

**GAS UTILITY DISTRICT NO. 1 OF LIVINGSTON PARISH  
HOLDEN, LOUISIANA**

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**ANNUAL FINANCIAL STATEMENTS**

As of and for the Year Ended November 30, 2025



**Hebert Johnson  
& Associates, Inc.**  
Certified Public Accountants

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*A Professional Accounting Corporation*

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**Gas Utility District No. 1 of Livingston Parish**  
**Holden, Louisiana**  
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As of and for the Year Ended November 30, 2025

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A P R O F E S S I O N A L   A C C O U N T I N G   C O R P O R A T I O N

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## **Independent Auditor's Report**

To the Board of Commissioners  
Gas Utility District No. 1 of Livingston Parish  
Holden, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities of the Gas Utility District No. 1 of Livingston Parish, a component unit of the Livingston Parish Council, as of and for the year ended November 30, 2025, and the related notes to the financial statements, which collectively comprise the Gas Utility District No. 1 of Livingston Parish'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 Gas Utility District No. 1 of Livingston Parish, as of November 30, 2025, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable 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 Gas Utility District No. 1 of Livingston Parish and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Gas Utility District No. 1 of Livingston Parish's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Gas Utility District No. 1 of Livingston Parish'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 Gas Utility District No. 1 of Livingston Parish's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplemental Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2026, on our consideration of Gas Utility District No. 1 of Livingston Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Gas Utility District No. 1 of Livingston Parish'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 Gas Utility District No. 1 of Livingston Parish's internal control over financial reporting and compliance.

Respectfully submitted,

*Chris Johnson*

Hebert Johnson & Associates, Inc.  
A Professional Accounting Corporation  
Albany, Louisiana  
February 26, 2026

# Basic Financial Statements

**Gas Utility District No. 1 of Livingston Parish  
Holden, Louisiana**

**Statement A**

**Statement of Net Position  
November 30, 2025**

**Assets**

Current Assets:	
Cash and Cash Equivalents	\$ 217,871
Investments	891,043
Accounts Receivable (Net)	69,325
Unbilled Receivables	51,505
Inventory	22,953
Prepaid Expenses	1,285
Total Current Assets	1,253,982
Restricted Assets:	
Restricted Cash and Cash Equivalents	90,915
Total Restricted Assets	90,915
Capital Assets:	
Land	975
Utility Plant and Equipment, Net	2,258,643
Total Capital Assets, Net	2,259,618
Other Assets:	
Utility Deposits	838
Total Noncurrent Assets	2,351,371
<b>Total Assets</b>	<b>3,605,353</b>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	56,586
Accrued Liabilities	1,741
Total Current Liabilities	58,327
Current Liabilities (Payable From Restricted Assets)	
Customers' Deposits	84,604
Total Current Liabilities (Payable From Restricted Assets)	84,604
<b>Total Liabilities</b>	<b>142,931</b>
<b>Net Position</b>	
Net Investment in Capital Assets	2,259,618
Unrestricted	1,202,804
<b>Total Net Position</b>	<b>\$ 3,462,422</b>

The notes to the financial statements are an integral part of this statement.

**Gas Utility District No. 1 of Livingston Parish  
Holden, Louisiana**

**Statement B**

**Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended November 30, 2025**

<b>Operating revenues:</b>	
Gas Sales	\$ 960,560
Other Charges	29,154
<b>Total Operating Revenues</b>	989,714
 <b>Operating Expenses:</b>	
Administrative Expenses	10,256
Bank Service Charges	500
Commissioners Compensation	28,131
Depreciation	72,887
Insurance	2,540
Management Fees	136,074
Natural Gas Purchases	278,172
Professional Services	30,549
Repairs, Maintenance, Supplies	320,576
Utilities	8,783
<b>Total Operating Expenses</b>	888,468
 <b>Operating Income</b>	 101,246
 <b>Nonoperating revenues (Expenses):</b>	
Interest Income	23,629
<b>Total Nonoperating Revenues (Expenses)</b>	23,629
 <b>Change in Net Position</b>	 124,875
 <b>Net Position, Beginning</b>	 3,337,547
<b>Net Position, Ending</b>	<b>\$ 3,462,422</b>

The notes to the financial statements are an integral part of this statement.

