

Financial Report

*Lafourche Parish Communications District
Raceland, Louisiana*

December 31, 2025 and 2024



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FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

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

Opinion

We have audited the accompanying financial statements of the business-type activities of the Lafourche Parish Communications District (the “District”), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of December 31, 2025 and 2024, and the respective changes in net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

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

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

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information beginning on page 23 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Status of Implementation of Wireless E911 Service and Schedules of Revenues Derived from the Wireless E911 Service Charge and the Use of Such Revenues, Schedules 1 and 2 on pages 23 through 25, have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2026 on our consideration of the Lafourche Parish Communications District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Certified Public Accountants.

Houma, Louisiana,
March 31, 2026.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Lafourche Parish Communications District Raceland, Louisiana

December 31, 2025 and 2024

The Management’s Discussion and Analysis of the Lafourche Parish Communications District’s (the “District”) financial performance presents a narrative overview and analysis of the District’s financial activities for the years ended December 31, 2025 and 2024. This document focuses on the current year’s activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements which follow in this section.

FINANCIAL HIGHLIGHTS

The District’s assets exceeded its liabilities as of December 31, 2025 and 2024 by \$2,701,997 and \$2,857,456 (net position), respectively, which represents a decrease of 5.44% and 4.02% from the prior fiscal years.

The District’s total revenues increased by \$25,643 (or 1.43%) for year ended December 31, 2025 and increased by \$61,030 (or 3.53%) for the year ended December 31, 2024.

The District’s total expenses increased for the year ended December 31, 2025 by \$61,526 (or 3.23%) primarily due to increases in other services and charges and repairs and maintenance. The District’s expenses decreased by \$18,699 (or 0.97%) for the year ended December 31, 2024 primarily due to decreases in other services and charges and repairs and maintenance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

REQUIRED FINANCIAL STATEMENTS

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

FINANCIAL ANALYSIS OF THE DISTRICT

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

NET POSITION

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2025 and 2024, assets exceeded liabilities by \$2,701,997 and \$2,857,456, respectively. A significant portion of the District's net position (91.29%) as of December 31, 2025 and (91.46%) as of December 31, 2024 reflects its investment in capital assets (e.g., building and improvements; office furniture, fixtures and equipment; machinery and equipment) net of related debt. Consequently, these assets are not available for future spending.

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

	December 31,		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 285,764	\$ 318,609	\$ 312,245
Capital assets	<u>2,526,571</u>	<u>2,743,235</u>	<u>2,920,564</u>
Total assets	<u>2,812,335</u>	<u>3,061,844</u>	<u>3,232,809</u>
Long-term liabilities			
outstanding	60,000	130,000	200,000
Other liabilities	<u>50,338</u>	<u>74,388</u>	<u>55,777</u>
Total liabilities	<u>110,338</u>	<u>204,388</u>	<u>255,777</u>
Net position:			
Net investment in capital			
assets	2,466,571	2,613,235	2,720,564
Unrestricted	<u>235,426</u>	<u>244,221</u>	<u>256,468</u>
Total net position	<u>\$ 2,701,997</u>	<u>\$ 2,857,456</u>	<u>\$ 2,977,032</u>

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

	For the years ended December 31,			Percent Change	
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2025-2024</u>	<u>2024-2023</u>
Operating revenues	\$ 1,812,234	\$ 1,786,048	\$ 1,723,312	1.47%	3.64%
Non-operating revenues	<u>1,132</u>	<u>1,675</u>	<u>3,381</u>	-32.42%	-50.46%
Total revenues	<u>1,813,366</u>	<u>1,787,723</u>	<u>1,726,693</u>	1.43%	3.53%
Depreciation expense	217,822	215,933	216,972	0.87%	-0.48%
Other operating expense	1,747,643	1,682,423	1,701,117	3.88%	-1.10%
Non-operating expense	<u>3,360</u>	<u>8,943</u>	<u>7,909</u>	-62.43%	13.07%
Total expenses	<u>1,968,825</u>	<u>1,907,299</u>	<u>1,925,998</u>	3.23%	-0.97%
Decrease in net position	(155,459)	(119,576)	(199,305)	30.01%	-40.00%
Net position beginning of year	<u>2,857,456</u>	<u>2,977,032</u>	<u>3,176,337</u>	-4.02%	-6.27%
Net position end of year	<u>\$ 2,701,997</u>	<u>\$ 2,857,456</u>	<u>\$ 2,977,032</u>	-5.44%	-4.02%

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

During fiscal year 2025, repairs and maintenance increased by \$71,111 from 2024 due to more equipment maintenance needed during the year. There was a \$48,293 decrease in personal services expenditures due to there being fewer employees during the year and due to lower monthly health insurance premiums.

