

Webster Parish Communications District

Annual Financial Statements  
For the Year Ended December 31, 2021

Webster Parish Communications District  
 Annual Financial Statements  
 For the Year Ended December 31, 2021  
 With Supplemental Information Schedules

CONTENTS

	Statement	Page
Management’s Discussion and Analysis		1
Independent Auditor’s Report		5
<u>Basic Financial Statements</u>		
Government-Wide Financial Statements:		
Statement of Net Position	A	8
Statement of Activities	B	9
Fund Financial Statements - Governmental Funds:		
Balance Sheet	C	10
Reconciliation of the Government Funds Balance Sheet to The Government-Wide Financial Statement of Net Position	D	11
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	12
Reconciliation of the Statement of Revenues, Expenditures, And Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	13
Notes to the Financial Statements		15
	Schedule	Page
<u>Other Supplemental Schedules</u>		
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	1	22
	Schedule	Page
<u>Required Supplemental Information</u>		
Budget Comparison Schedules - General Fund Notes to Budget Comparison Schedules	2	24

Table of Contents (Contd.)  
Webster Parish Communications District

Schedule Page

Required Supplemental Information

Other Reports

Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		27
Current Year Findings and Questioned Costs	3	29
Status of Prior Audit Findings	4	30
Corrective Action Plan		31

Webster Parish Communications District  
Management Discussion and Analysis  
December 31, 2021

The management of the Webster Parish Communications District (District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2021. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the District's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of District finances. It is also intended to provide readers with an analysis of the District's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the District. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The District has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34. This reporting model changes the presentation of financial data, and also the manner in which the information is recorded. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

### **Overview of the Financial Statements**

This section is intended to serve as an introduction to the District's financial statements. The District's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

#### Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" Statement of Net Position and Statement of Activities, which seek to give the user of the financial statements a broad overview of the District's financial position and results of operations in a manner similar to private sector businesses.

The statement of net position presents information on all of the District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or weakening.

The statement of activities presents information which shows how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes).

Webster Parish Communications District  
Management Discussion and Analysis  
December 31, 2021

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues; for example, the police department. Business-type activities are functions that are intended to support their costs through charges for services or fees; such as the Water and Sewer Departments.

**Government-wide Financial Analysis**

- As noted earlier, net position may, over time, serve as a useful indicator of a government’s financial position. At the close of the most recent fiscal year, the District’s assets exceeded its liabilities by \$702,570 (net position); this represents an increase of \$78,526 from the last fiscal year. Of this total net asset amount, \$555,419 is unrestricted net position. The District’s net position are comprised solely from governmental activities.

The following is a condensed statement of the District’s net position as of December 31, 2021:

	Governmental- Type Activities
<b>Assets</b>	
Current & Other Assets	\$572,079
Capital Assets (net)	147,151
<b>Total Assets</b>	<b>\$719,230</b>
<b>Liabilities</b>	
Other Liabilities	\$16,660
Long-term Liabilities	0
<b>Total Liabilities</b>	<b>16,660</b>
<b>Net Position</b>	
Invested in capital assets, net	147,151
Unrestricted	555,419
<b>Total Net Position</b>	<b>\$702,570</b>

By far the largest portion of the District’s net position \$147,151 reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.) less any related debt used to acquire those assets still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District’s capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of \$555,419 is unrestricted net position, which may be used to meet the government’s on-going obligations to citizens and creditors.

The District has total outstanding debt of \$0. Total liabilities of \$16,660 are equal to 2% of the total net position.

Webster Parish Communications District  
Management Discussion and Analysis  
December 31, 2021

The following is a summary of the statement of activities:

	Governmental-Type Activities
Revenue	
Program Revenue	\$660,882
General Revenue & Transfers	13,986
Total Revenue	674,868
Expenses	
Public Safety	563,827
Depreciation	32,515
Total Expenses	596,342
Increase (Decrease) in Net Position	78,526
Net Position, Beginning	623,339
Prior period adjustment	0
Net Position, Ending	\$701,865

#### Governmental Activities

The governmental activities of the District include Public Safety. In that, revenues normally associated with municipal operations, (e.g. property tax, franchise fees, license fees, fines, and operating grants) are sufficient for the funding of these activities.

#### Fund Financial Statements - Governmental Funds

The fund financial statements provide more detailed information about the District’s most significant funds - not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for a particular purpose.