**Gas Utility District No. 1 of Livingston Parish  
Holden, Louisiana**

**Statement C**

**Statement of Cash Flows  
For the Year Ended November 30, 2025**

<b>Cash Flows From Operating Activities</b>	
Receipts From Customers	\$ 964,439
Payments to Suppliers for Goods and Services	(799,133)
Payments to Employees and for Employee Related Costs	<u>(28,929)</u>
Net Cash Provided by Operating Activities	<u>136,377</u>
 <b>Cash Flows From Capital and Related Financing Activities</b>	
Purchase of Property, Plant, and Equipment	<u>(96,913)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(96,913)</u>
 <b>Cash Flows Investing Activities</b>	
Interest Income	23,629
Purchase of Certificate of Deposit	(622,303)
Increase in Certificates of Deposit	<u>(22,150)</u>
Net Cash Provided by Investing Activities	<u>(620,824)</u>
Net Decrease in Cash and Cash Equivalents	(581,360)
Cash and Cash Equivalents, Beginning of The Year	<u>890,146</u>
Cash and Cash Equivalents, End of The Year	<u><u>\$ 308,786</u></u>

The notes to the financial statements are an integral part of this statement.

**Gas Utility District No. 1 of Livingston Parish  
Holden, Louisiana**

**Statement C**

**Statement of Cash Flows (Continued)  
For the Year Ended November 30, 2025**

**Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)**

Operating Income	\$ 101,246
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	72,887
Change in Assets and Liabilities:	
Accounts Receivable	(18,704)
Unbilled Receivables	(6,021)
Inventory	(3,786)
Prepaid Expenses	-
Accounts Payable	(7,898)
Accrued Liabilities	(797)
Customer Deposits	(550)
Net Cash Provided By Operating Activities	\$ 136,377

Cash and Cash Equivalents, Beginning of Period

Cash - Unrestricted	\$ 799,981
Cash - Restricted	90,165
Total	890,146

Cash and Cash Equivalents, End of Period

Cash - Unrestricted	217,871
Cash - Restricted	90,915
Total	308,786

Net Decrease	\$ (581,360)
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The notes to the financial statements are an integral part of this statement.

**Gas Utility District No. 1 of Livingston Parish**  
**Notes to the Financial Statements**  
**As of and for the Year Ended November 30, 2025**

**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

Gas Utility District No.1 of Livingston Parish (the “District”) was created November 10, 1961, by the Livingston Parish Council under Act 415 of the Acts of Louisiana for 1060 (Sec. 4301, et seq. of Title 33, LA Revised Statutes). The District operates under a Board of Commissioners appointed by the Livingston Parish Council.

The District, reported in these statements as a proprietary fund, prepares its financial statements in accordance with the standards established by the Governmental Accounting Standards Board (GASB). The accompanying statements present only transactions of the District, a component unit of the Livingston Parish Council.

**B. Basis of Accounting**

The District maintains its books and records on the full accrual basis of accounting and on the flow of economic resources measurement focus. The District applies all applicable professional standards in accounting and reporting for its proprietary operations.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The operating revenues of the District are natural gas sales to residential and commercial users. Operating expenses for the District include the cost to distribute natural gas, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In some instances, GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three components as follows:

1. Net investment in capital assets – this component consist of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

**Gas Utility District No. 1 of Livingston Parish**  
**Notes to Financial Statements**  
**As of and for the Year Ended November 30, 2025**

2. Restricted net position – this component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
  
3. Unrestricted net position – this component consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense toward restricted resources, then toward unrestricted resources.

**C. Cash Flows**

For purposes of the Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit with an original maturity of three months or less.

**D. Restricted Assets**

Restricted assets include cash and interest-bearing deposits that are legally restricted as to their use. The restricted assets relate to the customer deposits.

**E. Accounts Receivable and Bad Debts**

Accounts receivable represent amounts owed to the District from customer gas usage. Uncollectible utility service receivable is recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the collectability of the particular receivable. The allowance for uncollectible receivables was \$10,609 at November 30, 2025. Unbilled utility service receivable resulting from services rendered between the date of meter reading and billing and the end of the month are recorded at year-end.