NET POSITION (Continued)

During fiscal year 2024, charges for services increased by \$59,254 from 2023 due to new customers receiving emergency 911 services. There was a \$15,924 decrease in other services and charges expenditures mostly due to a decrease in maintenance contracts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District's investment in capital assets as of December 31, 2025, 2024, and 2023 amounts to \$2,526,571, \$2,743,235, and \$2,920,564, respectively (net of accumulated depreciation). This investment includes construction in progress, building, office furniture, equipment, and fixtures, machinery and equipment, and other capital assets.

	<u>December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Capital Assets			
Building	\$ 3,329,120	\$ 3,329,120	\$ 3,329,120
Office furniture, equipment and fixtures	166,306	165,148	165,148
Machinery and equipment	1,236,551	1,236,551	1,197,947
Other	125,164	125,164	125,164
	<u>4,857,141</u>	<u>4,855,983</u>	<u>4,817,379</u>
Less: accumulated depreciation	<u>(2,330,570)</u>	<u>(2,112,748)</u>	<u>(1,896,815)</u>
Totals	<u>\$ 2,526,571</u>	<u>\$ 2,743,235</u>	<u>\$ 2,920,564</u>

Major capital asset events during 2025 included the following:

- Machinery and equipment purchase of a laptop.

Major capital asset events during 2024 included the following:

- Machinery and equipment purchase of desktop computer monitors, software, an access control system, and Microsoft Windows server kits.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Long-Term Debt

Long-term debt outstanding consists of special revenue bonds. As of December 31, 2025, the District had \$60,000 in special revenue bonds outstanding as compared to \$130,000 in the prior year which is a decrease of \$70,000, the amount of principal payment on the 2016 outstanding bonds. As of December 31, 2024, the District had \$130,000 in special revenue bonds outstanding as compared to \$200,000 in the prior year which is a decrease of \$70,000, the amount of principal payments on the 2016 outstanding bonds. More detailed information about the District's long-term debt is presented in Note 5, Exhibit D of this report.

ECONOMIC FACTORS AFFECTING NEXT YEAR'S BUDGET

The District is not required by state law to prepare a budget, however a budget is completed for bond indenture purposes. When setting the 2026 budget, the District's Board of Commissioners and management considered many factors such as anticipated revenues and costs of operations.

REQUESTS FOR INFORMATION

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

STATEMENTS OF NET POSITION**Lafourche Parish Communications District**

Raceland, Louisiana

December 31, 2025 and 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Current		
Cash and cash equivalents	\$ 40,279	\$ 85,188
Accounts receivable	234,565	228,884
Prepaid maintenance	<u>10,920</u>	<u>4,537</u>
Total current assets	285,764	318,609
Capital Assets		
Depreciable, net	<u>2,526,571</u>	<u>2,743,235</u>
Total assets	<u>2,812,335</u>	<u>3,061,844</u>

LIABILITIES

Current		
Accounts payable and accrued expenses	50,338	74,388
Bonds payable within one year	<u>60,000</u>	<u>70,000</u>
Total current liabilities	<u>110,338</u>	<u>144,388</u>
Long-term		
Bonds payable after one year	<u>-</u>	<u>60,000</u>
Total liabilities	<u>110,338</u>	<u>204,388</u>

NET POSITION

Net Position		
Net investment in capital assets	2,466,571	2,613,235
Unrestricted	<u>235,426</u>	<u>244,221</u>
Total net position	<u>\$ 2,701,997</u>	<u>\$ 2,857,456</u>

See notes to financial statements.

