

**POINTE COUPEE PARISH  
SEWERAGE BOARD**

New Roads, Louisiana

Financial Statements

Year Ended December 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities of the Pointe Coupee Parish Sewerage Board, (the "Board"), a component unit of the Pointe Coupee Parish Government, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Board, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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 Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *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 Board'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board'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 Board'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***

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

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information as listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2023 on our consideration of the Board'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 Board'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 Board's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
June 26, 2023

## **FINANCIAL STATEMENTS**

POINTE COUPEE PARISH SEWERAGE BOARD

New Roads, Louisiana

Statement of Net Position

December 31, 2022

ASSETS

Current assets:

Cash and interest-bearing deposits	\$ 212,959
Receivables, net	39,917
Other receivables	13,185
Due from other governmental agencies	<u>77,321</u>
Total current assets	<u>343,382</u>

Non-current assets:

Restricted assets -	
Cash	<u>52,259</u>
Capital assets	
Non-depreciable	158,231
Depreciable, net	<u>3,111,040</u>
Total capital assets	<u>3,269,271</u>
Total assets	<u>3,664,912</u>

LIABILITIES

Current liabilities (payable from current assets)

Accounts payable	46,500
Due to primary government	<u>370,765</u>
Total payable from current assets	417,265

Payable from restricted assets

Current portion of long term debt	<u>23,590</u>
Total current liabilities	440,855

Noncurrent liabilities:

Bonds payable	<u>1,017,509</u>
Total liabilities	<u>1,458,364</u>

NET POSITION

Net investment in capital assets	2,228,171
Restricted	52,259
Unrestricted	<u>(73,882)</u>
Total net position	<u>\$ 2,206,548</u>

See accompanying notes are an integral part of the basic financial statements.

POINTE COUPEE PARISH SEWERAGE BOARD  
New Roads, Louisiana

Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended December 31, 2022

Operating revenues	
Charges for services	\$ 524,089
Miscellaneous	<u>3,487</u>
Total operating revenues	<u>527,576</u>
Operating expenses	
Contract labor	109,801
Supplies and materials	9,754
Operations and maintenance	240,118
Insurance	12,822
Professional services	60,493
Other services and charges	9,702
Depreciation	<u>162,106</u>
Total operating expenses	<u>604,796</u>
Operating loss	<u>(77,220)</u>
Non-operating revenues (expenses)	
Ad valorem taxes	21,001
State revenue sharing	1,639
Investment income	40
Interest expense	<u>(43,223)</u>
Total non-operating revenues (expenses)	<u>(20,543)</u>
Change in net position	(97,763)
Net position, beginning	<u>2,304,311</u>
Net position, ending	<u><u>\$ 2,206,548</u></u>

See accompanying notes are an integral part of the basic financial statements.



POINTE COUPEE PARISH SEWERAGE BOARD  
New Roads, Louisiana

Statement of Cash Flows  
Year Ended December 31, 2022

Cash flows from operating activities:	
Receipts from customers	\$ 482,709
Payments to suppliers	(476,672)
Other receipts	<u>3,487</u>
Net cash provided by operating activities	<u>9,524</u>
Cash flows from noncapital financing activities:	
Proceeds from taxes levied	21,001
Grants and contributions	1,639
Cash received (paid) from primary government	<u>27,680</u>
Net cash provided by noncapital financing activities	<u>50,320</u>
Cash flows from capital and related financing activities:	
Principal paid on capital debt	(45,155)
Interest paid on capital debt	<u>(43,223)</u>
Net cash used for capital and related financing activities	<u>(88,378)</u>
Cash flows from investing activities:	
Interest income	<u>40</u>
Net decrease in cash	(28,494)
Cash and cash equivalents, beginning of year	<u>293,712</u>
Cash and cash equivalents, end of year	<u><u>\$ 265,218</u></u>

(continued)

See accompanying notes are an integral part of the basic financial statements.