**F. Inventory**

The District maintains an inventory of natural gas. The inventory is recorded at lower of cost or market on average costs basis. As of November 30, 2025 inventory on hand totaled \$22,953.

**G. Capital Assets**

Property, plant and equipment are recorded at cost. Capital assets of the District are defined by the District as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of one year.

**Gas Utility District No. 1 of Livingston Parish**  
**Notes to Financial Statements**  
**As of and for the Year Ended November 30, 2025**

Depreciation is computed using the straight-line method over the expected service lives of the assets as follows:

	<u>Years</u>
Gas plant system	10-40
Equipment and meters	7-10

**H. Prepaid Expenses**

The District accounts for prepaid expenses using the consumption method. A prepaid expense is recognized when a cash expenditure is made for goods or services that were purchased for consumption but are unconsumed as of the end of the fiscal year.

**I. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts and depreciation.

**2. Cash and Cash Equivalents**

Under state law, the District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At November 30, 2025, the District had cash and cash equivalents and investments (book balances) totaling \$1,199,829 as follows:

Demand deposits	\$ 308,786
Time Deposits	\$ 891,043
Total	\$ 1,199,829

Custodial credit risk is the risk that in the event of a bank failure of a depository financial institution, the District's deposits may not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount of deposit with the fiscal agent bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

**Gas Utility District No. 1 of Livingston Parish**  
**Notes to Financial Statements**  
**As of and for the Year Ended November 30, 2025**

Deposit balances (bank balances) at November 30, 2025, are secured as follows:

Bank balances	\$ 1,186,304
Federal deposit insurance	700,000
Pledged securities	486,304
Total federal deposit insurance and pledged securities	\$ 1,186,304

Deposits in the amount of \$486,304 were exposed to custodial credit risk. These amounts are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name. The District does not have a policy for custodial credit risk.

**3. Investments**

Investments for the District are stated at fair value. The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 - Inputs to the valuation methodology include:

1. Quoted prices for similar assets or liabilities in active markets.
2. Quoted prices for identical or similar assets or liabilities in inactive markets.
3. Inputs other than quoted prices that are observable for the asset or liability.
4. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

At December 31, 2025, the District's certificates of deposit with a fair market value of \$891,043 is categorized at Level 2.

*Interest Rate Risk:* The District does not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value arising from increasing interest rates.

**Gas Utility District No. 1 of Livingston Parish**  
**Notes to Financial Statements**  
**As of and for the Year Ended November 30, 2025**

**4. Capital Assets**

Capital asset activity for the year ended November 30, 2025 was as follows:

	Balance 11/30/2024	Additions	Deletions	Balance 11/30/2025
Capital Assets Not Being Depreciated:				
Land	\$ 975	\$ -	\$ -	\$ 975
Other Capital Assets:				
Utility Plant	3,687,318	96,913		3,784,231
Equipment and Meters	113,593	-	-	113,593
Totals	3,801,886	96,913	-	3,898,799
Less Accumulated Depreciation	1,566,294	72,887	-	1,639,181
Capital Assets, Net	<u>\$ 2,235,592</u>	<u>\$ 24,026</u>	<u>\$ -</u>	<u>\$ 2,259,618</u>

**5. Litigation**

There is no litigation pending against the District at November 30, 2025.

**6. Risk Management**

The District carries commercial insurance for Directors & Officers Liability and Employment Practices Liability. There have been no significant reductions in insurance coverage for the current year. Settlement amounts have not exceeded insurance coverage for the current year or prior years. The District does not carry general liability insurance.

**7. Major Supplier**

The District purchases all of its gas through the Louisiana Municipal Gas Authority (LMGA). A change in suppliers could have a negative impact on the cost and terms currently obtained through the LMGA.

**8. Major Customers**

During the year ended November 30, 2025, the District's two largest commercial customers comprised 17.2% and 12.4% of total gas sales.

**9. Professional Service Contracts**

The District has entered into a maintenance agreement with O & M Management Services, LLC ("Management") to read meters, bill customers and collect payments on a monthly basis. Management is paid \$11.50 per customer per month to perform these services. During the year, Management received \$124,806 from the District for the performance of these services.