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

Lafourche Parish Communications District
Raceland, Louisiana

For the years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Charges for services	\$ 1,806,188	\$ 1,780,464
Other operating revenues	<u>6,046</u>	<u>5,584</u>
Total operating revenues	<u>1,812,234</u>	<u>1,786,048</u>
OPERATING EXPENSES		
Personal services	822,123	870,416
Supplies and materials	8,637	13,074
Other services and charges	761,202	714,363
Repairs and maintenance	155,681	84,570
Depreciation	<u>217,822</u>	<u>215,933</u>
Total operating expenses	<u>1,965,465</u>	<u>1,898,356</u>
Operating loss	<u>(153,231)</u>	<u>(112,308)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	1,132	1,675
Interest expense	<u>(3,360)</u>	<u>(8,943)</u>
Non-operating revenues (expenses), net	<u>(2,228)</u>	<u>(7,268)</u>
CHANGE IN NET POSITION	<u>(155,459)</u>	<u>(119,576)</u>
NET POSITION		
Beginning of year	<u>2,857,456</u>	<u>2,977,032</u>
End of year	<u><u>\$ 2,701,997</u></u>	<u><u>\$ 2,857,456</u></u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS**Lafourche Parish Communications District**
Raceland, Louisiana

For the years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,806,553	\$ 1,773,460
Cash payments to suppliers for goods and services	(953,334)	(785,203)
Cash payments to employees for services and benefits	<u>(823,983)</u>	<u>(869,392)</u>
Net cash provided by operating activities	<u>29,236</u>	<u>118,865</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,158)	(38,604)
Principal paid on outstanding debt	(70,000)	(70,000)
Interest paid on outstanding debt	<u>(4,119)</u>	<u>(9,701)</u>
Net cash used in capital and related financing activities	<u>(75,277)</u>	<u>(118,305)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>1,132</u>	<u>1,675</u>
Net increase (decrease) in cash and cash equivalents	(44,909)	2,235
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>85,188</u>	<u>82,953</u>
End of year	<u>\$ 40,279</u>	<u>\$ 85,188</u>

	2025	2024
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	\$ (153,231)	\$ (112,308)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	217,822	215,933
Decrease (increase) in assets:		
Accounts receivable	(5,681)	(12,588)
Prepaid maintenance	(6,383)	8,459
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(23,291)	19,369
Total adjustments	182,467	231,173
Net cash provided by operating activities	\$ 29,236	\$ 118,865

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Lafourche Parish Communications District**
Raceland, Louisiana

December 31, 2025 and 2024

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Nature of Activities

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

b) Reporting Entity

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

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

c) Method of Accounting

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Method of Accounting (Continued)

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There were no restricted balances as of December 31, 2025 and 2024.
- Unrestricted - This component of net position consists of resources that do not meet the definition of “restricted” or “net investment in capital assets”.

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

d) Use of Estimates

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

e) Cash and Cash Equivalents

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

f) Accounts Receivable

The financial statements of the District contain no allowance for uncollectible accounts receivable. Management believes that accounts receivable as of December 31, 2025 and 2024 are collectible and an allowance for doubtful accounts is not necessary.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Prepaid Maintenance

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

h) Capital Assets

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

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

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

i) Vacation and Sick Leave

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

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

Vacation must be used by the end of the year. Unused vacation is paid to employees upon termination of employment; unused sick leave is not paid. Sick leave does accumulate however; unused leave cannot exceed 240 hours. The accumulated balance of unpaid vacation leave as of December 31, 2025 and 2024 was \$22,161 and \$23,143, respectively, and is included in accounts payable and accrued expenses on the Statements of Net Position.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Revenues and Expenses

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

When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the District's policy to apply those expenses to restricted assets to the extent such are available and then to unrestricted net position. As of December 31, 2025 and 2024, the District had no restricted net position.

k) New GASB Statements

During the year ending December 31, 2025, the District implemented the following GASB Statements:

Statement No. 102, "*Certain Risk Disclosures*" defines concentrations and constraints. The Statement also requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This Statement did not have a material affect on the financial statements.

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

Statement No. 103, "*Financial Reporting Model Improvements*" provides objectives to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) New GASB Statements (Continued)

Statement No. 104, “*Disclosure of Certain Capital Assets*” provides users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in Statement No. 87, and intangible right-to-use assets recognized in accordance with Statement No. 94, should be disclosed separately by major class of underlying asset in the capital asset note disclosure. Subscription assets recognized in accordance with Statement No. 96 also should be separately disclosed. This Statement also requires additional disclosure for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 105, “*Subsequent Events*” The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Subsequent Events

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through March 31, 2026, which is the date the financial statements were available to be issued.