The District currently maintains one individual governmental fund type. This fund type includes the General Fund. Information is presented separately in the Governmental Funds Balance Sheet (Statement C) and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Statements E) for the General Fund which is considered to be a major fund.

The District adopts an annual budget for the General Fund. A statement of revenues, expenditures, and changes in fund balance for the General Fund is presented in the Required Supplemental Information (Schedule 1), which compares actual revenues and expenditures to the original budget and amended budget figures.

Webster Parish Communications District  
Management Discussion and Analysis  
December 31, 2021

#### Financial Analysis of the District's Governmental Fund

The District's governmental fund (General Fund) reported an ending fund balance of \$558,945, which is an increase of \$96,946. This increase is caused by an increase in revenue from the previous year, while expenditures also decreased in the current year.

#### General Fund Budgetary Highlights

The District did amend its original General Fund budget during the year.

Budgeted revenues did not exceed actual revenues by more than 5%. Actual expenditures did not exceed budgeted expenditures by more than 5%.

#### Capital Asset and Debt Administration

The total investment in net capital assets as of December 31, 2021 is \$147,151.

There were \$13,952 capital assets purchased in fiscal 2021.

#### Current Financial Factors

The District is not currently working on any projects.

#### Requests for Information

This financial report is designed to provide a general overview of the District's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director, 410 Main St, Minden, LA 71055.

**WADE & PERRY**  
Certified Public Accountants  
A Professional Accounting Corporation  
Members: AICPA/ Society of LCPA's

Independent Auditor's Report

Webster Parish Communications District  
Minden, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Webster Parish Communications District ("District"), 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 as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 4 and 24 through 25 be presented to supplement the basic financial statements. Such 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. 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, the basic financial statements, and other knowledge we obtained during our audit 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation paid elected officials and schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation paid elected officials and schedule of compensation, benefits, and other payments to agency head are 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. Such 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 Schedule of compensation paid elected officials and schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated July 19, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and

compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Wade S. Perry*

Ruston, Louisiana

July 19, 2022

Webster Parish Communications District  
Statement of Net Position  
December 31, 2021

ASSETS		
Cash and equivalents		\$126,530
Investments		277,573
Receivables		130,072
Prepaid items		37,904
Capital assets (net)		<u>147,151</u>
TOTAL ASSETS		<u><u>\$719,230</u></u>
LIABILITIES		
Accounts, salaries, and other payables		\$956
Accrued payroll liabilities		<u>15,704</u>
TOTAL LIABILITIES		<u>16,660</u>
NET POSITION		
Prior Period Adjustment		0
Net investment in capital assets		147,151
Unrestricted		<u>555,419</u>
TOTAL NET POSITION		<u><u>\$702,570</u></u>

The accompanying notes are an integral part of this statement.

Webster Parish Communications District  
Statement of Activities  
Year Ended December 31, 2021

	Program Revenues			Net (Expenses) Revenues and Changes of Primary Government
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental-type activities				
E911	\$563,122	\$660,882		\$97,760
Depreciation	<u>32,515</u>			<u>(32,515)</u>
Total governmental-type activities	<u>595,637</u>	<u>660,882</u>	<u>0</u>	<u>65,245</u>
Total primary government	<u>\$595,637</u>	<u>\$660,882</u>	<u>\$0</u>	<u>\$65,245</u>
General revenues:				
Investment earnings				2,457
Other general revenues				7,362
Gain (loss) on disposal of assets				<u>4,167</u>
Total general revenues and transfers				<u>13,986</u>
Change in Net Position				79,231
Net Position - beginning				623,339
Prior Period Adjustment				<u>0</u>
Net Position - ending				<u>\$702,570</u>

The accompanying notes are an integral part of this statement.

Webster Parish Communications District  
 Balance Sheet, General Fund  
 December 31, 2021

ASSETS		
Cash and cash equivalents		\$126,530
Investments		277,573
Receivables		130,072
Prepaid assets		<u>37,904</u>
TOTAL ASSETS		<u><u>\$572,079</u></u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts, salaries, and other payables		\$956
Accrued payroll liabilities		<u>12,178</u>
Total liabilities		<u>13,134</u>
Fund balances:		
Restricted		0
Unassigned		<u>558,945</u>
TOTAL LIABILITIES AND FUND BALANCES		<u><u>\$572,079</u></u>

The accompanying notes are an integral part of this statement.

