
ORLEANS PARISH COMMUNICATION DISTRICT
NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2022



ORLEANS PARISH COMMUNICATION DISTRICT
NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2022

ORLEANS PARISH COMMUNICATION DISTRICT

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Orleans Parish Communication District
(A Proprietary Component Unit of the City of New Orleans)
New Orleans, Louisiana

Opinion

We have audited the accompanying financial statements of the Orleans Parish Communication District (the District), a component unit of the City of New Orleans, as of and for the years ended December 31, 2022, and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2022, and 2021, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and Schedule I, Schedule II, and notes to required supplementary information on pages 33 through 35, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an 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.

Supplementary 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 Schedule of Compensation, Benefits and Other Payments to the Agency Head (Schedule III) on page 36 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Schedule III 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement 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, Schedule III is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
May 19, 2023

ORLEANS PARISH COMMUNICATION DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

As the managers of the District, we offer readers of the accompanying financial statements this narrative overview and analysis of the financial activities of the District for the years ended December 31, 2022 and 2021. This discussion and analysis are designed to assist the reader in focusing on significant financial issues and activities.

We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Using This Annual Report

Our auditors have provided assurance in their independent auditor's report located immediately preceding this Management's Discussion and Analysis. That opinion is unmodified with respect to the basic financial statements. Varying degrees of assurances are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Financial Highlights - 2022

- The District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$183,509.
- The District's net position decreased by \$5,975,299 for the year ended December 31, 2022.
- The District disbursed \$1,229,611 towards the OnCall records system and is recorded as an asset on the statements of net position.

Financial Highlights - 2021

- The District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$6,158,808.
- The District's net position decreased by \$5,460,785 for the year ended December 31, 2021.
- The District reported \$466,910 in federal grants from the State of Louisiana related to various natural disasters.
- The District entered into a note payable transaction of \$2,188,258 to acquire the OnCall records system. As of December 31, 2021, \$1,414,563 was disbursed for this system.

Overview of the Financial Statements

The District's basic financial statements comprise of a Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows and the related notes to the financial statements. Since the District consists of a single enterprise fund, no fund level financial statements are shown.

ORLEANS PARISH COMMUNICATION DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

Overview of the Financial Statements (continued)

Basic financial statements. The basic financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities result in an increased net position, which indicates an improved financial position.

The statement of revenues, expenses and changes in net position presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis -2022

The Statement of Net Position includes information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. The statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the District.

In 2022, net position decreased by \$5,975,299 to \$183,509, resulting from the excess of expenses over revenues for the year ended December 31, 2022. Current assets decreased by \$998,094, which includes a \$705,899 decrease in due from other governments and a \$169,837 decrease in cash and cash equivalents. Restricted assets decreased by \$840,886 due to spending the funds restricted for the implementation of the OnCall records system. Capital assets, net increased by \$449,701 as a result of additions of \$1,400,215 less depreciation of \$775,269 and amortization of \$191,249. The change in current liabilities is due to an increase in accounts payable of \$475,943 and an increase in accrued payroll expense of \$64,268. Noncurrent liabilities increased due to an increase in net pension liability of \$2,962,534 offset by a decrease in long-term lease of \$121,937 and long-term note payable of \$433,291. Changes in deferred inflows of resources and deferred outflows of resources result from the actuarial valuation of the pension plan less amounts charged to pension expense.

ORLEANS PARISH COMMUNICATION DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

Financial Analysis -2022 (continued)

CONDENSED STATEMENTS OF NET POSITION

	<u>2022</u>	<u>2021</u>	Increase (Decrease)
Current assets	\$ 1,782,682	\$ 2,780,776	\$ (998,094)
Restricted assets	-	840,886	(840,886)
Capital assets, net	<u>22,878,415</u>	<u>22,428,714</u>	449,701
Total assets	<u>24,661,097</u>	<u>26,050,376</u>	(1,389,279)
Deferred outflows of resources	<u>8,317,048</u>	<u>9,577,447</u>	(1,260,399)
Total assets and deferred outflows	<u>\$ 32,978,145</u>	<u>\$ 35,627,823</u>	\$ (2,649,678)
Current liabilities	\$ 1,881,557	\$ 1,331,296	\$ 550,261
Noncurrent liabilities	<u>26,624,513</u>	<u>24,244,337</u>	2,380,176
Total liabilities	<u>28,506,070</u>	<u>25,575,633</u>	2,930,437
Deferred inflow of resources	<u>4,288,566</u>	<u>3,893,382</u>	395,184
Total liabilities and deferred inflow of resources	<u>32,794,636</u>	<u>29,469,015</u>	3,325,621
Net position			
Net investment in capital assets	22,878,415	23,269,600	(391,185)
Unrestricted	<u>(22,694,906)</u>	<u>(17,110,792)</u>	(5,584,114)
Total net position	<u>183,509</u>	<u>6,158,808</u>	(5,975,299)
Total liabilities, deferred inflows and net position	<u>\$ 32,978,145</u>	<u>\$ 35,627,823</u>	\$ (2,649,678)

ORLEANS PARISH COMMUNICATION DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

Financial Analysis -2022 (continued)

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Operating revenues	\$ 5,752,548	\$ 5,861,981	\$ (109,433)
Operating expenses	<u>22,603,783</u>	<u>21,677,752</u>	<u>926,031</u>
Operating loss	<u>(16,851,235)</u>	<u>(15,815,771)</u>	<u>(1,035,464)</u>
Nonoperating revenues (expenses):			
Intergovernmental revenue	10,599,996	9,491,786	1,108,210
Federal grants	-	466,910	(466,910)
Interest income	11,667	521	11,146
Interest expense	(211,832)	(202,675)	(9,157)
Miscellaneous income	424,421	546,760	(122,339)
Rental income	<u>51,684</u>	<u>51,684</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>10,875,936</u>	<u>10,354,986</u>	<u>520,950</u>
Change in net position	(5,975,299)	(5,460,785)	(514,514)
Total net position, beginning of year	<u>6,158,808</u>	<u>11,619,593</u>	<u>(5,460,785)</u>
Total net position, end of year	<u>\$ 183,509</u>	<u>\$ 6,158,808</u>	<u>\$ (5,975,299)</u>

The Statements of Revenues, Expenses, and Changes in Net Position provide an indication of the District's financial health. The change in net position resulted in a decrease in net position of \$5,975,299. Operating expenses increased by \$926,031. Intergovernmental revenues increased by \$1,108,210 due increased appropriations from the City of New Orleans. The decrease in federal grants by \$466,910 resulted from a one-time payment in 2021.