Note 2 - DEPOSITS

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

Bank Deposits:

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

The balances of deposits for bank balances and reported amounts as of December 31, 2025 and 2024 are as follows:

	2025		2024	
	Bank Balances	Report Amount	Bank Balances	Report Amount
Cash	\$ 56,918	\$ 40,279	\$ 74,151	\$ 85,188

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk, which complies with state law. As of December 31, 2025, none of the District's bank balances of \$56,918 was exposed to custodial credit risk. These deposits were insured with FDIC insurance.

Note 3 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025
Capital assets being depreciated:				
Building and improvements	\$ 3,329,120	\$ -	\$ -	\$ 3,329,120
Office furniture, equipment, and fixtures	165,148	1,158	-	166,306
Machinery and equipment	1,236,551	-	-	1,236,551
Other	125,164	-	-	125,164
	<u>4,855,983</u>	<u>1,158</u>	<u>-</u>	<u>4,857,141</u>
Total capital assets being depreciated				
Less accumulated depreciation for:				
Building and improvements	(1,111,167)	(83,851)	-	(1,195,018)
Office furniture, equipment, and fixtures	(154,541)	(7,099)	-	(161,640)
Machinery and equipment	(728,061)	(122,233)	-	(850,294)
Other	(118,979)	(4,639)	-	(123,618)
	<u>(2,112,748)</u>	<u>(217,822)</u>	<u>-</u>	<u>(2,330,570)</u>
Total accumulated depreciation				
Total capital assets being depreciated, net	<u>\$ 2,743,235</u>	<u>\$ (216,664)</u>	<u>\$ -</u>	<u>\$ 2,526,571</u>

Note 3 - CHANGES IN CAPITAL ASSETS (Continued)

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024
Capital assets being depreciated:				
Building and improvements	\$ 3,329,120	\$ -	\$ -	\$ 3,329,120
Office furniture, equipment, and fixtures	165,148	-	-	165,148
Machinery and equipment	1,197,947	38,604	-	1,236,551
Other	125,164	-	-	125,164
Total capital assets being depreciated	<u>4,817,379</u>	<u>38,604</u>	<u>-</u>	<u>4,855,983</u>
Less accumulated depreciation for:				
Building and improvements	(1,027,015)	(84,152)	-	(1,111,167)
Office furniture, equipment, and fixtures	(147,401)	(7,140)	-	(154,541)
Machinery and equipment	(608,059)	(120,002)	-	(728,061)
Other	(114,340)	(4,639)	-	(118,979)
Total accumulated depreciation	<u>(1,896,815)</u>	<u>(215,933)</u>	<u>-</u>	<u>(2,112,748)</u>
Total capital assets being depreciated, net	<u>\$ 2,920,564</u>	<u>\$ (177,329)</u>	<u>\$ -</u>	<u>\$ 2,743,235</u>

Note 4 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of December 31, 2025 and 2024 consisted of the following:

	2025	2024
Accounts payable	\$ 11,972	\$ 33,403
Payroll and related expenses	37,608	39,468
Interest on long-term debt	758	1,517
Totals	<u>\$ 50,338</u>	<u>\$ 74,388</u>

Note 5 - LONG-TERM DEBT

On September 23, 2016, the District issued \$600,000 of Special Revenue Bonds, Series 2016. The serial bonds carry interest rates of 3.25% and are repayable through September 1, 2026 primarily from charges for services. Charges for services, \$1,806,188 for the year ended December 31, 2025, are pledged for payment of the bonds.

