

Financial Report

Lafourche Parish Communications District
Raceland, Louisiana

December 31, 2019 and 2018



Financial Report

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Raceland, Louisiana***

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TABLE OF CONTENTS

Lafourche Parish Communications District

December 31, 2019 and 2018

	<u>Exhibits</u>	<u>Page Numbers</u>
Introductory Section		
Title Page		i
Table of Contents		ii - iii
Financial Section		
Independent Auditor's Report		1 - 3
Management's Discussion and Analysis		4 - 8
Financial Statements:		
Statements of Net Position	A	9
Statements of Revenues, Expenses, and Changes in Net Position	B	10
Statements of Cash Flows	C	11 - 12
Notes to Financial Statements	D	13 - 25
	<u>Schedules</u>	
Supplementary Information Section		
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	1	26
Status of Implementation of Wireless E911 Service (Unaudited)	2	27 - 28
Schedules of Revenues Derived from the Wireless E911 Service Charge and the Use of Such Revenues (Unaudited)	3	29

TABLE OF CONTENTS
(Continued)

Lafourche Parish Communications District

December 31, 2019 and 2018

	<u>Page</u>
	<u>Schedules</u> <u>Numbers</u>
Special Reports of Certified Public Accountants	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30 - 31
Schedule of Findings and Responses	32
Reports by Management	
Schedule of Prior Year Findings and Responses	33
Management's Corrective Action Plan	34
Statewide Agreed-Upon Procedures	
Independent Accountant's Report on Applying Agreed-Upon Procedures	35
Schedule of Procedures and Associated Finding of the Statewide Agreed-Upon Procedures	4 36 - 51

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying 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 years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lafourche Parish Communications District, as of December 31, 2019 and 2018, and the respective changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information on page 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Status of Implementation of Wireless E911 Service and Schedules of Revenues Derived from the Wireless E911 Service Charge and the Use of Such Revenues, Schedules 2 and 3 on pages 26 and 27, respectively, have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2020 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, Louisiana,
March 13, 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lafourche Parish Communications District

December 31, 2019 and 2018

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, 2019 and 2018. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District's assets exceeded its liabilities at the close of fiscal year 2019 and 2018 by \$3,305,368 and \$3,522,994, respectively, (net position), which represent a decrease of 6.18% and 2.95% from the prior fiscal years.

The District's total revenues decreased by \$21,820 (or 1.25%) and increased by \$6,932 (or .40%) for the years ended December 31, 2019 and 2018, respectively.

The District's total expenses increased for the year ended December 31, 2019 by \$88,730 (or 4.79%) primarily due to an increase in repairs and maintenance. The District's expenses increased \$338,464 (or 22.36%) for the year ended December 31, 2018 primarily due to an increase in other services and charges and personal services.

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, 2019 and 2018, assets exceeded liabilities by \$3,305,368 and \$3,522,994, respectively. A significant portion of the District's net position (81.69%) as of December 31, 2019 and (75.20%) as of December 31, 2018 reflects its investment in capital assets (e.g., construction in progress, building and improvements; office furniture, fixtures and equipment; machinery and equipment) net of related debt. Consequently, these assets are not available for future spending.

(Continued)

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

	December 31,		
	2019	2018	2017
Current and other assets	\$ 656,102	\$ 930,461	\$1,164,114
Capital assets	3,470,293	3,629,457	3,743,339
Total assets	4,126,395	4,559,918	4,907,453
Long-term liabilities outstanding	770,000	980,000	1,175,000
Other liabilities	51,027	56,924	102,383
Total liabilities	821,027	1,036,924	1,277,383
Net position, as restated:			
Net investment in capital assets	2,700,293	2,649,457	2,568,339
Unrestricted	605,075	873,537	1,061,731
Total net position	\$3,305,368	\$3,522,994	\$3,630,070