Webster Parish Communications District  
 Reconciliation of The Governmental Funds Balance Sheet  
 to The Government-Wide Financial Statement of Net Position  
 December 31, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Fund balances, Total governmental funds (Statement C)		\$558,945
Receivables which are not available to pay for current period expenditures and therefore are unavailable in the funds		0
Some liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Compensated absences		(3,526)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	542,879	
Less accumulated depreciation	<u>(395,728)</u>	<u>147,151</u>
Total Net Position of Governmental Activities (Statement A)		<u><u>\$702,570</u></u>

The accompanying notes are an integral part of this statement.

Webster Parish Communications District  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - General Fund  
For the Year Ended December 31, 2021

REVENUES	
Fees and surcharges	\$568,205
State prepaid fees	92,677
Grant	0
Miscellaneous revenues	7,362
Use of money and property	2,457
Total Revenues	<u>670,701</u>
EXPENDITURES	
Public safety:	
Personnel services	350,240
Operating services	213,769
Travel & meetings	36
Capital outlay	13,952
Total Expenditures	<u>577,997</u>
Excess (Deficiency) of Revenues over Expenditures	92,704
OTHER FINANCING SOURCES (USES)	
Operating transfers in	0
Operating transfers out	0
Sale of Asset	4,242
Total Other Financing Sources (Uses)	<u>4,242</u>
Net Change in Fund Balances	96,946
Fund Balances – beginning	461,999
Prior period adjustment	0
Fund Balances – ending	<u><u>\$558,945</u></u>

The accompanying notes are an integral part of this statement.

Webster Parish Communications District  
 Reconciliation of The Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended December 31, 2021

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net Change in Fund Balances, Total governmental funds (Statement E)	\$96,946
Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the Statement of Activities	0
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported in the governmental funds	218
Governmental funds are not required to report gain or loss on disposal of assets. This is the amount of gain (loss) on capital asset disposals during the year.	(75)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$13,952) exceeded depreciation (\$32,515) in the current period.	<u>(18,563)</u>
Change in Net Position of Governmental Activities, (Statement B)	<u>\$78,526</u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

Webster Parish Communications District  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

## INTRODUCTION

The Webster Parish Communications District (“District”) was organized in 1990 to establish and provide E-911 emergency services to the residents of Webster parish. The District has seven commissioners comprising the board who are appointed by the Webster Parish Police Jury, including 3 “civilians”, 1 from the police sector, 1 from fire sector, and 1 from emergency medicine (hospital/ambulance). The District serves approximately 40,000 residents.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In June, 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District’s activities, including infrastructure (if any).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

#### A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the statement of changes in Net Position) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charge to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Webster Parish Communications District  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund. The General fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policy.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Webster Parish Communications District  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

C. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the District are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

D. Restricted Assets

Certain proceeds of the District's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants.

E. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of the asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Straight line depreciation is used based on the same estimated useful lives listed below for the Webster Parish Police Jury.

<u>Description</u>	<u>Estimated Lives</u>
Buildings	20-40 years
Furniture and equipment	5-10 years
Vehicles	5 years

F. Compensated Absences

All full-time employees of the district earn 4 days (48 hours) of vacation leave after one full year of service, and seven days (84 hours) of vacation leave after three years of service. Full-time employees earn 1 day (8 hours) of sick leave for each month of continuous employment but have a maximum limit of forty-five days of sick leave. Employees may not carry forward accrued vacation time but may carry forward sick leave. Part-time employees are not eligible for vacation or sick leave. Upon separation of employment, employees are paid for accrued vacation leave but not paid for sick leave.

G. Fund Equity

In the government wide statements, equity is classified as Net Position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

Webster Parish Communications District  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from the estimates.

2. CASH AND CASH EQUIVALENTS

At December 31, 2021, the District has cash and cash equivalents (book balances) totaling \$240,794 as follows:

Demand deposits	\$108,594
Interest-bearing demand deposits	17,936
Time deposits	<u>114,264</u>
Total	<u>\$240,794</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2021, the District has \$242,660 in deposits (collected bank balances). These deposits are secured from risk by \$242,660 of federal deposit insurance and \$0 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

3. INVESTMENTS

Investments held at the District consist of \$163,309 (current assets) in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Cod Sec. I50.126, the investment in LAMP at the District is not categorized in the three risk categories provided by GASB Cod Sec. I50.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-