The following is a summary of the bond transactions of the District for the years ended December 31, 2025 and 2024:

	2025	2024
Bonds payable, beginning of year	\$ 130,000	\$ 200,000
Bonds retired	(70,000)	(70,000)
Bonds payable, end of year	\$ 60,000	\$ 130,000

The annual requirements to amortize all long-term debt outstanding as of December 31, 2025 are as follows:

Year	Principal	Interest	Total
2026	\$ 60,000	\$ 2,275	\$ 62,275

Note 6 - RISK MANAGEMENT

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

Note 7 - EMPLOYEE RETIREMENT PLAN

The District contributes to a Simple IRA Group Plan (the "Plan"), a defined contribution pension plan, for its full-time employees. The Plan is administered by America Funds. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the District's Board of Directors. For each employee in the Plan, the District is required to make matching contributions, up to 3% of annual salary to an individual employee account. Employees are permitted to make contributions to the Plan, up to the applicable Internal Revenue Code limits, \$16,500 for 2025 and \$16,000 for 2024. For the years ended December 31, 2025 and 2024, employee contributions totaled \$29,133 and \$26,858, respectively, and the District recognized pension expense of \$12,740 and \$13,600, respectively.

Note 7 - EMPLOYEE RETIREMENT PLAN (Continued)

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

As of December 31, 2025 and 2024, the District did not report a liability to the Plan.

Note 8 - COMMITMENTS

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

The District implemented the rulings and has begun collecting the service charges from all providers effective January 1, 2000. Proceeds from the consumer service charges for the years ended December 31, 2025 and 2024 were \$1,238,643 and \$1,316,461, respectively. These consumer charges shall be used for the payment of District costs associated with system implementation.

Note 9 - COMPENSATION OF BOARD OF COMMISSIONERS

No compensation was paid to members of the Board of Commissioners for the years ended December 31, 2025 and 2024.

SUPPLEMENTARY INFORMATION SECTION

STATUS OF IMPLEMENTATION OF WIRELESS E911 SERVICE**Lafourche Parish Communications District**

Raceland, Louisiana

December 31, 2025

(Unaudited)

The Louisiana State Legislature has enacted Act 665 (the “Act”), to amend and reenact Louisiana Revised Statutes 33:9101, 9102, 9103, 9105, 9106, and 9109 relatives to communication districts. The Act, effective August 1, 2016, authorizes Louisiana Communication Districts to establish, by resolution of the Board of Commissioners, the ability to collect an emergency telephone service charge in the amount of \$1.25 per wireless user per month levied on wireless users of Commercial Mobile Radio Service (CMRS) who can access the 911 emergency telephone number system. Phase One requires CMRS carriers to implement locational services and have the capability to assign wireless calls usable numbers for callback and forwarding uninterrupted calls.

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

The District notified each CMRS carrier by certified letter of the adoption by the Board of Commissioners of Resolution No. 99-09-01 which levied an emergency telephone service charge of \$0.85 per month per wireless CMRS connection as of January 1, 2000. The District then sent a letter to each CMRS carrier concerning signing a cooperative endeavor agreement. The District has completed cooperative endeavor agreements with all CMRS carriers. The District notified each CMRS carrier of the adoption by the Board of Commissioners of Resolution No. 2016-07-001 which increased the emergency telephone service charge to \$1.25 per month per wireless CMRS connection effective September 1, 2016.

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

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

The District is recovering part of the costs of additional staff hired to handle additional call volume with the wireless revenues, as well as recover other costs related to the new wireless requirements. Other wireless costs include the service charge that is assessed by the CMRS carriers based on the cost of updating their technology to implement the enhancement phase. The schedule of wireless revenues and use of wireless revenues can be found in Schedule 2 as required by the Act.

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

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

Lafourche Parish Communications District
Raceland, Louisiana

For the years ended December 31, 2025 and 2024

(Unaudited)

	<u>2025</u> <u>Wireless</u>	<u>2024</u> <u>Wireless</u>
OPERATING REVENUES		
Charges for services	\$ 1,242,387	\$ 1,312,522
Other operating revenues	<u>5,706</u>	<u>5,293</u>
Total operating revenues	<u>1,248,093</u>	<u>1,317,815</u>
OPERATING EXPENSES		
Personal services	775,835	825,026
Supplies and materials	8,151	12,392
Other services and charges	719,754	678,557
Repairs and maintenance	146,484	79,354
Depreciation	<u>205,558</u>	<u>204,673</u>
Total operating expenses	<u>1,855,782</u>	<u>1,800,002</u>
Operating loss	<u>\$ (607,689)</u>	<u>\$ (482,187)</u>

Note:

Allocation of wireless operating expenses was determined by applying the percentage of wireless calls to total calls to the operating expenses described in the Statements of Revenue, Expenses, and Changes in Net Position. For the years ended December 31, 2025 and 2024, other services and charges included Phase One implementation costs totaling \$25,049 and \$27,718, respectively. The remaining costs were allocated. Revenues from charges for services are based on actual reported revenues for wireless services. The number of total calls and wireless calls was furnished by the District's management.