Additionally, Management is paid for customer mail outs; new service taps, disconnects, and performs repairs and improvements to the systems as needed at the rate of \$150 per hour plus material costs.

**Gas Utility District No. 1 of Livingston Parish**  
**Notes to Financial Statements**  
**As of and for the Year Ended November 30, 2025**

During the year, O & M Management received \$318,454 from the District for the performance of these services.

**10. Louisiana Deferred Compensation Plan**

All of the employees of the District are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 100% of their salary (not to exceed \$18,000 a year) to the plan on a pre-tax basis. The contributions are withheld from the employees' paychecks. The District matches up to 15% of each employee's compensation. The contributions are fully vested immediately and are remitted to a third-party administrator each month, where they are deposited to an account in the employee's name. The District does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. The District's contribution during the year ended November 30, 2025 was \$2,739.

**11. Compensation, Benefits, and Other Payments to the Board of Commissioners**

<u>Board Member</u>	<u>Per Diem</u>	<u>Salary</u>	<u>Deferred Compensation</u>	<u>Reimbursed Travel</u>
John Hellmers, Secretary (Expired 06/30/25)	\$ 775	\$ 2,500	\$ 491	\$ -
Frank Murphy, Treasurer	2,850	6,000	1,328	735
Sommer Purvis	825	-	-	-
Butch Mack (Secretary June 2025)	3,950	3,000	695	770
Roger Hutchinson	3,600	-	-	359
Gilbert Hutchinson	1,500	-	225	-
	<u>\$ 13,500</u>	<u>\$ 11,500</u>	<u>\$ 2,739</u>	<u>\$ 1,864</u>

\*None of the above individuals are designated as the agency head.

**Other Independent Auditor's Report and  
Findings, Recommendations, and Responses**

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

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A P R O F E S S I O N A L A C C O U N T I N G C O R P O R A T I O N

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

To the Board of Commissioners  
Gas Utility District No. 1 of Livingston Parish  
Holden, 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 Gas Utility District No.1 of Livingston Parish (District) a component unit of the Livingston Parish Council, as of and for the year ended November 30, 2025, and the related notes to the financial statements, which collectively comprise Gas Utility District No. 1 of Livingston Parish's basic financial statements and have issued our report thereon dated February 26, 2026.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses as item 2025-01 that we consider to be a significant deficiency.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses as item 2025-02.

### **Gas Utility District No. 1 of Livingston Parish's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Gas Utility District No.1 of Livingston Parish's response to the findings identified in our audit and described in the accompanying Schedule of Current Year Audit Findings, Recommendations, and Responses. Gas Utility District No.1 of Livingston Parish's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

This report is intended solely for the information and use of management and the Office of the Legislative Auditor, State of Louisiana, and federal awarding agencies and pass-through entities, and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed to the Legislative Auditor as a public document.

*Chris Johnson*

Hebert Johnson & Associates, Inc.  
A Professional Accounting Corporation  
Albany, Louisiana  
February 26, 2026

**Gas Utility District No. 1 of Livingston Parish  
Holden, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses  
For the Year Ended November 30, 2025**

We have audited the basic financial statements of the Gas Utility District No. 1 of Livingston Parish as of and for the year ended November 30, 2025, and have issued our report thereon dated February 26, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of November 30, 2025 resulted in an unmodified opinion.

**Section I - Summary of Auditor's Reports**

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness, No Significant Deficiencies, Yes

Compliance

Compliance Material to Financial Statements, Yes

b. Federal Awards

Not applicable

Was management letter issued? No

**Internal Control**

**2025-01 Segregation of Duties**

**Criteria:**

Proper segregation of incompatible duties requires that there be different individuals responsible for authorizing transactions, recording transactions, preparing reconciliations and maintaining custody of related assets.

**Gas Utility District No. 1 of Livingston Parish  
Holden, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses  
For the Year Ended November 30, 2025**

**Condition:**

The District hires a management company to bill and collect the gas utility bills. Due to the small number of employees involved in the daily operations of the financial process there is not sufficient segregation of duties.