Webster Parish Communications District  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

#### 4. RECEIVABLES

The receivables of \$130,072 at December 31, 2021, are as follows:

Fees and surcharges	\$108,706
State prepaid fees	<u>21,366</u>
Total	<u><u>\$130,072</u></u>

#### 5. CAPITAL ASSETS

The following presents the changes in capital assets for the year ended December 31, 2021:

Balance, January 1, 2021	\$596,622
Additions	13,952
Deletions	<u>(67,695)</u>
Balance, December 31, 2021	542,879
Less accumulated depreciation	<u>(395,728)</u>
Net capital assets	<u><u>\$147,151</u></u>

Webster Parish Communications District  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

6. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$956 at December 31, 2021, are as follows:

Accounts	\$301
Credit card liability	<u>655</u>
Total	<u><u>\$956</u></u>

7. LEASES

In January, 2018, the District entered into a 12-month lease for the building located at 303 Green Street. The lease requires 12 monthly payments of \$1,750 each beginning in January, 2018, with renewal options for additional periods of one (1) year after said initial term. Rental expenses were \$14,000 for the year ended December 31, 2021. The District cancelled this lease and moved into the courthouse starting September, 2021.

8. LITIGATION AND CLAIMS

The District is not involved in any litigation at December 31, 2021, nor is it aware of any unasserted claims.

9. DATE OF MANAGEMENT REVIEW

Subsequent events have been evaluated through July 19, 2022, the date which the financial statements were available to be issued.

OTHER SUPPLEMENTAL SCHEDULES

Webster Parish Communications District  
Schedule of Compensation, Benefits and Other Payments  
to Agency Head  
For the Year Ended December 31, 2021

Schedule I

Agency Head Name: Angie Chapman

Purpose	
Salary	\$43,847
Benefits-insurance	23,363
Benefits-retirement	1,315
Benefits-medicare	559
Benefits-social security	2,392
Cell phone	647
Membership Dues	431
	<u>\$72,554</u>

REQUIRED SUPPLEMENTAL INFORMATION

Webster Parish Communications District  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balances - Budget and Actual (Cash basis)  
 For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts Cash Basis</u>	<u>Favorable (Unfavorable) Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Program revenues:				
Fees and surcharges	\$495,000	\$525,306	\$538,897	\$13,591
State prepaid fees	112,978	120,830	95,359	(25,471)
Miscellaneous revenues	8,848	5,530	11,280	5,750
Use of money & property	1,577	225	2,457	2,232
Total Revenues	<u>618,403</u>	<u>651,891</u>	<u>647,993</u>	<u>(3,898)</u>
<b>EXPENDITURES</b>				
Public safety:				
Personnel services	382,500	375,000	350,455	24,545
Operating services	184,983	219,005	194,326	24,679
Travel and other charges	1,800	350	36	314
Capital outlay			13,952	(13,952)
Contract Services	49,120	42,120	34,425	7,695
Total Expenditures	<u>618,403</u>	<u>636,475</u>	<u>593,194</u>	<u>43,281</u>
Excess (Deficiency) of Revenues over (under) Expenditures	0	15,416	54,799	39,383
Other financing sources (uses)				
Sale of assets			4,242	4,242
Total other financing sources (uses)	0	0	4,242	4,242
Excess (deficiency) of revenues and other sources over (under) expenditures	0	15,416	59,041	43,625
Fund Balance (Deficit) at Beginning of Year	0	0	344,406	344,406
Fund Balance (Deficit) at End of Year	<u>\$0</u>	<u>\$15,416</u>	<u>\$403,447</u>	<u>\$388,031</u>

## Notes to the Schedule

(1) method of budgetary accounting - non-GAAP

Webster Parish Communications District  
Notes to the Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Non-GAAP)  
For the Year Ended December 31, 2021

NOTE A - BUDGETARY POLICIES

The proposed budget for the General Fund, prepared on the cash basis of accounting, is published in the official journal at least ten days prior to the public hearing and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. A public hearing is held at the District's office for comments from taxpayers. The budget is then legally adopted by the District and amended during the year, as necessary. The budget is established and controlled by the District at the object level of expenditure. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended. All changes in the budget must be approved by the District.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the budget comparison accompanying the financial statements include the original adopted budget amount and all subsequent amendments. Encumbrance accounting is not used by the District.