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

	For the years ended December 31,			Percent Change	
	2019	2018	2017	2019-2018	2018-2017
Operating revenues	\$1,718,492	\$1,740,522	\$1,735,681	-1.27%	0.28%
Non-operating revenues	4,613	4,403	2,312	4.77%	90.44%
Total revenue	1,723,105	1,744,925	1,737,993	-1.25%	0.40%
Depreciation expense	160,794	155,146	147,620	3.64%	5.10%
Other operating expense	1,744,934	1,654,725	1,316,757	5.45%	25.67%
Non-operating expense	35,003	42,130	49,160	-16.92%	-14.30%
Total expenses	1,940,731	1,852,001	1,513,537	4.79%	22.36%
Increase (decrease) in net position	(217,626)	(107,076)	224,456	103.24%	-147.70%
Net position beginning of year	3,522,994	3,630,070	3,405,614	-2.95%	6.59%
Net position end of year	\$3,305,368	\$3,522,994	\$3,630,070	-6.18%	-2.95%

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

(Continued)

NET POSITION (Continued)

During fiscal year 2019, operating revenues remained consistent with fiscal year 2018 due to no increase in rates for emergency 911 services. There was a \$69,933 increase in expenses for repairs and maintenance due to an increase in equipment maintenance needed during the fiscal year and an increase in 911 mapping and location charges.

During fiscal year 2018, operating revenues remained consistent with fiscal year 2017 due to no increase in rates for emergency 911 services. There was an \$114,689 increase in expenses for personal services due to three full-time employees working the full year along with pay step increases for several employees. Other services and charges increased by \$212,472 due to an increase in maintenance contract expensed during fiscal year 2018 and an increase in 911 mapping and location service charges.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District's investment in capital assets as of December 31, 2019, 2018 and 2017 amounts to \$3,470,293, \$3,629,257, and \$3,743,399, respectively (net of accumulated depreciation). This investment includes construction in progress, building, office furniture, equipment, and fixtures, machinery and equipment, and other capital assets.

	December 31,		
	2019	2018	2017
Capital Assets			
Construction in progress	\$ 171,752	\$ 171,752	\$ 171,752
Building	3,329,120	3,329,120	3,329,120
Office furniture, equipment and fixtures	144,501	141,940	130,567
Machinery and equipment	1,179,751	1,181,469	1,151,578
Other	203,224	203,224	203,224
	<u>5,028,348</u>	<u>5,027,505</u>	<u>4,986,241</u>
Less: accumulated depreciation	<u>(1,558,055)</u>	<u>(1,398,048)</u>	<u>(1,242,902)</u>
Totals	<u>\$ 3,470,293</u>	<u>\$ 3,629,457</u>	<u>\$ 3,743,339</u>

Major capital asset events during the fiscal year included the following:

- Office furniture, equipment, and fixtures includes purchases of HP Zbook and HP Monitor.

(Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

During 2019, there were no changes to the District's construction in progress due to performance of system testing before acceptance of Computer-Assisted Dispatch (CAD) Software and Hardware. The District expects project to be completed in fiscal year 2020.

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

Long-term Debt

Long-term debt outstanding consists of special revenue bonds. As of December 31, 2019, the District had \$770,000 in special revenue bonds outstanding as compared to \$980,000 in the prior year which is a decrease of \$210,000, the amount of principal payments on the 2010 outstanding bonds and the 2016 outstanding bonds. As of December 31, 2018, the District had \$980,000 in special revenue bonds outstanding as compared to \$1,175,000 in the prior year which is a decrease of \$195,000, the amount of principal payments on the 2010 outstanding bonds and the 2016 outstanding bonds. More detailed information about the District's long-term debt is presented in Note 5, Exhibit D of this report.

ECONOMIC FACTORS AFFECTING NEXT YEAR'S BUDGET

The District is not required by state law to prepare a budget, however a budget is completed for bond indenture purposes. When setting the 2020 budget, the District's Board of Directors and management considered many factors such as anticipated revenues and costs of operations.