This condition was noted in the prior fiscal year.

**Cause:**

The Company's staff is not sufficient size to allow for proper and appropriate segregation of duties.

**Effect:**

Failure to maintain an adequate segregation of duties, particularly in the Finance Department, creates an environment in which errors or other irregularities could occur and not be detected in a timely manner by employees performing their assigned functions.

**Recommendation:**

We recommend that the Management Company continue to perform the following:

- Furnish the District's CPA with a monthly report of (but not limited to) Monthly Deposit Register, Billing Report, Accounts Receivables and Meter Deposit Report.

We recommend the District's Board to continue to perform the following:

- Review of the District's monthly financial statements.
- We recommend the District's outside accountant continue to reconcile the Gas Utility Billings Receivable from the Utility billing software to the General Ledger and investigate any differences.

We recommend the District's Board to perform the following:

- The District's Board should review the monthly bank statements and related bank reconciliations (including all cancelled checks) and require that person document their review and approval of the items clearing the bank statement by initialing and dating the face of the bank statement.

**Gas Utility District No. 1 of Livingston Parish  
Holden, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses  
For the Year Ended November 30, 2025**

**Management's Response:**

Management agrees with the auditor's recommendation. Responsible Party is Gerald Butch Mack, Secretary 225-247-1859.

**Compliance**

**2025-02 Violation of Open Meetings Law**

**Condition:**

The District is not posting a public notice that should include the agenda, date, time, and place of each board meeting on a consistent basis.

**Criteria:**

According to LRS 42:19 public bodies shall give written public notice of any regular, special, or rescheduled meetings no later than twenty-four hours before the meeting. Such notice shall include the agenda, date, time, and place of the meeting. Each item on the agenda shall be listed separately and described with reasonable specificity.

**Cause:**

This is an oversight by management.

**Effect:**

The District is not in compliance with the Open Meetings Law.

**Recommendation:**

We recommend the District post a copy of the notice at the building in which the meeting is held no less than twenty-four hours before the scheduled time of the meeting. We also recommend the District familiarize itself with the Open Meetings Law and access the Louisiana Legislative Auditor's website's Open Meeting's Law's frequently asked questions.

**Management's Response:**

The Board will ensure all agenda notices are posted at least 24 hours before the meeting. Responsible Party is Gerald Butch Mack, Secretary 225-247-1859.

**Gas Utility District No. 1 of Livingston Parish  
Holden, Louisiana**

**Schedule of Prior Year Audit Findings  
For the Year Ended November 30, 2025**

**2024-01 Segregation of Duties**

**Condition:**

The District hires a management company to bill and collect the gas utility bills. Due to the small number of employees involved in the daily operations of the financial process there is not sufficient segregation of duties.

**Recommendation:**

We recommend that the Management Company continue to perform the following:

- Furnish the District's CPA with a monthly report of (but not limited to) Monthly Deposit Register, Billing Report, Accounts Receivables and Meter Deposit Report.

We recommend the District's Board continue to perform the following:

- Review of the District's monthly financial statements.
- The District's Board should review the monthly bank statements and related bank reconciliations (including all cancelled checks) and require that person document their review and approval of the items clearing the bank statement by initialing and dating the face of the bank statement.

We recommend the District's outside accountant continue to reconcile the Gas Utility Billings Receivable from the Utility billing software to the General Ledger and investigate any differences.

**Resolved:**

See Finding 2025-01

**2024-02 Ethics and Sexual Harassment Training**

**Condition:**

The District had one of five board members complete their required ethics training for the fiscal year. The District did not have documentation of the required sexual harassment training for any of the five board members at November 30, 2024.

**Gas Utility District No. 1 of Livingston Parish  
Holden, Louisiana**

**Schedule of Prior Year Audit Findings  
For the Year Ended November 30, 2025**

**Recommendation:**

The District should ensure all board members complete the required training during each year. The District should set a completion deadline for all board members to complete the required training.

**Resolved:**

Fully

**2024-03 Violation of Open Meetings Law**

**Condition:**

The District is not posting a public notice that should include the agenda, date, time, and place of each board meeting.