ORLEANS PARISH COMMUNICATION DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

Financial Analysis -2022 (continued)

CONDENSED STATEMENTS OF CASH FLOWS

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Cash flows from:			
Operating activities	\$ (10,647,165)	\$ (10,446,028)	\$ (201,137)
Capital and related financing activities	9,624,775	11,702,057	(2,077,282)
Investing activities	<u>11,667</u>	<u>521</u>	<u>11,146</u>
 Net change in cash	(1,010,723)	1,256,550	(2,267,273)
Beginning of year cash	<u>1,879,356</u>	<u>622,806</u>	<u>1,256,550</u>
 End of year cash	<u>\$ 868,633</u>	<u>\$ 1,879,356</u>	<u>\$ (1,010,723)</u>

The Statements of Cash Flows report the cash provided and used by the District's operations. The net change in cash was a decrease of \$1,010,723 in 2022. Cash used in operating activities decreased by \$201,137 in 2022 as a result of a decrease in charges for services and an increase in amounts paid to employees for services offset by a decrease in amounts paid to suppliers for goods and services. Capital and related financing activities in 2022 includes \$1,400,215 disbursed for the OnCall records system.

ORLEANS PARISH COMMUNICATION DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

Financial Analysis -2021 (continued)

CONDENSED STATEMENTS OF NET POSITION

	<u>2021</u>	<u>2020</u>	Increase (Decrease)
Current assets	\$ 2,780,776	\$ 3,690,772	\$ (909,996)
Restricted assets	840,886	-	840,886
Capital assets, net	<u>22,428,714</u>	<u>15,720,777</u>	<u>6,707,937</u>
Total assets	26,050,376	19,411,549	6,638,827
Deferred outflows of resources	<u>9,577,447</u>	<u>14,861,311</u>	<u>(5,283,864)</u>
Total assets and deferred outflows	<u>\$ 35,627,823</u>	<u>\$ 34,272,860</u>	<u>\$ 1,354,963</u>
Current liabilities	\$ 1,331,296	\$ 1,388,601	\$ (57,305)
Noncurrent liabilities	<u>24,244,337</u>	<u>17,888,278</u>	<u>6,356,059</u>
Total liabilities	25,575,633	19,276,879	6,298,754
Deferred inflow of resources	<u>3,893,382</u>	<u>3,376,388</u>	<u>516,994</u>
Total liabilities and deferred inflow of resources	<u>29,469,015</u>	<u>22,653,267</u>	<u>6,815,748</u>
Net position			
Net investment in capital assets	23,269,600	15,720,777	7,548,823
Unrestricted	<u>(17,110,792)</u>	<u>(4,101,184)</u>	<u>(13,009,608)</u>
Total net position	<u>6,158,808</u>	<u>11,619,593</u>	<u>(5,460,785)</u>
Total liabilities, deferred inflows and net position	<u>\$ 35,627,823</u>	<u>\$ 34,272,860</u>	<u>\$ 1,354,963</u>

In 2021, net position decreased by \$5,460,785 to \$6,158,808, resulting from the excess of expenses over revenues for the year ended December 31, 2021. Current assets decreased by \$909,996, which includes a \$941,938 decrease in due from other governments and a \$237,714 decrease in accounts receivable offset by an increase in cash and cash equivalents of \$415,664. Restricted assets increased by \$840,886 due to receiving funds restricted for the implementation of the OnCall records system. Capital assets, net increased by \$683,605 as a result of additions of \$1,459,204 less depreciation / amortization of \$966,848. The increase in capital assets, net is also due to capitalization of \$6,215,581 of the right to use asset, resulting in the increase in noncurrent liabilities of \$5,801,221. The change in current liabilities is due to a decrease in accounts payable of \$691,215 related to amounts due to the City of New Orleans for pension contributions and health insurance contributions, offset by an increase in current portion of note payable of \$425,016. Noncurrent liabilities increased due to the \$1,553,788 increase in the long-term portion of the note payable offset by a decrease in net pension liability of \$1,048,370. Changes in deferred inflows of resources and deferred outflows of resources result from the actuarial valuation of the pension plan less amounts charged to pension expense. The increase in capital assets, net of \$6,215,581 is due to the capitalization of the right to use asset, resulting in the increase in noncurrent liabilities of \$5,801,221.

ORLEANS PARISH COMMUNICATION DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

Financial Analysis -2021 (continued)

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
Operating revenues	\$ 5,861,981	\$ 5,851,450	\$ 10,531
Operating expenses	<u>21,677,752</u>	<u>21,759,154</u>	<u>(81,402)</u>
Operating loss	<u>(15,815,771)</u>	<u>(15,907,704)</u>	<u>91,933</u>
Nonoperating revenues (expenses):			
Intergovernmental revenue	9,491,786	9,695,371	(203,585)
Federal grants	466,910	521,499	(54,589)
State of Louisiana	-	1,126,338	(1,126,338)
Interest income	521	13,546	(13,025)
Interest expense	(202,675)	(7)	(202,668)
Miscellaneous income	546,760	151,873	394,887
Rental income	<u>51,684</u>	<u>51,684</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>10,354,986</u>	<u>11,560,304</u>	<u>(1,205,318)</u>
Change in net position	(5,460,785)	(4,347,400)	(1,113,385)
Total net position, beginning of year	<u>11,619,593</u>	<u>15,966,993</u>	<u>(4,347,400)</u>
Total net position, end of year	<u>\$ 6,158,808</u>	<u>\$ 11,619,593</u>	<u>\$ (5,460,785)</u>

The Statements of Revenues, Expenses, and Changes in Net Position provide an indication of the District's financial health. The change in net position resulted in a decrease in net position of \$5,460,785. Operating expenses increased by \$81,402. The \$203,585 decrease in intergovernmental revenue is the result of a one-time grant in 2020. The decrease in State of Louisiana appropriations resulted from a one-time payment in 2020. Intergovernmental revenue includes appropriations from the City of New Orleans of \$9,476,776 in 2021 and 2020.

ORLEANS PARISH COMMUNICATION DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

Financial Analysis -2021 (continued)

CONDENSED STATEMENTS OF CASH FLOWS

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
Cash flows from:			
Operating activities	\$ (10,446,028)	\$ (11,160,905)	\$ 714,877
Capital and related financing activities	11,702,057	9,255,368	2,446,689
Investing activities	<u>521</u>	<u>13,546</u>	<u>(13,025)</u>
Net change in cash	1,256,550	(1,891,991)	3,148,541
Beginning of year cash	<u>622,806</u>	<u>2,514,797</u>	<u>(1,891,991)</u>
End of year cash	<u>\$ 1,879,356</u>	<u>\$ 622,806</u>	<u>\$ 1,256,550</u>

The Statements of Cash Flows report the cash provided and used by the District's operations. The net change in cash was an increase of \$1,256,550 in 2021. Cash used in operating activities decreased by \$418,903 in 2021 as a result of a decrease in amounts paid to employees for services and an increase in amounts charged for services offset by an increase in amounts paid to suppliers for goods and services. Capital and related financing activities in 2021 includes \$1,414,563 paid for the OnCall records system, which was primarily financed through the note payable.

