for theft.

There were no exceptions noted.

7. Select two deposit dates for each of the District's five bank accounts selected for procedures #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates selected and select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the ten deposits selected and:

- a) Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.

There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

There were no exceptions noted.

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

Performance: Traced deposit slip total to actual deposit per bank statement.

There were no exceptions noted.

- d) 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 ten miles from the collection location or the deposit is less than \$100 and cash is stored securely in a locked drawer).

Performance: Observed that the deposits tested were made within one business day of receipt.

There were no exceptions noted.

Procedures Performed on the District's Collections: (Continued)

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

Performance: Traced the actual deposit per the bank statement to the general ledger.

There were no exceptions noted.

Procedures Performed on the District's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Select five locations (or all locations if less than five).

Performance: Obtained the listing of payment processing locations from management, and received management's representation in a separate letter. The District only has one location that processes payments.

There were no exceptions noted.

9. For each location selected under #8 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, and observe that job duties are properly segregated such that:

Performance: Obtained the listing of those employees involved with non-payroll purchasing and payment functions, along with the written policies and procedures relating to the employee job duties.

There were no exceptions noted.

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

Performance: Inspected policy manuals and inquired of management and employees as to the requirement listed above.

There were no exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

Performance: Inspected policy manuals and inquired of management and employees as to the requirement listed above.

There were no exceptions noted.

- c) The employees responsible for processing payments are prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Performance: Inspected policy manuals and inquired of management and employees as to the requirement listed above.

Exception: Both the Administrator and the Administrative Assistant have the capability to process payments and add/modify vendor files. There is no periodic review of changes to vendor files.

Procedures Performed on the District's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases) (Continued)

- d) 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.

Performance: Inspected policy manuals and inquired of management and employees as to the requirement listed above.

There were no exceptions noted.

- 10. For each location selected under #8 above, obtain the District's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:

Performance: Obtained the District's general ledger for the fiscal period, and obtained management's representation in a separate letter.

There were no exceptions noted.

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.

Performance: Obtained the disbursement and observed that the disbursement and the related original invoice/billing statement were in agreement.

There were no exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Performance: Obtained the disbursement documentation and observed for proper segregation of duties as listed under #9 above.

There were no exceptions noted.

Procedures Performed on the District's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

Performance: Obtained all active cards for the fiscal period, including the card numbers and the names of the persons who maintain possession of the cards, and received management's representation in a separate letter.

There were no exceptions noted.

**Procedures Performed on the District's Credit Cards, Debit Cards, Fuel Cards, P-Cards:
(Continued)**

12. Using the listing prepared by management, select five cards (or all cards if less than five) that were used during the fiscal period, rotating cards each year. Randomly select one monthly statement or combined statement for each card (for a debit card, select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. There were no exceptions noted.
 - b) Observe that finance charges and/or late fees were not assessed on the selected statements.
Performance: Observed finance charges and/or late fees were not assessed on the selected statements.
There were no late fees assessed.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, select ten transactions (or all transactions if less than ten) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have ten transactions subject to testing).
- a) For each transaction, report whether the transaction is supported by:
 - 1) An original itemized receipt that identifies precisely what was purchased.
Performance: Examined if the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.
There were no exceptions noted.
 - 2) Written documentation of the business/public purpose.
Performance: Examined the transactions from the monthly statements to determine if they were supported with written documentation of the business/public purpose.
Exception: There was no written documentation of the business/public purpose of the transactions.

**Procedures Performed on the District's Credit Cards, Debit Cards, Fuel Cards, P-Cards:
(Continued)**

- 3) Documentation of the individuals participating in meals (for meal charges only).

Performance: Examined the transactions from the monthly statements. None of the purchases were for meals.

There were no exceptions noted.

Procedures Performed on The District's Travel and Travel-Related Expense Reimbursements:

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

Performance: Obtained a list of all travel and travel related expense reimbursements, and received management's representation in a separate letter. Selected five reimbursements and obtained the supporting documentation.

There were no exceptions noted.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Performance: The reimbursements selected were not reimbursed using per diem.

There were no exceptions noted.

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

Performance: Observed that the reimbursements were supported by original itemized receipts that identified precisely what was purchased.

There were no exceptions noted.

- c) 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 policy (procedures #1h).

Performance: Observed that each reimbursement has evidence of documentation of the business/public purpose and other documentation required by written policy.

There were no exceptions noted.

**Procedures Performed on the District's Travel and Travel-Related Expense Reimbursements:
(Continued)**

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.
Performance: Observed that each reimbursement was reviewed and approved by someone other than the person receiving the reimbursement.
There were no exceptions noted.

Procedures Performed on the District's Contracts:

- 15. 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. Select five contracts (or all contracts if less than five) from the listing, and:
Performance: Obtained 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 and management's representation in a separate letter.
There were no exceptions noted.
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
Performance: Observed that the contracts selected did not require the bids to be obtained.
There were no exceptions noted.
- b) Observe that the contract was approved by the governing body/District Council, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
Performance: Examined board meeting minutes and confirmed the board approved the contracts requiring board approval.
There were no exceptions noted.
- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that the amendments were made in compliance with the contract terms.
Performance: Observed the contracts selected were not amended.
There were no exceptions noted.

Procedures Performed on the District's Contracts: (Continued)

- d) Select one payment from the fiscal period for each of the five 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.

Performance: Examined payments for each of the five contracts, obtained supporting invoices, agreed invoiced to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

There were no exceptions noted.