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

Lafourche Parish Communications District
Raceland, Louisiana

For the year ended December 31, 2025

Agency Head Name: Katie Zeringue, Administrator

Purpose

Salary	\$ 85,282
Benefits - insurance	19,956
Benefits - retirement	2,638
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	155
Registration fees	285
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	\$ 108,316

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Lafourche Parish Communications District (the “District”), State of Louisiana, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated March 31, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Certified Public Accountants.

Houma, Louisiana,
March 31, 2026.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche Parish Communications District Raceland, Louisiana

For the year ended December 31, 2025

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

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2024.

No significant deficiencies were reported during the audit for the year ended December 31, 2024.

Compliance

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2024.

Section II - Internal Control and Compliance Material to Federal Awards

Lafourche Parish Communications District did not expend federal awards in excess of \$750,000 during the year ended December 31, 2024.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2024.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Communications District Raceland, Louisiana

For the year ended December 31, 2025

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

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2025.

No significant deficiencies were reported during the audit for the year ended December 31, 2025.

Compliance

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2025.

Section II - Internal Control and Compliance Material to Federal Awards

Lafourche Parish Communications District did not expend federal awards in excess of \$1,000,000 during the year ended December 31, 2025.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2025.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures described in Schedule 4 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2025 through December 31, 2025. Lafourche Parish Communications District (the “District”) management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 4.

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

We are required to be independent of the District and to meet 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
March 31, 2026.

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

Lafourche Parish Communications District
Raceland, Louisiana

For the year ended December 31, 2025

The required procedures and our findings are as follows:

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

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

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

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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.

Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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 District fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, District fund forfeiture monies confirmation).

Performance: Obtained and read the written policy for receipts and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

- 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.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- 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.
Performance: Obtained and read the written policy for contracting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- 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).
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- 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 District's ethics policy.
Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Performance: Obtained and read the written policy for debt service and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

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

- 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.

Performance: Obtained and read the written policy for the District's information technology disaster recovery/business continuity policy and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for sexual harassment and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

2) Procedures Performed on the District's Board or Finance Committee:

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Performance: Obtained and read the written minutes of the Board meetings. The Board met with a quorum for each meeting.

Exceptions: There were no exceptions noted.

- 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.

Performance: Inspected meeting minutes to determine if the minutes included references to budget-to-actual comparisons for the Proprietary Fund.

Exceptions: There were no exceptions noted.

2) Procedures Performed on the District's Board or Finance Committee: (Continued)

- 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.

Performance: The District does not have a General Fund. Therefore, testing is not applicable.

Exceptions: There were no exceptions noted.

- 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.

Performance: Obtained and read the written minutes of the Board meetings. There were no audit findings in the prior year.

Exceptions: There were no exceptions noted.

3) Procedures Performed on the District's Bank Reconciliations:

- A. Obtain a listing of the District's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the District's main operating account. Select the District's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select 1 month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

Exceptions: There were no exceptions noted.

- 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).

Performance: Obtained monthly bank reconciliation for the month of December for the main operating account and 4 additional accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

- 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).

Performance: Inspected the District's documentation of approval for the December bank reconciliation for the 5 bank accounts selected.

Exceptions: There were no exceptions noted.

3) Procedures Performed on the District's Bank Reconciliations: (Continued)

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.

Performance: Inspected documents for items outstanding for more than 12 months.

We noted no checks outstanding for longer than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers):

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

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter. The District only has one deposit site.

Exceptions: There were no exceptions noted.

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:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter. The District only has one collection location.

Exceptions: There were no exceptions noted.

i. Employees responsible for cash collections do not share cash drawers/registers.

Performance: Inspected policy manuals, inquired of client as to all of the requirements, and observed that job duties are properly segregated.

Exceptions: There were no exceptions noted.

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.

Performance: Inspected policy manuals, inquired of client as to all of the requirements, and observed that job duties are properly segregated.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers):
(Continued)

- 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.