Capital Assets (2022 and 2021)

The District's investment in capital assets that is composed of buildings, leasehold improvements, equipment and vehicles amounts to \$17,045,332, net of accumulated depreciation / amortization of \$13,508,502, at December 31, 2022 and \$16,404,382, net of accumulated depreciation / amortization of \$12,749,237 at December 31, 2021.

At December 31, 2022, the District has construction in progress of \$3,053,674, of which \$2,644,174 is related to the OnCall records system and \$409,500 is related to architectural and engineering costs related to the planned construction of facilities.

Capital Assets (2021 and 2020)

The District's investment in capital assets that is composed of buildings, leasehold improvements, equipment, and vehicles amounts to \$16,404,382, net of depreciation / amortization of \$12,749,237 at December 31, 2021 and \$15,720,777, net of depreciation / amortization of \$11,973,638 at December 31, 2020.

At December 31, 2021, the District has construction in progress of \$1,824,063, of which \$1,414,563 is related to the OnCall records system and \$409,500 is related to architectural and engineering costs related to the planned construction of facilities.

ORLEANS PARISH COMMUNICATION DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

Debt Administration (2022, 2021 and 2020)

In April 2021, the District entered into a note payable in order to acquire and implement a city-wide OnCall records system.

The transaction amount totaled \$2,188,256 which was deposited in trust by the lessee. The entire amount was expended as of December 31, 2022. The note payable bears interest at a rate of 1.933% and matures in 2026.

Future note payments at December 31, 2022 are as follows:

2023	\$ 460,198
2024	460,198
2025	460,198
2026	<u>230,097</u>
Total minimum note payments	1,610,691
Less: Interest cost	<u>(56,903)</u>
Present value of minimum note payments	<u>\$ 1,553,788</u>

Economic Outlook

The District's service area, Orleans Parish, has a diverse economy with the main sectors being energy, advanced manufacturing, international trade, healthcare, and tourism. Home to internationally known universities, hospitals and a Bioinnovation Center, the city is also one of the country's top meeting and convention destinations. The economy continued to improve subsequent to the coronavirus. Continued improved employment occurred in 2022 from 558,000 on December 31, 2021, to 583,273. The unemployment rate declined from 3.2% on December 31, 2021, to 3.6% on December 31, 2021. The New Orleans region could gain more than 12,000 jobs over the next two years, but the region's growth rate will lag behind other cities as tourism continues to suffer, according to the Louisiana Economic Forecast, an annual report published by economist Loren Scott.

The District adopted a \$20,081,435 budget for 2023. The budget excludes non-cash pension costs. While the economy was hard hit, the District expects its 2023 revenues from the appropriation from the City and its charges for user fees for communication devices to remain consistent with 2022 and 2021. The District continues to explore funding sources for the construction of new facilities and upgrades to its technologies to deliver 9-1-1 and 3-1-1 services to its users in Orleans Parish.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the District's Executive Director at 118 City Park Avenue New Orleans, Louisiana 70119.

ORLEANS PARISH COMMUNICATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2022 AND 2021

<u>ASSETS</u>	2022	2021
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 868,633	\$ 1,038,470
Accounts receivable	863,368	913,166
Due from other governments	-	705,899
Prepaid expenses	50,681	123,241
Total current assets	1,782,682	2,780,776
<u>NON-CURRENT ASSETS</u>		
Restricted cash and cash equivalents	-	840,886
Projects in progress	3,053,674	1,824,063
Capital assets, net	19,824,741	20,604,651
Total non-current assets	22,878,415	23,269,600
<u>TOTAL ASSETS</u>	24,661,097	26,050,376
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
	8,317,048	9,577,447
<u>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</u>	\$ 32,978,145	\$ 35,627,823
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 1,003,594	\$ 527,651
Accrued interest	87,018	88,794
Long-term lease - current portion	121,937	118,386
Note payable - current portion	433,291	425,016
Accrued payroll expense	235,717	171,449
Total current liabilities	1,881,557	1,331,296
<u>NON-CURRENT LIABILITIES</u>		
Compensated absences	914,837	941,967
Long-term lease	5,679,284	5,801,221
Long-term note payable	1,120,497	1,553,788
Net pension liability	18,909,895	15,947,361
Total non-current liabilities	26,624,513	24,244,337
Total liabilities	28,506,070	25,575,633
<u>DEFERRED INFLOW OF RESOURCES</u>		
	4,288,566	3,893,382
<u>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>	\$ 32,794,636	\$ 29,469,015
<u>NET POSITION</u>		
Net investment in capital assets	\$ 22,878,415	\$ 23,269,600
Restricted for debt service	-	-
Unrestricted	(22,694,906)	(17,110,792)
Total net position	\$ 183,509	\$ 6,158,808

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH COMMUNICATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>OPERATING REVENUES</u>		
Charges for services	\$ 5,752,548	\$ 5,861,981
Total operating revenues	<u>5,752,548</u>	<u>5,861,981</u>
<u>OPERATING EXPENSES</u>		
Contractual services, supplies, materials and other	4,510,330	3,623,838
Personnel services	17,142,939	17,087,066
Depreciation / amortization	950,514	966,848
Total operating expenses	<u>22,603,783</u>	<u>21,677,752</u>
<u>OPERATING LOSS</u>	(16,851,235)	(15,815,771)
<u>NONOPERATING INCOME (LOSS)</u>		
Intergovernmental revenue	10,599,996	9,491,786
Federal grants	-	466,910
Interest income	11,667	521
Interest expense	(211,832)	(202,675)
Miscellaneous income	424,421	546,760
Rental income	51,684	51,684
Total nonoperating income (loss)	<u>10,875,936</u>	<u>10,354,986</u>
<u>CHANGE IN NET POSITION</u>	(5,975,299)	(5,460,785)
<u>NET POSITION, BEGINNING OF THE YEAR</u>	<u>6,158,808</u>	<u>11,619,593</u>
<u>NET POSITION, END OF THE YEAR</u>	<u>\$ 183,509</u>	<u>\$ 6,158,808</u>