REQUESTS FOR INFORMATION

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

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

December 31, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current		
Cash and cash equivalents	\$ 314,038	\$ 555,065
Receivables	245,770	234,908
Prepaid maintenance	96,294	140,488
Total current assets	<u>656,102</u>	<u>930,461</u>
Capital Assets		
Non-depreciable	171,752	171,752
Depreciable, net	3,298,541	3,457,705
Total capital assets	<u>3,470,293</u>	<u>3,629,457</u>
Total assets	<u>4,126,395</u>	<u>4,559,918</u>

LIABILITIES

Current		
Accounts payable and accrued expenses	51,027	56,924
Bond payable within one year	215,000	210,000
Total current liabilities	<u>266,027</u>	<u>266,924</u>
Long-term		
Bond payable after one year	555,000	770,000
Total liabilities	<u>821,027</u>	<u>1,036,924</u>

NET POSITION

Net Position		
Net investment in capital assets	2,700,293	2,649,457
Unrestricted	605,075	873,537
Total net position	<u>\$3,305,368</u>	<u>\$3,522,994</u>

See notes to financial statements.

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

Lafourche Parish Communications District

For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for services	\$ 1,702,949	\$ 1,736,642
Other operating revenues	<u>15,543</u>	<u>3,880</u>
Total operating revenues	<u>1,718,492</u>	<u>1,740,522</u>
OPERATING EXPENSES		
Personal services	835,112	823,778
Supplies and materials	17,176	16,012
Other services and charges	757,765	749,987
Repairs and maintenance	134,881	64,948
Depreciation	<u>160,794</u>	<u>155,146</u>
Total operating expenses	<u>1,905,728</u>	<u>1,809,871</u>
Operating loss	<u>(187,236)</u>	<u>(69,349)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	4,613	4,403
Interest expense	(34,072)	(42,130)
Loss on disposal of capital assets	<u>(931)</u>	<u>-</u>
Non-operating expenses, net	<u>(30,390)</u>	<u>(37,727)</u>
Change in net position	<u>(217,626)</u>	<u>(107,076)</u>
NET POSITION		
Beginning of year	<u>3,522,994</u>	<u>3,630,070</u>
End of year	<u><u>\$3,305,368</u></u>	<u><u>\$3,522,994</u></u>
See notes to financial statements.		

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

For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,707,630	\$ 1,752,488
Cash payments to suppliers for goods and services	(761,417)	(681,054)
Cash payments to employees for services and benefits	(831,031)	(823,060)
	<u>115,182</u>	<u>248,374</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(2,561)	(41,264)
Payments for maintenance contracts	(111,371)	(166,746)
Principal paid on outstanding debt	(210,000)	(195,000)
Interest paid on outstanding debt	(36,890)	(44,750)
	<u>(360,822)</u>	<u>(447,760)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4,613	4,403
	<u>4,613</u>	<u>4,403</u>
Net decrease in cash and cash equivalents	(241,027)	(194,983)
CASH AND CASH EQUIVALENTS		
Beginning of year	555,065	750,048
End of year	<u>\$ 314,038</u>	<u>\$ 555,065</u>

Exhibit C
(Continued)

	<u>2019</u>	<u>2018</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	<u>\$ (187,236)</u>	<u>\$ (69,349)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	160,794	155,146
Amortization of prepaid maintenance	155,565	193,450
Decrease (increase) in assets:		
Accounts receivable	(10,862)	11,966
Decrease in liabilities:		
Accounts payable and accrued expenses	<u>(3,079)</u>	<u>(42,839)</u>
Total adjustments	<u>302,418</u>	<u>317,723</u>
Net cash provided by operating activities	<u><u>\$ 115,182</u></u>	<u><u>\$ 248,374</u></u>
Noncash transaction:		
Disposition of capital assets	<u><u>\$ 931</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Lafourche Parish Communications District

December 31, 2019 and 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Nature of Activities

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

b) Reporting Entity

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

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

c) Method of Accounting

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Method of Accounting (Continued)

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

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

d) Use of Estimates

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

e) Cash and Cash Equivalents

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Accounts Receivable

The financial statements of the District contain no allowance for uncollectible accounts receivable. Management believes that receivables as of December 31, 2019 and 2018 are collectible and possible bad debt losses are immaterial.

g) Prepaid Maintenance

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

h) Capital Assets

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

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

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

i) Vacation and Sick Leave

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Vacation and Sick Leave (Continued)

Vacation must be used by the end of the year. Unused vacation is paid to employees upon termination of employment; unused sick leave is not paid. Sick leave does accumulate however; unused leave cannot exceed 240 hours. The accumulated balance of unpaid vacation leave as of December 31, 2019 and 2018 was \$25,764 and \$22,742, respectively.

j) Revenues and Expenses

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

When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the District's policy to apply those expenses to restricted assets to the extent such are available and then to unrestricted net position. As of December 31, 2019 and 2018, the District had no restricted net position.

k) New GASB Statements

During the year ending December 31, 2019, the District implemented the following GASB Statements:

Statement No. 83, "*Certain Asset Retirement Obligations*" addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This statement did not affect the District's financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) New GASB Statements (Continued)

Statement No. 84, *"Fiduciary Activities"* improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. This statement did not affect the District's financial statements.