NOTE B – EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

Source/inflows of resources

Actual amounts (budgetary basis) "Total Revenues" from Schedule 1.	\$647,993
--	-----------

Differences - budget to GAAP:

The District budgets for property tax revenue only to the extent expected to be received, rather than on the modified accrual basis.	<u>22,708</u>
--	---------------

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u><u>\$670,701</u></u>
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Uses/outflows of resources

Actual amounts (budgetary basis) "Total Expenditures" from the Schedule 1.	\$593,194
--	-----------

Differences - budget to GAAP:

The District budgets for operating expenditures only to the extent expected to be paid, rather than on the modified accrual basis.	<u>(15,197)</u>
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Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u><u>\$577,997</u></u>
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## OTHER REPORTS

**WADE & PERRY**  
Certified Public Accountants  
A Professional Accounting Corporation  
Members: AICPA/ Society of LCPA's

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

Independent Auditor's Report

Board of Commissioners  
Webster Parish Communications District  
Minden, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities of Webster Parish Communications District ("District") 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 July 19, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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.

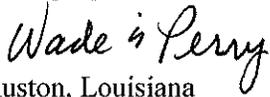
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 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 determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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.



Ruston, Louisiana

July 19, 2022

Webster Parish Communications District  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2021

**A. Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on the general purpose financial statements of the Webster Parish Communications District.
2. No instances of noncompliance material to the financial statements of the Webster Parish Communications District were disclosed during the audit.
3. One significant deficiency relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

**B. Financial Statements Findings**

2021-01. Inadequate internal controls for disbursements

Condition: One timesheet did not agree to the amount of hours paid. The direct deposit payroll had already been submitted to the financial institution when the error was noticed. The paycheck was changed in the general ledger but was not voided and resubmitted to the financial institution or changed on the subsequent paycheck. Two disbursements did not agree to the invoices but the balance on account was subsequently corrected.

Criteria: Procedures should be set up direct deposit payroll and check signers should make sure check amounts agree to the supporting invoices.

Cause: Internal controls should be set up for all areas.

Effect: Internal control violation and potential errors in payroll and non-payroll disbursements.

Recommendation: We recommend the District implement a system of checks and balances and maintain adequate support for all disbursements in a central location.

Webster Parish Communications District  
Summary of Prior Year Findings  
For the Year Ended December 31, 2021

**A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

None

**B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

None

**C. MANAGEMENT LETTER**

None

Webster Parish Communications District  
410 Main Street  
Minden, LA 71055

CORRECTIVE ACTION PLAN  
For the Year Ended December 31, 2021

Webster Parish Communications District hereby submits the following corrective action plan as referenced in the Findings and Questioned Costs:

- 2021-01. Management agrees with the recommendations and intends to implement them immediately. Management will establish procedures to implement a review process to improve internal controls.

# WADE & PERRY

Certified Public Accountants  
A Professional Accounting Corporation  
Members: AICPA/ Society of LCPA's

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Webster Parish E911 Communications District (District) and the Louisiana Legislative Auditor:

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

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

### ***Written Policies and Procedures***

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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:<sup>1</sup>
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - 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.
  - c) ***Disbursements***, including processing, reviewing, and approving.

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<sup>1</sup> For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

- d) **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).
- 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.
- 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.
- 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).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics<sup>2</sup>**, 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained and address the functions noted above. Written policies and procedures are not complete for purchasing, contracting, credit cards, travel and expense reimbursement, ethics, debt service, and disaster recover/business continuity.

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<sup>2</sup> The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

### ***Board or Finance Committee<sup>3</sup>***

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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, bylaws, or other equivalent document.

No exceptions.
  - 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<sup>4</sup>, and semi-annual budget- to-actual, at a minimum, on all special revenue funds<sup>7</sup>. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds<sup>5</sup> if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions.
  - 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 unassigned fund balance in the general fund.

No exceptions.

### ***Bank Reconciliations***

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3. 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<sup>6</sup> (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:

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<sup>3</sup> These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

<sup>4</sup> Proprietary and special revenue funds are defined under GASB standards. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary and special revenue operations that are not required to be budgeted under the Local Government Budget Act.

<sup>5</sup> R.S. 24:513 (A)(1)(b)(iv) defines public funds.

<sup>6</sup> Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

- a) 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);

No exceptions

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

No exceptions

- c) 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 evidence supports the District has researched reconciling items older than 12 months.