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH COMMUNICATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Charges for services	\$ 5,802,346	\$ 6,099,695
Paid to employees for services	(12,487,684)	(12,253,355)
Paid to suppliers for goods and services	(3,961,827)	(4,292,368)
Net cash provided by (used in) operating activities	(10,647,165)	(10,446,028)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Intergovernmental revenue	11,305,895	10,900,634
Interest paid	(213,608)	(202,675)
Purchase of capital assets	(1,400,215)	(1,459,204)
Principal payment on note payable and lease payable	(425,016)	(323,400)
Advance on capital lease	(118,386)	2,188,258
Miscellaneous receipts	424,421	546,760
Rental income	51,684	51,684
Net cash provided by (used in) capital and related financing activities	9,624,775	11,702,057
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest received	11,667	521
Net cash provided by investing activities	11,667	521
Net change in cash and cash equivalents	(1,010,723)	1,256,550
Cash and cash equivalents, beginning of year	1,879,356	622,806
Cash and cash equivalents, end of year	\$ 868,633	\$ 1,879,356
Cash and cash equivalents, end of year		
Unrestricted	\$ 868,633	\$ 1,038,470
Restricted	-	840,866
Total	\$ 868,633	\$ 1,879,336
Reconciliation of net operating income (loss) to net cash provided by (used in) operating activities areas follows:		
Operating income (loss)	\$ (16,851,235)	\$ (15,815,771)
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation / amortization	950,514	966,848
(Increase) decrease in accounts receivable	49,798	237,714
(Increase) decrease in prepaid expenses	72,560	22,685
Increase (decrease) in accounts payable	475,943	(691,215)
Increase (decrease) in accrued payroll expenses	64,268	31,803
Increase in compensated absences	(27,130)	49,420
Increase (decrease) in pension liability	2,962,534	(1,048,370)
Increase in deferred inflows/ outflows	1,655,583	5,800,858
Net cash provided by (used in) operating activities	\$ (10,647,165)	\$ (10,446,028)

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Summary of Significant Accounting Policies

History and Organization

The Orleans Parish Communication District, which services all of Orleans Parish, was created effective July 13, 1982, pursuant to Act No. 155 of the 1982 Regular Session of the Louisiana Legislature.

The District was created for the purpose of establishing a local emergency telephone service, establishing a primary emergency telephone number, providing for the governing body of the District, and authorizing the governing authority of such district to levy an emergency telephone tax. This act was amended by Act No. 1029 in 1999 to provide for the creation of multi-parish communications districts, to provide relative to the rate of the emergency telephone service charge on landline phones and to authorize the levy of an emergency telephone service charge on landline phones and to authorize the levy of an emergency telephone service charge on certain wireless communications systems.

The District and the City of New Orleans (City) entered into a Cooperative Endeavor Agreement on January 1, 2003 that allowed the City to provide pension and health benefits to District employees, while the District provided funding support for call takers, administrative, and maintenance support for the 9-1-1 system, building, and personnel. Effective April 13, 2016, the District and the City of New Orleans entered into another Cooperative Endeavor Agreement that terminated all previous Cooperative Endeavor Agreements and consolidated operations of the 9-1-1 system. The consolidation resulted in the physical and organizational placement of all emergency communication functions into one facility as one organization supporting the New Orleans Police Department, New Orleans Fire Department, New Orleans Emergency Management Services, and New Orleans Homeland Security and Preparedness using common systems. All City personnel assigned to the 9-1-1 call center by various City departments are now assigned to the District.

Reporting Entity

For financial reporting purposes the District is a component unit of the City of New Orleans, Louisiana (the City). The accompanying financial statements present information only as to the transactions of the District and are not intended to present fairly the financial position and results of operations of the City of New Orleans, Louisiana.

The District is presented as a component unit of the City of New Orleans. Component units are legally separate organizations for which elected officials of the primary government (City of New Orleans) are financially accountable. Component unit status is determined using the following criteria:

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Summary of Significant Accounting Policies (continued)

Reporting Entity, continued

The City of New Orleans is financial accountable if it appoints a voting majority of the District's governing body and is either:

1. Able to impose its will on the District
2. There is potential for the District to provide specific financial benefits to or impose financial burdens on the City of New Orleans. The City of New Orleans may be financially accountable if the District is fiscally dependent on the City of New Orleans.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The District reports all of its activity in one enterprise fund. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues.

Basis of accounting refers to the point at which revenue or expenses are recognized in the accounts, reported in the accounts, and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Proprietary fund financial statements are presented on the accrual basis of accounting. Taxes are reported in the period for which it is levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Accounting 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include amounts in non-interest-bearing demand deposits and funds on deposit at The Louisiana Asset Management Pool (LAMP). Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States of America.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable are reported net of estimated uncollectible amounts. The District considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. Uncollectible amounts are recognized as bad debts at the time information becomes available which would indicate the uncollectability of the particular receivable.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Right to use assets are recorded at the present value of effectively fixed minimum lease payments, of the determined non-cancellable lease term. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	40 years
Furniture, fixtures, and equipment	3-7 years
Vehicles	5 years

Right to use assets are amortized over the shorter period of the lease term or the useful life of the asset.

Deferred outflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 8 for more information regarding deferred outflows of resources related to the net pension liability.

Compensated absences

All full-time classified employees of the District hired prior to January 1, 1979 are permitted to accrue a maximum of 90 days of vacation (annual leave) and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Employees hired after December 31, 1978, can accrue a maximum of 45 days of annual leave and an unlimited number of sick leave. Upon termination of employment, an employee is paid for accrued annual leave based upon current hourly rate of pay and for accrued sick leave on a formula basis. If termination is the result of retirement, the employee has the option of converting accrued sick leave to additional years of service.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Summary of Significant Accounting Policies (continued)

Deferred inflows of resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. See Note 8 for more information regarding deferred inflows of resources related to the net pension liability.

Net Position

Net position classifications are defined as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, including any restricted capital assets, net of accumulated depreciation / amortization and reduced by the outstanding balances of any bonds, 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 invested in capital assets, net of related debt. 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 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 net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt” as described above.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

Revenues and expenses

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the District’s ongoing operations. The principal operating revenues of the District are charges for services. Operating expenses include the contractual services, supplies, materials, personnel services, depreciation / amortization and other. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Summary of Significant Accounting Policies (continued)

Pension

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Employees' Retirement System of the City of New Orleans (NOMERS) and changes in NOMERS's fiduciary net position have been determined on the same basis as they are reported by NOMERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Cash and Cash Equivalents

Cash and Cash equivalents include the following at December 31:

	<u>2022</u>	<u>2021</u>
Cash on deposit with financial institutions	\$ 682,139	\$ 1,468,705
Louisiana Asset Management Pool	<u>186,494</u>	<u>410,651</u>
Total	<u>\$ 868,633</u>	<u>\$ 1,879,356</u>

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

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it under state law. At December 31, 2022 and 2021, the District's deposits had a carrying amount of \$682,139 and \$1,468,705, respectively, and a bank balance of \$691,111 and \$1,921,606, respectively. Of the bank balances, \$500,000 and \$750,000 were covered by federal depository insurance, respectively. The bank balance was fully collateralized at December 31, 2022. \$590,886 was undercollateralized at December 31, 2021.

LAMP is considered to be an external investment pool administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. Cash and Cash Equivalents (continued)

LAMP is a 2a7- like investment pool. The following facts are relevant for 2a7- like investment pools:

- Credit Risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable to 2a7- like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company. An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP. LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 650 Poydras Street, Suite 2220, New Orleans, LA 70130.