Statement No. 88, *"Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"* improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The statement clarifies which liabilities governments should include when disclosing information related to debt. This statement requires that additional essential information related to debt be disclosed in the notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For the notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. This statement did not affect the District's financial statements.

Statement No. 90, *"Majority Equity Interest"* improves the consistency and comparability of reporting government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) New GASB Statements (Continued)

report that organization as component unit. This statement did not affect the District's financial statements.

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

Statement No. 87, *"Leases"* increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 89, *"Accounting for Interest Cost Incurred before the End of a Construction Period"* establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this statement. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the effect of this statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) New GASB Statements (Continued)

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this statement on the financial statements.

l) Subsequent Events

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through March 13, 2020, which is the date the financial statements were available to be issued.

Note 2 - DEPOSITS

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

Bank Deposits:

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

Note 2 - DEPOSITS (Continued)

Bank Deposits: (Continued)

The balances of deposits for bank balances and reported amounts as of December 31, 2019 and 2018 are as follows:

	2019		2018	
	<u>Bank Balances</u>	<u>Report Amount</u>	<u>Bank Balances</u>	<u>Report Amount</u>
Cash	<u>\$331,927</u>	<u>\$314,038</u>	<u>\$612,811</u>	<u>\$555,065</u>

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, 2019, none of the District's bank balance of \$331,927 was exposed to custodial credit risk. These deposits were insured and collateralized with FDIC insurance.

As of December 31, 2018, cash was adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the District. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
Capital assets not being depreciated:				
Construction in progress	\$ 171,752	\$ -	\$ -	\$ 171,752
Capital assets being depreciated:				
Building and improvements	3,329,120	-	-	3,329,120
Office furniture, equipment, and fixtures	141,940	2,561	-	144,501
Machinery and equipment	1,181,469	-	(1,718)	1,179,751
Other	203,224	-	-	203,224
Total capital assets being depreciated	4,855,753	2,561	(1,718)	4,856,596
Less accumulated depreciation for:				
Building and improvements	(606,258)	(84,152)	-	(690,410)
Office furniture, equipment, and fixtures	(107,366)	(8,034)	-	(115,400)
Machinery and equipment	(578,316)	(50,469)	787	(627,998)
Other	(106,108)	(18,139)	-	(124,247)
Total accumulated depreciation	(1,398,048)	(160,794)	787	(1,558,055)
Total capital assets being depreciated, net	3,457,705	(158,233)	(931)	3,298,541
Total capital assets, net	\$ 3,629,457	\$ (158,233)	\$ (931)	\$ 3,470,293

As of December 31, 2019, construction in progress amounted to \$171,752 for a contract for new Computer-Assisted Dispatch (CAD) Software and Hardware. During 2019, the District did not implement new CAD software due to system licensing and testing before acceptance by the District. Therefore, there were no changes in the District's construction in progress. As of December 31, 2019, the District has spent \$171,752 and has contract commitments totaling \$42,938.

Note 3 - CHANGES IN CAPITAL ASSETS (Continued)

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
Capital assets not being depreciated:				
Construction in progress	\$ 171,752	\$ -	\$ -	\$ 171,752
Capital assets being depreciated:				
Building and improvements	3,329,120	-	-	3,329,120
Office furniture, equipment, and fixtures	130,567	11,373	-	141,940
Machinery and equipment	1,151,578	29,891	-	1,181,469
Other	203,224	-	-	203,224
Total capital assets being depreciated	4,814,489	41,264	-	4,855,753
Less accumulated depreciation for:				
Building and improvements	(522,106)	(84,152)	-	(606,258)
Office furniture, equipment, and fixtures	(100,228)	(7,138)	-	(107,366)
Machinery and equipment	(532,599)	(45,717)	-	(578,316)
Other	(87,969)	(18,139)	-	(106,108)
Total accumulated depreciation	(1,242,902)	(155,146)	-	(1,398,048)
Total capital assets being depreciated, net	3,571,587	(113,882)	-	3,457,705
Total capital assets, net	\$ 3,743,339	\$ (113,882)	\$ -	\$ 3,629,457