#### *Collections (excluding electronic funds transfers)*<sup>7</sup>

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- 4. Obtain a listing of deposit sites<sup>8</sup> 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).

*Management represented the list obtained was complete.*

- 5. For each deposit site selected, obtain a listing of collection locations<sup>9</sup> and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

No exceptions

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

No exceptions

- 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.

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<sup>7</sup> The Collections category is not required to be tested if the entity has a third party contractor performing all collection functions (i.e., receiving collections, preparing deposits, and making deposits).

<sup>8</sup> A deposit site is a physical location where a deposit is prepared and reconciled.

<sup>9</sup> A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office.

No exceptions.

- 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/official verifies the reconciliation.

No exceptions

- 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.

No exceptions

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

No exceptions.

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

No exceptions

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

No exceptions

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

No exceptions

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

No exceptions

***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. Randomly select 5 locations (or all locations if less than 5).

Management represented the list obtained was complete.

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 (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

No exceptions

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

No exceptions

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

No exceptions

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.

No exceptions

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

10. For each location selected under #8 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:

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

No exceptions

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

No exceptions

### ***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<sup>10</sup>. Obtain management's representation that the listing is complete.

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<sup>10</sup> Including cards used by school staff for either school operations or student activity fund operations.

Management represented the list obtained was complete.

12. 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., original 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]  
  
No exceptions.
  - b) Observe that finance charges and late fees were not assessed on the selected statements.  
  
No exceptions

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing)<sup>11</sup>. For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.
  - (1) No exceptions
  - (2) No exceptions
  - (3) No exceptions

#### ***Travel and Travel-Related Expense Reimbursements<sup>12</sup> (excluding card transactions)***

---

14. 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, 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:

Management represented the list obtained was complete.

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

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<sup>11</sup> For example, if 3 of the 5 cards selected were fuel cards, only 10 transactions would be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #12 were fuel cards, Procedure #13 would not be applicable.

<sup>12</sup> Non-travel reimbursements are not required to be tested under this category.

No exceptions

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

No exceptions.

- c) Observe 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 (procedure #1h).

No exceptions

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

No exceptions.

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

Management represented the list obtained was complete.

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law<sup>13</sup> (e.g., solicited quotes or bids, advertised), if required by law.

Not applicable

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

Two of 5 contracts had no mention of being approved in the minutes.

- c) If the contract was amended (e.g., change order), observe 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, was approval documented).

Not applicable

- d) 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 the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions

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<sup>13</sup> If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

## *Payroll and Personnel*

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16. Obtain a listing of employees and officials<sup>14</sup> 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.

Management represented the list obtained was complete.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials<sup>15</sup> documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions

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

No exceptions

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

No exceptions

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

No exceptions

18. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

No exceptions

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.

No exceptions

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<sup>14</sup> "Officials" would include those elected, as well as board members who are appointed.

<sup>15</sup> "Officials" would include those elected, as well as board members who are appointed.

### *Ethics*<sup>16</sup>

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20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions.

- 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.

No exceptions

### *Debt Service*<sup>17</sup>

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21. 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 State Bond Commission approval was obtained for each debt instrument issued.

Not applicable

22. 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).

Not applicable.

### *Fraud Notice*

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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.

Management represented the list obtained is complete.

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<sup>16</sup> The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the procedures should be performed.

<sup>17</sup> This AUP category is generally not applicable to nonprofit entities; however, if applicable, the procedures should be performed.

24. Observe the entity has posted, on its premises<sup>18</sup> and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.<sup>19</sup>

No exceptions.

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

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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.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

### ***Sexual Harassment***<sup>20</sup>

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26. Using the 5 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.

No exceptions.

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<sup>18</sup> Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

<sup>19</sup> This notice is available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline).

<sup>20</sup> A private non-profit that is subject to audit by virtue of the receipt of public funds does not appear to be subject to the sexual harassment law, R.S. 42:341, et seq. However, the non-profit could be subject to the law as part of its agreement to receive the public funds.

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

No exceptions.

28. 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;

18; 100%.

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

Zero

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

Zero

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

Zero

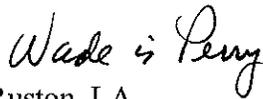
e) Amount of time it took to resolve each complaint.

Not applicable

We were engaged by Webster Parish E911 Communications District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Webster Parish E911 Communications District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Ruston, LA  
July 19, 2022