3. Accounts Receivables

The District has receivables due from the landline and wireless 9-1-1 tax collectors in the amount of \$863,368 and \$913,166 at December 31, 2022 and 2021, respectively. Receivable balances are unsecured.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

4. Capital Assets

The capital assets of the District as of December 31, 2022 and 2021 consist of the following:

	<u>January 1, 2022</u>	<u>Additions</u>	<u>Transfer in/(out)</u>	<u>December 31, 2022</u>
Non-depreciable capital assets:				
Projects in progress	\$ 1,824,063	\$ 1,229,611	\$ -	\$ 3,053,674
Total non-depreciable capital assets	<u>1,824,063</u>	<u>1,229,611</u>	<u>-</u>	<u>3,053,674</u>
Depreciable capital assets:				
Buildings	19,160,085	-	-	19,160,085
Leasehold improvements	1,158,697	-	-	1,158,697
Equipment	6,849,126	18,489	-	6,867,615
Vehicles	<u>161,648</u>	<u>152,115</u>	<u>-</u>	<u>313,763</u>
Total depreciable capital assets	27,329,556	170,604	-	27,500,160
Accumulated depreciation	<u>(12,749,237)</u>	<u>(759,265)</u>	<u>-</u>	<u>(13,508,502)</u>
Total depreciable capital assets, net	<u>14,580,319</u>	<u>(588,661)</u>	<u>-</u>	<u>13,991,658</u>
Right-to-use assets:				
Capital lease	6,215,581	-	-	6,215,581
Accumulated amortization	<u>(191,249)</u>	<u>(191,249)</u>	<u>-</u>	<u>(382,498)</u>
Total right-to-use assets, net	<u>6,024,332</u>	<u>(191,249)</u>	<u>-</u>	<u>5,833,083</u>
Capital assets, net	<u>\$ 22,428,714</u>	<u>\$ 449,701</u>	<u>\$ -</u>	<u>\$ 22,878,415</u>

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

4. Capital Assets (continued)

	<u>January 1, 2021</u>	<u>Additions</u>	<u>Transfer in/(out)</u>	<u>December 31, 2021</u>
Non-depreciable capital assets:				
Projects in progress	\$ 409,500	\$ 1,414,563	\$ -	\$ 1,824,063
Total non-depreciable capital assets	<u>409,500</u>	<u>1,414,563</u>	<u>-</u>	<u>1,824,063</u>
Depreciable capital assets:				
Buildings	19,160,085	-	-	19,160,085
Leasehold improvements	1,158,697	-	-	1,158,697
Equipment	6,804,485	44,641	-	6,849,126
Vehicles	<u>161,648</u>	<u>-</u>	<u>-</u>	<u>161,648</u>
Total depreciable capital assets	27,284,915	44,641	-	27,329,556
Accumulated depreciation	<u>(11,973,638)</u>	<u>(775,599)</u>	<u>-</u>	<u>(12,749,237)</u>
Total depreciable capital assets, net	15,311,277	(730,958)	-	14,580,319
Right-to-use assets:				
Capital lease	6,215,581	-	-	6,215,581
Accumulated amortization	<u>-</u>	<u>(191,249)</u>	<u>-</u>	<u>(191,249)</u>
Total right-to-use assets, net	<u>6,215,581</u>	<u>(191,249)</u>	<u>-</u>	<u>(6,024,332)</u>
Capital assets, net	<u>\$ 21,936,358</u>	<u>\$ 492,356</u>	<u>\$ -</u>	<u>\$ 22,428,714</u>

At December 31, 2022, the projects in progress of \$3,053,674 consists of \$409,500 for architectural and engineering fees for planned facilities and \$2,644,174 for the implementation of the OnCall Records system project.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

5. Note Payable

In April 2021, the District entered into a note payable in order to acquire and implement a city-wide OnCall records system.

The transaction amount totaled \$2,188,256 which was deposited in trust by the lessee. The entire amount was expended as of December 31, 2022. The note payable bears interest at a rate of 1.933% and matures in 2026.

Future note payments at December 31, 2022 are as follows:

2023	\$	460,198
2024		460,198
2025		460,198
2026		<u>230,097</u>
Total minimum note payments		1,610,691
Less: Interest cost		<u>(56,903)</u>
Present value of minimum note payments	\$	<u>1,553,788</u>

6. Compensated Absences

A summary of changes in compensated absences for the years ended December 31 are as follows:

	<u>2022</u>	<u>2021</u>
Balance at beginning of year	\$ 941,967	\$ 892,547
Additions	752,920	1,083,604
Reductions	<u>(780,050)</u>	<u>(1,034,184)</u>
Balance at end of year	<u>\$ 914,837</u>	<u>\$ 941,967</u>

7. Pension Plan

General Information about the Pension Plan

Plan Description

Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit plan administered by the Employees Retirement System of the City of New Orleans (the Plan) established under the laws of the State of Louisiana. The Plan issues a publicly available financial report that can be obtained at www.nola.gov/nomers.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

7. Pension Plan (continued)

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Benefits Provided – Regular Benefits

Employees with thirty (30) years of service, or who attain age 65 with five (5) years of service, or any age with 30 years of service or age plus service equal 80, or age 62 with 20 years of service, are entitled to an unreduced normal retirement allowance. Early retirement is allowed with 10 years of service and attainment of age 62. Benefits vest after five years of service. The retirement allowance consists of an annuity, which is the actuarial equivalent of the employee's accumulation contribution, plus an annual pension, which together with the annuity, provides a total retirement allowance equal to 1.9% to 4% of average compensation times the number of years of service. The maximum pension may not exceed 100% of average compensation. Pension amounts are reduced for service retirement prior to age 62. Average compensation is defined as average annual earned compensation for the highest 60-month period. Members eligible for normal retirement or unreduced retirement may elect to defer receipt of the retirements while continuing employment for 3 to 5 years. Benefits accumulated are paid at termination or in level payments of up to 119 months.

Benefits Provided - Disability Benefits

Disability benefits are awarded to active members with 10 or more years of creditable service if a physician nominated by the board certifies that the member is totally incapacitated and that such incapacitation is likely to be permanent. The member receives an annuity, which is the actuarial equivalent to the employee's accumulated contribution, plus an annual pension, which, together with the annuity shall be 75% of the service allowance that would have been payable upon service retirement at age 65, had the member continued in service to the age of 65. Such allowance is to be computed on the average compensation, plus the sum of \$1,200 provided, however, the minimum annual retirement allowance will be \$3,000 per year.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

7. Pension Plan (continued)

Contributions

Contribution requirements of active employees are governed by the Retirement Ordinance of the City Charter of New Orleans. Employee and employer contributions are deducted from a member's salary and remitted to the Plan by participating employers. For the 2022 and 2021 fiscal years, employees participating in the Retirement System are required to contribute 6% of their covered compensation and the employer is required to contribute 16.86% and 14.53% of covered compensation. Employer contributions to the Retirement System are based upon the amount necessary to fund normal cost and amortization of past service costs over a period of thirty years. The contribution requirements of Retirement System members of the District are established and may be amended by the Retirement System's Board of Trustees. The District's contributions to the Retirement System, which were equal to the required contribution, for the years ended December 31, 2022, and 2021 were \$1,278,095 and \$1,249,970, respectively. However, the District does not guarantee any of the benefits granted by the plan.