Note 4 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of December 31, 2019 and 2018 consisted of the following:

	2019	2018
Vendors	\$14,617	\$21,777
Payroll and related expenses	26,823	22,742
Interest on long-term debt	9,587	12,405
Totals	\$51,027	\$56,924

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. On June 29, 2010, the District issued \$1,500,000 of Special Revenue Bonds, Series 2010. The serial bonds carry interest rates of 4.30% and are repayable through September 1, 2021 primarily from charges for services. Charges for services, \$1,702,949 for the year ended December 31, 2019, 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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Bonds payable, beginning of year	\$980,000	\$ 1,175,000
Bonds retired	<u>(210,000)</u>	<u>(195,000)</u>
Bonds payable, end of year	<u>\$770,000</u>	<u>\$ 980,000</u>

The annual requirements to amortize all long-term debt outstanding as of December 31, 2019 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$215,000	\$28,763	\$243,763
2021	225,000	20,095	245,095
2022	65,000	11,050	76,050
2023	65,000	8,938	73,938
2024	70,000	6,825	76,825
2025-2026	<u>130,000</u>	<u>6,825</u>	<u>136,825</u>
Totals	<u>\$770,000</u>	<u>\$82,496</u>	<u>\$852,496</u>

Note 6 - RISK MANAGEMENT

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

Note 7 - EMPLOYEE RETIREMENT PLAN

The District contributes to a Simple IRA Group Plan (the "Plan"), a defined contribution pension plan, for its full-time employees. The Plan is administered by America Funds. Benefit. Terms, including contribution requirements, for the Plan are established and may be amended by the District's Board of Directors. For each employee in the pension plan, the District is required to make matching contributions, up to 3% of annual salary to an individual employee account. Employees are permitted to make contributions to the pension plan, up to the applicable Internal Revenue Code limit, \$13,000 for 2019. For the years ended December 31, 2019 and 2018, employee contributions totaled \$29,805 and \$21,965, respectively, and the District recognized pension expense of \$16,118 and \$15,196 for the years ended December 31, 2019 and 2018, respectively.

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

As of December 31, 2019, 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, 2019 and 2018 were \$1,182,912 and \$1,198,876, respectively. These consumer charges shall be used for the payment of District costs associated with system implementation.

Note 9 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to members of the Board of Commissioners for the years ended December 31, 2019 and 2018.

Note 10 - 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 13, 2020, which is the date the financial statements were available to be issued.

The recent global outbreak of the Coronavirus (COVID-19) has raised concerns regarding business and the financial markets have recently experienced significant volatility. While the District has not been immediately impacted by the adverse conditions in the financial markets, the long term impact on the District's business is uncertain at this time.

SUPPLEMENTARY INFORMATION SECTION

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

Lafourche Parish Communications District

For the year ended December 31, 2019

Agency Head Name: Katie Zeringue, Administrator

Purpose

Salary	\$80,513
Benefits - insurance	9,425
Benefits - retirement	2,415
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	515
Reimbursements	-
Travel	3,084
Registration fees	884
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
	<hr/>
	<u>\$96,836</u>

STATUS OF IMPLEMENTATION OF WIRELESS E911 SERVICE

Lafourche Parish Communications District

December 31, 2019

(Unaudited)

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

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

**Schedule 2
(Continued)**

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

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

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

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

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

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

Lafourche Parish Communications District

For the years ended December 31, 2019 and 2018

(Unaudited)

	2019 Wireless	2018 Wireless
OPERATING REVENUES		
Charges for services	\$ 1,198,161	\$ 1,201,058
Other operating revenues	10,744	3,333
	<u>1,208,905</u>	<u>1,204,391</u>
OPERATING EXPENSES		
Personal services	577,271	707,732
Supplies and materials	11,873	13,756
Other services and charges	537,244	517,522
Repairs and maintenance	93,236	55,799
Depreciation	111,149	133,291
	<u>1,330,773</u>	<u>1,428,100</u>
Total operating expenses		
	<u>\$ (121,868)</u>	<u>\$ (223,709)</u>
Operating loss		

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, 2019 and 2018, other services and charges included Phase 1 implementation costs totaling \$43,642 and \$17,583, 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.