Performance: Inspected policy manuals, inquired of client as to all of the requirements, and observed that job duties are properly segregated.

Exceptions: There were no exceptions noted.

- 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.

Performance: Inspected policy manuals, inquired of client as to all of the requirements, and observed that job duties are properly segregated.

Exceptions: There were no exceptions noted.

- 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.

Performance: Obtained a copy of the insurance policy for theft and a listing of all employees covered by the policy. The policy was in force during the fiscal period.

Exceptions: There were no exceptions noted.

- D. Randomly select 2 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.

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

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

**4) Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers):
(Continued)**

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
Performance: Traced deposit slip total to the actual deposit per the bank statement.
Exceptions: There were no exceptions noted.
- 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).
Performance: Observed that the deposits tested were made within one business day of receipt.
Exceptions: There were no exceptions noted.
- v. Trace the actual deposit per the bank statement to the general ledger.
Performance: Traced the actual deposit per the bank statement to the general ledger.
Exceptions: There were no exceptions noted.

5) Procedures Performed on the District's 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).
Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter. The District only has one location that processes payments.
Exceptions: There were no exceptions noted.
- 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 District has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions along with written policies and procedures related to employee job duties.
Exceptions: There were no exceptions noted.
- i. At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
Performance: Inspected policy manuals and observed at least 2 employees/contractors are involved.
Exceptions: There were no exceptions noted.

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

- ii. At least 2 employees are involved in processing and approving payments to vendors.
Performance: Inspected policy manuals and observed at least 2 employees/contractors are involved.
Exceptions: There were no exceptions noted.
 - 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.
Performance: Inspected policy manuals and observed if any employees involved are adding/modifying vendor files.
Exceptions: There were no exceptions noted.
 - 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.
Performance: Observed that job duties are properly segregated.
Exceptions: There were no exceptions noted.
 - 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.
Performance: Inquired about any disbursements being processed electronically. The District does not utilize electronic disbursement of funds.
Exceptions: There were no exceptions noted.
- C. For each location selected under procedure #5A, obtain the District's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- Performance: Obtained the District's non-payroll disbursement transaction population and management's representation that the population is complete.
Exceptions: There were no exceptions noted.
 - 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 District.
Performance: Observed that the 5 disbursements matched the related original invoice/billing statements and documentation that deliverables were received.
Exceptions: There were no exceptions noted.

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

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

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the District'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 District's policy, and (b) approved by the required number of authorized signers per the District's policy.

Performance: Inquired about any disbursements being processed electronically. The District does not utilize electronic disbursement of funds.

Exceptions: There were no exceptions noted.

6) Procedures Performed on the District's Credit Cards, Debit Cards, Fuel Cards, Purchase Cards (Cards):

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

Performance: Inquired if the District utilizes credit cards; the District no longer utilizes credit cards.

Exceptions: There were no exceptions noted.

- 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 1 monthly bank statement). Obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., 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

Performance: The District no longer utilizes credit cards.

Exceptions: There were no exceptions noted.

6) Procedures Performed on the District's Credit Cards, Debit Cards, Fuel Cards, Purchase Cards (Cards): (Continued)

- ii. Observe that finance charges and late fees were not assessed on the selected statements.
Performance: The District no longer utilizes credit cards.
Exceptions: There were no exceptions noted.

C. Using the monthly statements or combined statements selected under procedure #6B, 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, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.
Performance: The District no longer utilizes credit cards.
Exceptions: There were no exceptions noted.

- ii. Written documentation of the business/public purpose.
Performance: The District no longer utilizes credit cards.
Exceptions: There were no exceptions noted.

- iii. Documentation of the individuals participating in meals (for meal charges only).
Performance: The District no longer utilizes credit cards.
Exceptions: There were no exceptions noted.

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Performance: The District no longer utilizes credit cards.

Exceptions: There were no exceptions noted.

7) Procedures Performed on the District's 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:

Performance: Obtained a listing of all travel and travel-related expense reimbursements and received management's representation in a separate letter that the listing is completed.

Exceptions: There were no exceptions noted.

7) Procedures Performed on the District's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions): (Continued)

- 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/) or the U.S. General Services Administration (www.gsa.gov).