At December 31, 2022 and 2021, the District reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources:

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions

At December 31, 2022 and 2021, the Employer reported a liability of \$18,909,895 and \$15,947,361, respectively, for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2022, and 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of December 31. The District's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2022, and 2021, the District's proportion was 5.1018% and 6.0454 %, respectively.

For the years ended December 31, 2022, and 2021, the District recognized pension expense of \$5,896,212 and \$6,002,458.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

7. Pension Plan (continued)

	<u>2022</u>		<u>2021</u>	
	<u>Deferred outflow of resources</u>	<u>Deferred inflow of resources</u>	<u>Deferred outflow of resources</u>	<u>Deferred inflow of resources</u>
Differences between expected and actual experience	\$ 1,301,964	\$ -	\$ 2,186,824	\$ (268,145)
Net difference between projected and actual earnings on pension plan investments	3,982,101	(3,497,487)	539,041	(3,497,487)
Changes in assumptions	-	(63,875)	1,071,088	(127,750)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>2,380,413</u>	<u>(2,380,413)</u>	<u>5,780,494</u>	<u>-</u>
	<u>\$ 8,317,048</u>	<u>\$ (4,288,566)</u>	<u>\$ 9,577,447</u>	<u>\$ (3,893,382)</u>

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions

Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 2,508,164
2024	1,234,107
2025	<u>286,211</u>
Total	<u>\$ 4,028,482</u>

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

7. Pension Plan (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2022, and 2021 are as follows:

Valuation Date	January 1, 2022 (2022)	January 1, 2021 (2021)
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Adjusted Market Value using seven-year smoothing	Adjusted Market Value using seven-year smoothing
Investment Rate of Return	7.25% per annum	7.25% per annum
Mortality	Non-disabled Pre-Retirement members - Mortality rates based on the PubG-2010 Employee Mortality Tables, amount-weighted, projected generationally with Scale MP-2020	Non-disabled Pre-Retirement members - Mortality rates based on the PubG-2010 Employee Mortality Tables, amount-weighted, projected generationally with Scale MP-2020
	Non-disabled Post-Retirement members - Mortality rates based on the PubG-2010 General Healthy Retiree Tables, amount-weighted, projected generationally with Scale MP-2020	Non-disabled Post-Retirement members - Mortality rates based on the PubG-2010 General Healthy Retiree Tables, amount-weighted, projected generationally with Scale MP-2020
	Disabled members - Mortality rates based on the PubNS - 2010 Non-Safety Disabled Retiree Tables, amount-weighted, projected generationally with Scale MP-2020	Disabled members - Mortality rates based on the PubNS -2010 Non-Safety Disabled Retiree Tables, amount-weighted, projected generationally with Scale MP-2020
Turnover	Table developed from the 2011-2016 Actuarial Experience Study	Table developed from the 2011-2016 Actuarial Experience Study
Salary Increases	Age based annual rates ranging from 10% to 3.2% annually	Age based annual rates ranging from 10% to 3.2% annually

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

7. Pension Plan (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2022, and 2021 are summarized in the following table:

Asset Class	2022			2021		
	Target Allocation	Long-Term Expected Real Rate of Return	Weighted Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return	Weighted Rate of Return
Cash Equivalents	2.0%	0.71%	.01%	2.0%	-0.10%	-0.02%
Domestic Equity	42.5%	6.91%	2.94%	42.5%	6.40%	2.72%
International Equity	14.0%	7.75%	1.09%	14.0%	7.41%	1.04%
Fixed income	22.0%	1.80%	0.40%	22.0%	0.60%	0.13%
Real estate	5.0%	3.61%	0.18%	5.0%	3.90%	0.20%
Hedge Funds and GTAA	9.5%	3.21%	0.30%	9.5%	2.75%	0.26%
Private Investments	5.0%	9.96%	0.50%	5.0%	10.40%	0.52%
Total	<u>100.0%</u>		<u>5.42%</u>	<u>100.0%</u>		<u>4.85%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.25% and 7.25% at December 31, 2022, and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

7. Pension Plan (continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.25%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	<u>1.0% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1.0% Increase (8.25%)</u>
Employer's proportionate share of the net pension liability - 2022	<u>\$ 23,458,003</u>	<u>\$ 18,909,895</u>	<u>\$ 15,114,481</u>
	<u>1.0% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1.0% Increase (8.25%)</u>
Employer's proportionate share of the net pension liability - 2021	<u>\$ 21,241,627</u>	<u>\$ 15,947,361</u>	<u>\$ 11,530,683</u>

Included in accounts payable were contributions payable to the pension plan in the amount of \$135,324 and \$70,792 at December 31, 2022, and 2021, respectively.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees Retirement System of the City of New Orleans 2022 Comprehensive Annual Financial Report at www.nola.gov/nomers.

8. Lease Payable

During May 2002, the District entered into an operating lease agreement for the lease of land. The lease term is for 50 years with an option to renew for four 10-year periods beginning June 2052. The annual rent for the first 10 years was fixed at a specific amount. The remaining term of the lease shall be divided into consecutive five-year rent periods. The annual rent for each rental period will be adjusted by a formula based on the consumer price index. The District implemented Government Accounting Standards #87 effective January 1, 2021 for the remaining term of the lease, excluding renewal options. A right-to-use asset and corresponding lease payable are recorded in the amount of \$6,215,501.

The District also leases various pieces of equipment under month-to-month leases.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

8. Lease Payable (continued)

Future minimum lease payments for the lease is as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 121,937	\$ 172,208	\$ 294,145
2024	125,595	168,495	294,090
2025	129,363	164,670	294,034
2026	133,244	160,731	293,975
2027	137,242	156,674	293,915
<u>Thereafter</u>	<u>5,153,839</u>	<u>2,168,203</u>	<u>7,322,042</u>
	<u>\$ 5,801,221</u>	<u>\$ 2,990,981</u>	<u>\$ 8,792,202</u>

Total rental expense for all leases for the years ended December 31, 2022, and 2021 was \$303,133 and \$316,315, respectively.

9. Cooperative Endeavor Agreement

Effective April 13, 2016, the District and the City of New Orleans (City) entered into a Cooperative Endeavor Agreement (CEA) to consolidate operations of the 9-1-1 call center. This resulted in the physical and organizational placement of all emergency communications functions into one facility as one organization supporting New Orleans Police Department, New Orleans Fire Department, New Orleans Emergency Management Services and New Orleans Homeland Security and Emergency Preparedness using common systems.