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, 2019, 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 13, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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.

Thibodaux, Louisiana,
March 13, 2020.

SCHEDULE OF FINDINGS AND REPONSES

Lafourche Parish Communications District

For the year ended December 31, 2019

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ☐ Yes ☒ No

b) Federal Awards

Lafourche Parish Communications District did not expend federal awards in excess of \$750,000 during the year ended December 31, 2019.

Section II - Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 2019.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche Parish Communications District

For the year ended December 31, 2019

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, 2018.

No significant deficiencies were reported during the audit for the year ended December 31, 2018.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2018.

Section II - Internal Control and Compliance Material to Federal Awards

Lafourche Parish Communications District did not expend federal awards during the year ended December 31, 2018.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2018.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Communications District

For the year ended December 31, 2019

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, 2019.

No significant deficiencies were reported during the audit for the year ended December 31, 2019.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2019.

Section II - Internal Control and Compliance Material to Federal Awards

Lafourche Parish Communications District did not expend federal awards during the year ended December 31, 2019.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2019.

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, which were agreed to by the Lafourche Parish Communication District (the "District") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2019. The Board's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the AICPA and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures referred to above, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are described in Schedule 4.

We were not engaged to, and did not conduct an examination or review, 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.

The purpose of this report is 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 23:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Thibodaux, Louisiana,
March 13, 2020.

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

Lafourche Parish Communications District

For the year ended December 31, 2019

The required procedures and our findings are as follows:

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

1. Obtain the District's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the District does not have any written policies and procedures), as applicable:

- a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

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

Exceptions: There were no exceptions noted.

- b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

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

Exceptions: There were no exceptions noted.

- c) Disbursements, including processing, reviewing, and approving.

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

Exceptions: There were no exceptions noted.

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

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

Performance: Obtained and read the written policy for receipts.

Exceptions: The policy does not contain a provision about how deposits are prepared.

- e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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.

- f) Contracting, including (1) types of services requiring written contracts; (2) standard terms and conditions; (3) legal review; (4) approval process; and (5) monitoring process.

Performance: Obtained and read the written policy for contracting.

Exceptions: The policy on contracting does not include any of the provisions listed above.

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

Performance: Obtained and read the written policy for credit cards.

Exceptions: The policy on credit cards does not include any of the provisions listed above.

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

Performance: Obtained and read the written policy for travel and expense reimbursement, and found it to address all functions listed above.

Exceptions: There were no exceptions noted.

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

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121; (2) actions to be taken if an ethics violation takes place; (3) system to monitor possible ethics violations; and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the District's ethics policy.

Performance: Obtained and read the written policy for ethics.

Exceptions: The policy on ethics does not include the provision about requirement that all employees, including elected officials, should annually attest through signature verifications that they have read the District's ethics policy.

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

Performance: Inquired of management as to a debt service policy.

Exceptions: Management confirmed there is no debt service policy.

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

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

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

Procedures Performed on the District's Board:

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

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

Performance: Prior year testing resulted in no exceptions related to the District's board.

Therefore, testing is not required in the current year

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

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Performance: Prior year testing resulted in no exceptions related to the District's board.
Therefore, testing is not required in the current year

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

Performance: Prior year testing resulted in no exceptions related to the District's board.
Therefore, testing is not required in the current year

Procedures Performed on the District's Bank Reconciliations:

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

Performance: Obtained the listing of bank accounts from management, and received management's representation in a separate letter. Selected December from the fiscal period and obtained the corresponding bank statement and reconciliation for the District's main operating account and four additional accounts.

Exceptions: There were no exceptions noted.

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

Performance: Observed that bank reconciliations were prepared within two months of the related statement closing date.