Performance: Observed that the reimbursements were using the approved reimbursement rate.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

- 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).

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

Exceptions: There were no exceptions noted.

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

Performance: Observed that each reimbursement was reviewed and approved by someone other than the person receiving the reimbursement.

Exceptions: There were no exceptions noted.

8) Procedures Performed on the District's Contracts:

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *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:

Performance: Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

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

- 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.
Performance: Observed that the contracts selected did not require the bids to be obtained.
Exceptions: There were no exceptions noted.
- 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).
Performance: Inspected board meeting minutes and confirmed the board approved the contracts requiring board approval.
Exceptions: There were no exceptions noted.
- 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).
Performance: Observed the contracts selected and noted no contract amendments.
Exceptions: There were no exceptions noted.
- 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.
Performance: Inspected payments for each of the 5 contracts, obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.
Exceptions: There were no exceptions noted.

9) Procedures Performed on the District's 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.
Performance: Obtained the listing of employees and their related salaries from management and received management's representation in a separate letter.
Exceptions: There were no exceptions noted.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A, obtain attendance records and leave documentation for the pay period, and:

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

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
Performance: Inspected all daily attendance and leave records for proper documentation.
Exceptions: There were no exceptions noted.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
Performance: Inspected the approval of attendance and leave by the supervisors for the selected employees/officials.
Exceptions: There were no exceptions noted.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the District's cumulative leave records.
Performance: Inspected any leave accrued or taken during the pay period was reflected in the cumulative leave records.
Exceptions: There were no exceptions noted.
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
Performance: Inspected and agreed the rate paid to employees to the authorized pay rate in the personnel files.
Exceptions: There were no exceptions noted.
- 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 District's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to the District's policy.
Performance: Inquired of management of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. Agreed the hours to the employee's cumulative leave records, agreed the pay rates to the employee's authorized rates in the employee's personnel file and agreed the termination payment to the District's policy.
Exceptions: There were no exceptions noted.

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

- 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.

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

Exceptions: There were no exceptions noted.

10) Procedures Performed on the District's 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.

Performance: Inspected personnel files and ethics course completion certificates for the employees selected.

Exceptions: There were no exceptions noted.

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

Performance: There were no changes to the ethics policy during the year.

Exceptions: There were no exceptions noted.

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

Performance: We inquired and received representation as to whether the District appointed an ethics designee.

Exceptions: There were no exceptions noted.

11) Procedures Performed on the District's Debt Service:

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

Performance: Obtained management's representation that no bonds/notes were issued during the fiscal period.

Exceptions: There were no exceptions noted.

11) Procedures Performed on the District's Debt Service: (Continued)

- 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).

Performance: Obtained the listing of bonds outstanding at the end of the fiscal period and management's representation that the listing is complete. Selected one bond, inspected covenant, and agreed reserve balance and payments to supporting documentation and covenant requirements.

Exceptions: There were no exceptions noted.

12) Procedures Performed on the District's 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 District reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the District is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and management's representation in a separate letter. None were noted.

Exceptions: There were no exceptions noted.

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

Performance: Inspected the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

13) Procedures Performed on the District's 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 District'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 District's local server or network, and (c) was encrypted.

Performance: We performed the procedure and discussed the results with management.

**13) Procedures Performed on the District's Information Technology Disaster Recovery/
Business Continuity: (Continued)**

- B. Obtain and inspect the District'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.

Performance: We performed the procedure and discussed the results with management.

- C. Obtain a listing of the District'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.

Performance: We performed the procedure and discussed the results with management.

- 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.

Performance: We performed the procedure and discussed the results with management.

- 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 District'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.

Performance: We performed the procedure and discussed the results with management.

14) Procedures Performed on the District's 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 1 hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Performance: Observed sexual harassment training documentation for the employees selected.

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

- C. Obtain the District'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:

Performance: Obtained the annual sexual harassment report and observed it contained the above requirements.

Exceptions: There were no exceptions noted.

- i. Number and percentage of public servants in the District who have completed the training requirements.

Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.

Exceptions: There were no exceptions noted.

- ii. Number of sexual harassment complaints received by the District.

Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.

Exceptions: There were no exceptions noted.

Management's Overall Response to Exceptions:

There were no exceptions noted.