Beginning January 1, 2019, the District and the City of New Orleans (City) entered into a new Cooperative Endeavor Agreement (CEA) to define the obligations of each party. The CEA requires the City to provide an annual appropriation to the District for the Districts Operations (OPS) personnel, costs including health and accident insurance, employer retirement contributions, workers compensation, unemployment insurance, life insurance, uniform allowance, sick leave, annual leave, and terminal leave. The annual appropriation may also include an allocation for other operating costs required to support the District OPS. Funding shall be subject to approval by the City Council of New Orleans through the regular budgeting process. In addition, the City is to provide the District with access to fueling stations and computer programs and software applications which the City has purchased enterprise-wide licenses, provided the license agreements allow the City.

The District is required to develop an administrative and organizational structure that ensures consolidated operations and maintain and improve upon the current operational performance of 9-1-1 services with the City. Also, the District is to purchase, implement, and maintain hardware, software, and systems required for the provisions of 9-1-1 service throughout Orleans Parish; adopt, maintain, and implement appropriate protocols for operators to become cross-trained to take and dispatch all types of emergency calls; provide personnel with professional training and support; and maintain the physical facility known as the Warren E McDaniel 9-1-1 center for 9-1-1 services. The CEA requires the District to provide self-generated funding for the purpose of supporting consolidated 9-1-1 operations.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

10. Related Party Transactions

During the years ended December 31, 2022, and 2021, the District received intergovernmental revenue in the amount of \$10,599,996 and \$9,476,780, respectively, from the City to fund the OPS personnel cost.

The City of New Orleans provides health and accident insurance to the District's employees exclusively through preferred provider organizations (PPOs). Under this type of program, the District pays initial premiums based on the level of the employee's participation and has no further liabilities on any claims. The total amount of contributions by the District for health insurance was \$1,257,698 and \$1,238,860 for 2022 and 2021, respectively. As of December 31, 2022 and 2021, the District had outstanding health and accident insurance premiums payable to the City of New Orleans of \$177,421 and \$58,374, respectively.

The District also pays the Municipal Employees' Retirement System of the City of New Orleans for its employees' pension costs. See footnote 7 for the disclosures.

11. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 19, 2023, and determined that no matters require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ORLEANS PARISH COMMUNICATION DISTRICT
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contribution in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employers Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2022	\$ 1,278,095	\$ 1,278,095	\$ -	\$ 7,580,379	16.86%
2021	\$ 1,249,970	\$ 1,249,970	\$ -	\$ 8,604,911	14.53%
2020	\$ 1,997,230	\$ 1,997,230	\$ -	\$ 8,077,320	24.73%
2019	\$ 2,005,854	\$ 2,004,643	\$ 1,211	\$ 7,011,149	28.59%
2018	\$ 1,578,674	\$ 1,578,674	\$ -	\$ 4,924,230	32.06%
2017	\$ 1,483,758	\$ 1,483,758	\$ -	\$ 3,125,696	47.47%
2016	\$ 973,410	\$ 973,410	\$ -	\$ 3,125,696	31.14%
2015	\$ 186,591	\$ 186,591	\$ -	\$ 826,428	22.58%

Note: Employer's covered employee payroll amount represents the amount from the 2021 year.

Note: GASB 68 requires this schedule to show information for 10 years. The District implemented GASB 68 during the 2015 fiscal year. Therefore, additional years will be displayed as they become available.

See accompanying independent auditors' report.

ORLEANS PARISH COMMUNICATION DISTRICT
SCHEDULE OF EMPLOYERS PROPORTIONATE SHARE OF PENSION LIABILITY
DECEMBER 31, 2022

Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	5.1018%	6.0454%	5.9884%	4.6689%	3.8312%	2.7612%	0.0702%	0.0702%
District's Proportionate Share of the Net Pension Liability	\$ 15,947,361	\$ 18,909,895	\$ 16,995,731	\$ 14,261,322	\$ 11,210,644	\$ 6,438,928	\$ 6,913,336	\$ 1,569,029
District's Covered Payroll	\$ 7,580,379	\$ 8,604,911	\$ 8,077,320	\$ 7,011,149	\$ 6,789,412	\$ 3,125,696	\$ 3,125,696	\$ 745,405
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	210.38%	219.76%	210.41%	242.41%	210.05%	206.00%	221.18%	210.49%
Plan Fiduciary Net Position as a Percentage of total Pension Liability	53.25%	65.91%	61.72%	57.94%	55.55%	62.22%	58.06%	60.26%

Note: GASB 68 requires this schedule to show information for 10 years. The District implemented GASB 68 during the 2015 fiscal year. Therefore, additional years will be displayed as they become available.

See accompanying independent auditors' report.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2022

Benefit changes:

There were no changes of benefits terms for the year ended December 31, 2022.

The following plan provisions were effective January 1, 2021 for participants hired or on after January 1, 2018 and were reflected in the December 31, 2021 disclosure:

- Benefit multiplier changed to 2.50% for all years of service
- 80-point provision added to retirement eligibility
- Age 60 with 10 years of service early retirement eligibility added
- Pensionable earnings capped at \$150,000, periodically adjusted for inflation by the Trustees
- A Retirement Incentive Plan was adopted for participating members with a retirement date in 2020.

Assumption changes:

The following assumptions were changed with the January 1, 2020 valuation, based on an experience study for the period of January 1, 2011 through December 31, 2016 conducted by another actuary employed by the City:

- Update the mortality rates to use the PubG-2010 mortality tables for healthy lives, and PubNS-2010 Disabled Retiree table for Disabled lives, and project the mortality improvement for all participants with Scale MP-2018
- Change the retirement rates to use age-based rates, rather than 100% at selected eligibilities.
- Lower the assumed rate of investment return from 7.50% to 7.25%
- Change the salary scale to use age-based rates that reflect decreasing pay growth as a participant age, rather than use 5% increases for all ages.
- Update the turnover rates to reflect recent experience.
- Update the disability rates to only begin after ten years of service and stop at age 60.

The following assumptions were changed with the January 1, 2021 valuation:

- The mortality projection scale was updated from MP-2018 to MP-2020 for all participants.
- Administrative expenses were lowered from 0.3% of the payroll to 0.2% of payroll.

OTHER SUPPLEMENTARY INFORMATION

ORLEANS PARISH COMMUNICATION DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO THE AGENCY HEAD
FOR THE YEAR ENDED DECEMBER, 31, 2022

Agency Head Name: Tyrell Morris, Executive Director

Salary	\$ 149,858
Benefits - Health Insurance	9,625
Benefits - Retirement	25,198
Uniform allowance	-
Per diem	2,147
Reimbursements	-
Travel	-
Registration fees	1,365
Conference Travel	10,346
Continuing professional education fees	-
Housing	-
Unvouched Expenses	-
Special Meals	-
District provided Cell Phone	-
Total	<u>\$ 198,539</u>

See accompanying independent auditors' report.