Exceptions: There were no exceptions noted.

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

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

Performance: Observed that a member of management or a board member reviewed each bank reconciliation.

Exceptions: There was no evidence that bank reconciliations had been reviewed by a member of management or a board member who does not handle cash, post ledgers, or issue checks

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Performance: Observed bank reconciliations for reconciling items that have been outstanding for more than 12 months from the statement closing date. There were no such items.

Exceptions: There were no exceptions noted.

Procedures Performed on the District's collections:

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

Performance: Inspected policy manuals and inquired of management and observed employees do not share cash drawers/registers. Checks are received through the District's PO Box. An employee within the administrative staff picks up the mail at the post office. Mail is sorted by the administrative staff and checks are given to the Administrative Assistant for preparation of the deposit. If checks are not deposited the same day they are received, the deposit is kept in a locked drawer in the Administrator's office. No other employee has access to her office.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals and inquired of management and observed employees collecting cash are not responsible for making deposits.

Exceptions: There were no exceptions noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Performance: Inspected policy manuals and inquired of management and observed employees collecting cash do not make general ledger postings.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals and inquired of management and employees performing reconciliations do not collect cash.

Exceptions: There were no exceptions noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

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

Exceptions: There were no exceptions noted.

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

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

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

Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered. Although checks and EFT receipts are not sequentially pre-numbered, all receipts are documented on a deposit log in an Excel file which includes the date the receipt was received. Therefore, all receipts are logged in chronological order.

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100).

Performance: Observed that the deposit was made within one business day of receipt.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the District has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payments functions, and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

- c) The employees 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 inquired of management and employees as to requirement listed above.

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

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

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

- a) Observe that the disbursement matched the related original invoice/billing statement.

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

Exceptions: There were no exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #8, as applicable.

Performance: Obtained the disbursement documentation and observed for proper segregation of duties as listed under #8 above.

Exceptions: Of the five disbursement documents observed, three were requested and approved by the same employee, and two did not contain a purchase order request.

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

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

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards from management and received management's representation in a separate letter. The District only has one purchase account.

Exceptions: There were no exceptions noted.

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

12. Using the listing prepared by management, select five cards (or all cards if less than five) that were used during the fiscal period, rotating cards each year. Select one monthly statement or combined statement for each card (for a debit card, select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Obtained June's statement for the Walmart Account along with supporting documentation and observed for proper approval.

Exceptions: There were no exceptions noted.

- b) Observe that finance charges and/or late fees were not assessed on the selected statements.

Performance: Obtained June's statement for the Walmart Account and observed for finance charges and/or late fees.

Exceptions: There were no exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, select ten transactions (or all transactions if less than ten) from each statement, and obtain supporting documentation for the transactions (i.e.; each card should have ten transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- 1) An original itemized receipt that identifies precisely what was purchased.

Performance: Traced each transaction to an original itemized receipt.

Exceptions: There was one transaction that was not supported by an itemized receipt.

- 2) Written documentation of the business/public purpose.

Performance: Observed supporting documentation for evidence of business/public purpose.

Exceptions: For the transactions with the missing itemized receipt, there was no evidence of business/public purpose.

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

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

Performance: For meal charges, observed supporting documentation for evidence of the individuals participating in meals. There were no meal charges noted.

Exceptions: There were no exceptions noted.

Procedures Performed on the District's Travel and Travel-related Expense Reimbursements:

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

Performance: Obtained a list of all travel and travel related expense reimbursement, and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

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

Performance: Selected five reimbursements and obtained the supporting documentation. The reimbursements selected were not reimbursed using a per diem.

Exceptions: There were no exceptions noted.

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

Performance: Selected five reimbursement and obtained the supporting documentation. Observed that the reimbursement was supported by original itemized receipt.

Exceptions: The amount on one of the reimbursements observed did not match the supporting documentation.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedures #1h).

Performance: Selected five reimbursement and obtained the supporting documentation. 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.

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

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

Performance: Selected five reimbursements and obtained the supporting documentation.

Observed that each reimbursement was reviewed and approved by someone other than the person receiving the reimbursement. All travel and training was approved by the board at January 24, 2019 meeting.