Procedures Performed on the District's Payroll and Personnel:

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

Performance: Obtained the listing of employees with their related salaries from management.

There were no exceptions noted.

17. Select one pay period during the fiscal period. For the five employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Performance: Selected one pay period to test leave taken during that period, examined all daily attendance and leave records for proper documentation.

There were no exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Performance: Examined the approval of attendance and leave by the supervisors for the selected employees/officials.

There were no exceptions noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the District's cumulative leave records.

Performance: Examined any leave accrued or taken during the pay period was reflected in the cumulative leave records.

There were no exceptions noted.

Procedures Performed on the District's Payroll and Personnel: (Continued)

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

Performance: We agreed the salary/pay rate for each employee selected in Step 6 to be documented in each personal file.

There were no exceptions noted.

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

Performance: Obtained a list from management of those employees'/officials that terminated during the fiscal period and management's representation that the list is complete. (Only one termination during the fiscal period.)

There were no exceptions noted.

- a) Verify that hours and pay rates used in management's termination calculation are accurate.

Performance: For the one terminated employee, we agreed the hours and pay rate to the payroll records and cumulative leave documentation.

There were no exceptions noted.

19. 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.

Performance: Obtained management's representation that all taxes and insurance premiums were paid and all forms were filed by their due dates. We examined several payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines.

There were no exceptions noted.

Procedure Performed on the District's Ethics:

20. Using the five selected employees'/officials from procedure #16 under "Procedures performed on the District's payroll and personnel", obtain ethics compliance documentation from management and:

Procedure Performed on the District's Ethics: (Continued)

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
Performance: Examined personnel files and ethics course completion certificates for the five employees tested.
There were no exceptions noted.

- b) 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.
Performance: Reviewed the District's policies for changes to the ethics policy. No changes noted.
There were no exceptions noted.

Procedures Performed on the District's Debt Service:

- 21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtain for each bond/note issued.
Performance: Inquired of management regarding a listing of bonds/notes issued during the fiscal period. No new bonds/notes were issued.
There were no exceptions noted.

- 22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. 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.
Performance: Obtained listing of outstanding debt at the end of the fiscal period and managements' representation that the list is complete. Observed that reserve balances and payments are in agreement with the debt covenant.
There were no exceptions noted.

Procedures Performed on the District's Fraud Notice:

- 23. 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.
Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period, none were noted.
There were no exceptions noted.

Procedures Performed on the District's Fraud Notice: (Continued)

24. 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.
Performance: Inspected the fraud notice posted on the website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
There were no exceptions noted.

Procedures performed on the District's Information Technology Disaster Recovery/Business Continuity:

25. 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, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
Performance: Obtained the District's most recent backup documentation and observed that a backup occurred within the past week. We performed the procedure and discussed the results with management.
There were no exceptions noted.
- 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, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
Performance: Obtained the District's documentation regarding restoring backups and observed that test of backups were successfully performed within the past 3 months.
There were no exceptions noted.
- 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 five 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.
Performance: Obtained a listing of the computers in use and managements' representation that the list is complete. Selected five computers and observed that current and active antivirus software was present.
There were no exceptions noted.

Procedures Performed on the District's Sexual Harassment:

26. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, 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.

Performance: Examined personnel files and sexual harassment training documentation for the five employees tested.

There were no exceptions noted.

- a) 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).

Performance: Observed the sexual harassment policy and complaint procedure on the District's website.

There were no exceptions noted.

27. 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 it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;

Performance: Inquired of management regarding the entity's annual sexual harassment report for the fiscal period.

Exception: There were no reports filed during the fiscal period.

- b) Number of sexual harassment complaints received by the agency;

Performance: Inquired of management regarding the entity's annual sexual harassment report for the fiscal period.

Exception: There were no reports filed during the fiscal period.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

Performance: Inquired of management regarding the entity's annual sexual harassment report for the fiscal period.

Exception: There were no reports filed during the fiscal period.

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action

Performance: Inquired of management regarding the entity's annual sexual harassment report for the fiscal period.

Exception: There were no reports filed during the fiscal period.

Procedures Performed on the District's Sexual Harassment: (Continued)

e) Amount of time it took to resolve each complaint.

Performance: Inquired of management regarding the entity's annual sexual harassment report for the fiscal period.

Exception: There were no reports filed during the fiscal period.

Management's Responses to Exceptions Noted in Our Procedures:

1d Management will consider adding a provision regarding management's actions to determine completeness of all collections.

1e Management will consider adding a provision regarding the approval process for employee rate of pay or approval and maintenance of pay rate schedules.

1f Management will consider updating the contracting policy to include provisions for types of services requiring written contract, standard terms and conditions, legal review, and monitoring process.

1g Management will consider updating the credit card policy to include provisions regarding allowable business uses, documentation requirements, and required approvers of statements.

1j Management will consider drafting a debt service policy.

1k Management will consider drafting an information technology disaster recovery/business continuity policy.

1j Management will consider drafting a sexual harassment policy.

3c Management will routinely research reconciling items outstanding for a period approaching 12 months.

9c Management will consider having board members conduct periodic reviews of the changes to vendor files.

13a(2) Management will see to it that all transactions have documentation of the business/public purpose of the purchase.

27 Next year management will prepare and submit the annual sexual harassment report containing the applicable requirements of R.S. 42:344 on or before the February 1 deadline.