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

The Board of Directors
Orleans Parish Communications District
(A Proprietary Component Unit of the City of New Orleans)
New Orleans, 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, each major fund, and the aggregate remaining fund information of the Orleans Parish Communications District (the District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 19, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that have not been identified. 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richard CPAS

Metairie, Louisiana
May 19, 2023

ORLEANS PARISH COMMUNICATION DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED DECEMBER 31, 2022

1. Summary of Independent Auditor's Results

Financial Statements

(a) The type of report issued on the basic financial statements: **Unmodified**

(b) Internal control over financial reporting:

Material weakness(es) identified: **None reported**

Significant deficiency(ies) identified: **None reported**

(c) Noncompliance which is material to the basic financial statements: **None reported**

2. Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*

None reported.

3. Status of Prior Year's Findings and Responses

2021-001 – Non-Compliance with State Audit Law

Criteria: In accordance with R.S. 24:513, any local auditee that receives \$500,000 or more in revenues and other sources in any one fiscal year shall be audited annually. The due date of the audit report is six months after the agency's fiscal year end.

Condition: The District was required to have an annual audit completed by the filing deadline of June 30, 2022 (six months after its fiscal year end). The District did not qualify for a disaster/emergency extension by the Louisiana Legislative Auditor under the provisions of Louisiana Revised Statute 29:724(B)(1).

Cause: The District's accounts were not timely reconciled and the close out of year-end financial statements did not occur.

Effect: The District is not in compliance with State of Louisiana Audit Law. R.S. 39:72.1 does prohibit the payment of funds appropriated to an agency that is not in compliance with the State Audit Law.

Recommendation: The District should ensure year-end close out procedures are done timely to allow sufficient time for the auditor to complete procedures in accordance with *Government Auditing Standards* and the State of Louisiana Audit Law.

Status: Resolved; Nonrepeating finding.

ORLEANS PARISH COMMUNICATION DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED DECEMBER 31, 2022

View of Responsible Official and Planned Corrective Action

The District concurs with the finding. The Director of Support Services and the Finance Director have been tasked to develop a written plan by January 31, 2023, for the timely completion of the 2022 annual report.

2021-002 – Security for Deposit Accounts

Criteria: In accordance with R.S. 39:1211-45, financial institutions with funds on deposit from a governmental agency shall maintain security equal to 100% of the collected funds on deposit, except that portion (\$250,000 per bank) insured under the laws of the United States and the Federal Deposit Insurance Corporation (FDIC).

Condition: At December 31, 2021, the District had one deposit account with one financial institution with a bank balance of \$840,886. The deposit was secured by FDIC coverage up to \$250,000. The remaining cash balance of \$590,886 was not secured by the financial institution as of December 31, 2021.

Cause: The District and the financial institution were not aware that the specific requirements of Louisiana R.S. 39:1211-45 were applicable to this one deposit account that was opened during the year ended December 31, 2021.

Effect: The District is not in compliance with the State of Louisiana R.S. 39:1211-45 related to security for funds on deposit with financial institutions.

Recommendation: RICHARD CPAS recommends the District work with its financial institution to be in compliance with the State of Louisiana requirements.

Status: Resolved.

View of Responsible Official and Planned Corrective Action

The District concurs with the finding. After December 31, 2022, the District secured collateral for the deposit account. None reported

ORLEANS PARISH COMMUNICATION DISTRICT
NEW ORLEANS, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2022

RICHARD  CPAS

ORLEANS PARISH COMMUNICATION DISTRICT
NEW ORLEANS, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2022

ORLEANS PARISH COMMUNICATION DISTRICT

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Orleans Parish Communication District and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. Orleans Parish Communication District's management is responsible for those C/C areas identified in the SAUPs.

Orleans Parish Communication District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022, through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

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

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

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

Richard CPAS

Metairie, Louisiana
May 19, 2023

ORLEANS PARISH COMMUNICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) *Written Policies and Procedures*

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exceptions were found as a result of this procedure.

ORLEANS PARISH COMMUNICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

ORLEANS PARISH COMMUNICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

2) Board or Finance Committee

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

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

No exceptions were found as a result of this procedure.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions were found as a result of this procedure.

3) Bank Reconciliations

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

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- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Exception noted. The District's 5 bank reconciliations selected were prepared subsequent to the 2-month time period.

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

No exceptions were found as a result of this procedure.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions were found as a result of this procedure.

4) Collections (excluding electronic funds transfers)

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

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.

No exceptions were found as a result of this procedure.

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

- i. Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Exception noted. On the two deposit dates selected for testing, nine of the sixty checks observed were not deposited within one business day of receipt.

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

No exceptions were found as a result of this procedure.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

No exceptions were found as a result of this procedure.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

No exceptions were found as a result of this procedure.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Exception noted. The employee who is responsible for processing payments also mails the checks.

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

No exceptions were found as a result of this procedure.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

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- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exceptions were found as a result of this procedure.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions were found as a result of this procedure.

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- C. Using the monthly statements or combined statements selected under #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions were found as a result of this procedure.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

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

No exceptions were found as a result of this procedure

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

No exceptions were found as a result of this procedure.

- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exceptions were found as a result of this procedure.

iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Exception noted. No formal contract was provided for one of the five contracts observed.

9) Payroll and Personnel

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

No exceptions were found as a result of this procedure.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions were found as a result of this procedure.

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- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found as a result of this procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Exception noted. The District did not appoint an ethics designee.

11) Debt Service

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

No exceptions were found as a result of this procedure.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions were found as a result of this procedure.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No exceptions were found as a result of this procedure.

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

Exception noted. The District did not have the fraud notice posted on its website.

13) Information Technology Disaster Recovery/Business Continuity

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

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- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backingup critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Exception noted. One employee did not complete the one hour of sexual harassment training.

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

Exception noted. The District did not have the sexual harassment policy and complaint procedure posted on its website.

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- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

Exception noted. The annual sexual harassment report was dated on April 19, 2023 and was not dated on or before February 1, 2023.

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

No exceptions were found as a result of this procedure.

- ii. Number of sexual harassment complaints received by the agency;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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MANAGEMENT RESPONSES:

Bank Reconciliations: Presently, all bank reconciliations are prepared and reviewed by the 15th of the following month.

Collections (excluding electronic funds transfers): The District scans all remittances and checks that are received and deposits them within 24 hours.

Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases): The District has identified that the mailing of all disbursements will be handled by the Executive Director's assistant.

Contracts: The District requires all signed contracts to be uploaded within the purchasing and requisition system upon execution.

Ethics: OPCD has appointed its Human Resources Manager as its ethics designee for the District.

Fraud Notice: The previous hyperlink to the fraud notice page on the legislative auditor's website was inaccessible. The fraud notice is updated and presently posted on the District's website.

Prevention of Sexual Harassment: One employee did not complete the one hour of sexual harassment training due to not receiving the email link. This has been corrected with a verification checklist by the human resources department when onboarding employees and the department of training and compliance. The District's Equal Employment Opportunity and Harassment Policy is posted to the website for public access. The annual sexual harassment report has been completed for the 2022 fiscal year and is on file with the District.