**Recommendation:**

We recommend the District post a copy of the notice at the building in which the meeting is held no less than twenty-four hours before the scheduled time of the meeting. We also recommend the District familiarize itself with the Open Meetings Law and access the Louisiana Legislative Auditor's website's Open Meeting's Law's frequently asked questions.

**Resolved:**

See Finding 2025-02

**GAS UTILITY DISTRICT NO. 1 OF LIVINGSTON PARISH  
HOLDEN, LOUISIANA**

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**STATEWIDE AGREED-UPON PROCEDURES REPORT**

Fiscal Period December 1, 2024 through November 30, 2025



**Hebert Johnson  
& Associates, Inc.**  
Certified Public Accountants

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*A Professional Accounting Corporation*

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CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

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A P R O F E S S I O N A L   A C C O U N T I N G   C O R P O R A T I O N

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
FOR THE YEAR ENDED NOVEMBER 30, 2025

To the Board of Commissioners of  
Gas Utility District No.1 of Livingston Parish  
And the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period December 1, 2024 through November 30, 2025. Gas Utility District No.1 of Livingston Parish's management is responsible for those C/C areas identified in the SAUPs.

Gas Utility District No.1 of Livingston Parish has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period December 1, 2024 through November 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***1) Written Policies and Procedures***

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
  - iii. ***Disbursements***, including processing, reviewing, and approving.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*No exceptions were found as a result of these procedures.*

## 2) *Board or Finance Committee*

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- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

**Exception:** *The District does not prepare a budget for its proprietary fund. The District board did not receive written updates of the progress of resolving findings.*

**Management's Response:** *The District approved a budget for its November 30, 2026 fiscal year. The District will provide written updates on findings going forward.*

## 3) *Bank Reconciliations*

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

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions were found as a result of these procedures.*

***4) Collections (excluding electronic funds transfers)***

*(These procedures are not required since the District has a third party contractor performing all collection functions)*

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
  - i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and
- i. Observe that receipts are sequentially pre-numbered.
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii. Trace the deposit slip total to the actual deposit per the bank statement.
  - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - v. Trace the actual deposit per the bank statement to the general ledger.

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

---

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
  - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

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

*[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]*

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
  - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

**Exception:** *The Board Treasurer initiates all purchases and signs all the checks. All disbursements matched the supporting documentation but did not include evidence of segregation of duties.*

**Management's Response:** *Due to the District not having any employees, the District allows the Board Treasurer to sign all checks. The outside accountant reconciles the bank statement. The District's Board will review the monthly financials statements.*

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

*(These procedures are not applicable to the District)*

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or

combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana ([doa.la.gov/doa/ost/ppm-49-travel-guide/](http://doa.la.gov/doa/ost/ppm-49-travel-guide/)) or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

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

*Exception: The District's travel reimbursements are not approved by someone other than the person receiving the reimbursement.*

*Management's Response: The District will begin to have travel expenses approved by someone other than the person receiving the reimbursement.*

## **8) Contracts**

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
  - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
  - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions were found as a result of these procedures.*

## **9) Payroll and Personnel**

---

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

*No exceptions were found as a result of these procedures.*

**10) Ethics**

---

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

*Exceptions: Out of the five officials selected, one of the officials did not take their ethics training.*

*Management's Response: This was an oversight.*

### ***11) Debt Service***

*(These procedures are not applicable to the District)*

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

### ***12) Fraud Notice***

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*No exceptions were found as a result of these procedures.*

### ***13) Information Technology Disaster Recovery/Business Continuity***

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

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and

observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
  - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

*We performed the procedure and discussed the results with management.*

#### ***14) Prevention of Sexual Harassment***

---

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

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

**Exception:** *Out of the five officials selected, one of the officials did not take their sexual harassment training. There was no report provided as required by R.S. 42:344.*

**Management's Responses:** *This was an oversight by management.*

We were engaged by Gas Utility District No.1 of Livingston Parish to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Gas Utility District No.1 of Livingston Parish and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

*Chris Johnson*

Hebert Johnson & Associates, Inc.  
A Professional Accounting Corporation  
Albany, Louisiana  
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