Exceptions: There were no exceptions noted.

Procedures Performed on the District's Contracts

- 15. Obtain a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Select five contracts (or all contracts if less than five) from the listing, and:

Performance: Prior year testing resulted in no exceptions related to the District's contracts. Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to the District's contracts. Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to the District's contracts. Therefore, testing is not required in the current year.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

Performance: Prior year testing resulted in no exceptions related to the District's contracts. Therefore, testing is not required in the current year.

- d) Select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Prior year testing resulted in no exceptions related to the District's contracts. Therefore, testing is not required in the current year.

Procedures Performed on the District's Payroll and Personnel:

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

Performance: Obtained the listing of employees with their related salaries from management, and received management's representation in a separate letter. Selected five employees and agreed paid salaries to authorized salaries/pay rates per the personnel files. While employees' pay rates are not maintained in their personnel files, the District maintains a master spreadsheet of each employee's pay rate. Pay rates per spreadsheet were agreed to pay rate structure adopted by the District board.

Exceptions: There was one instance where an employee's paid holiday rate did not match the District's master spreadsheet.

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

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

Performance: Inspected daily attendance and leave records for proper documentation.

Exceptions: There were no exceptions noted.

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

Performance: Inspected attendance and leave records for proper approval.

Exceptions: There were no exceptions noted.

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

Performance: Obtained cumulative leave records and observed that any leave accrued or taken during selected pay period is included.

Exceptions: There were no exceptions noted.

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

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

Performance: Inquired of management about any employees that terminated during the period. There were no terminations during the fiscal period.

Exceptions: There were no exceptions noted.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Performance: Obtained management's representation that payroll related taxes and benefits have been paid and forms filed by the required deadline in a separate letter.

Exceptions: There were no exceptions noted.

Procedure Performed on the District's Ethics:

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

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

Performance: Observed the ethics course completion certificates for the five employees tested.

Exceptions: There were no exceptions noted.

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the District's ethics policy during the fiscal period.

Performance: Observed that the five employees selected attested through signature verification that he or she has read the ethics policy during the fiscal period.

Exceptions: There were no exceptions noted.

Procedures Performed on the District's Debt Service:

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtain for each bond/note issued.

Performance: Prior year testing resulted in no exceptions related to the District's debt service. Therefore, testing is not required in the current year.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Performance: Prior year testing resulted in no exceptions related to the District's debt service. Therefore, testing is not required in the current year.

Other Procedures Performed on the District:

23. Obtain a listing of misappropriations of public funds or 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 misappropriations(s) to the legislative auditor and the District attorney of the parish in which the District is domiciled.

Performance: Inquired of management of any misappropriations of public funds or assets.

Exceptions: There were no exceptions noted.

24. Observe and report whether the District has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inquired and observed such notice posted in the premises.

Exceptions: There were no exceptions noted.

Management's Responses to Exceptions Noted In Our Procedures:

- 1d Management will consider adding a provision to the existing cash receipts policy stating how deposits are prepared.
- 1f Management will consider updating the contracting policy to include provisions for types of services requiring written contract, standard terms and conditions, legal review, approval process, and monitoring process.
- 1g Management will consider updating the credit card policy to include provisions for how cards are to be controlled, allowable business uses, documentation requirements, required approvers of statements, and monitoring card usage.
- 1i Management will consider adding a provision stating the requirement that all employees, including elected officials, annually attest through signature verification that they have read the District's ethics policy.
- 1j Management will consider drafting a debt service policy.
- 1k Management will consider drafting a disaster recovery/business continuity policy.
- 3b Management will verify that the Board Treasurer approves bank reconciliations and that an approved copy is kept on file for appropriate record keeping.
- 9c Management will consider having board members conduct periodic reviews of the changes to vendor files.
- 10b Management will verify that disbursements are requested and approved by separate employees, and that purchase orders are utilized for necessary purchases.
- 13a Management will see to it that all transactions are supported by an original itemized receipt and have documentation of business/public purpose.
- 14b Management will ensure that travel reimbursements match actual expense incurred.
- 16 Management will see to it that the pay rates in their accounting system match the District's master spreadsheet of each employee's pay rates.