POINTE COUPEE PARISH SEWERAGE BOARD  
New Roads, Louisiana

Statement of Cash Flows (Continued)  
Year Ended December 31, 2022

Reconciliation of operating loss to net cash provided (used) by operating activities:	
Operating loss	\$ (77,220)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	162,106
(Increase) decrease current assets:	
Accounts receivable, net	(28,195)
Other receivables	(13,185)
Increase (decrease) current liabilities:	
Accounts payable	<u>(33,982)</u>
Net cash provided by operating activities	<u>\$ 9,524</u>
Cash and interest-bearing deposits, end of period -	
Current	\$ 212,959
Restricted	<u>52,259</u>
	<u>\$ 265,218</u>

See accompanying notes are an integral part of the basic financial statements.

Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The financial statements of Pointe Coupee Parish Sewerage Board (Board) have been prepared in conformity with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Board's accounting policies are described below.

A. Reporting Entity

The Pointe Coupee Parish Sewerage Board (Board) was created by Ordinance of the Pointe Coupee Parish Government on November 30, 2020. The purpose of the ordinance was to combine the operations of the Sewerage District No. 1, Sewerage District No. 3A, and Sewerage District No. 6. The boundaries would comprise the entirety of the boundaries of the three consolidated districts. The Board assumed all operations formerly conducted by each of the individual districts. The Board is governed by a board of eight members. These board members are appointed by the Pointe Coupee Parish Government.

Blended component units –

Sewerage District No. 4 – The governing board of the Sewerage District No. 4 has the same members as the governing board of the Consolidated Sewerage District No. 1.

Legonniere/Batchelor Sewerage District - The governing board of the Legonniere/Batchelor Sewerage District has the same members as the governing board of the Consolidated Sewerage District No. 1.

Because the Pointe Coupee Parish Government appoints the Board's governing body, the Board was determined to be a component unit of the Pointe Coupee Parish Government, the governing body of the parish and the governmental entity with oversight responsibility. The accompanying financial statements present information only on the proprietary fund maintained by the Board and do not present information on the Pointe Coupee Parish Government, the general government services provided by that governmental entity, or the other governmental entities that comprise the financial reporting entity.

B. Basis of Presentation

The accompanying financial statements of the Board have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities and as a governmental entity provides certain disclosures required by the Governmental Accounting Standards Board.

Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

Notes to Financial Statements

C. Fund Accounting

The accounts of the Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of a self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Board maintains only one fund and it is described below:

Proprietary Fund –

Enterprise Fund

The Enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The enterprise fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

The proprietary fund statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are

Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

Notes to Financial Statements

recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash and interest-bearing deposits

For purposes of the statements of net position, cash and interest-bearing deposits include all demand deposits, savings accounts, and certificates of deposits. They are stated at cost, which approximates market.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Enterprise fund activities report customer’s utility service receivables as their major receivables. This receivable is reported net of an allowance for doubtful accounts. The allowance amount at December 31, 2022 is \$ 218,236.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets. They are reported at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Board maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Sewer system	10-50 years
Building and improvements	10-50 years
Machinery and equipment	5-25 years
Autos	5 years

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

Notes to Financial Statements

Equity Classifications

Net position represents the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources. The Board reports three categories of net position, as follows:

- a. Net investment in capital assets – Consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Board’s bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Board typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

F. Revenues and expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Ad valorem taxes and state revenue sharing are recorded in the year the taxes are due and payable. Interest income is recorded when earned. All other revenues are recorded when received. Expenditures are recorded in the period that the liabilities are incurred.

Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

Notes to Financial Statements

G. Capitalization of Interest Costs

It is the policy of the Board to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At December 31, 2022, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources 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.

I. Restricted or Unrestricted Resources

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

(2) Cash and Cash Equivalents

Under state law, the Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Board may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Board's deposits may not be recovered or the Board will not be able to recover the collateral securities that are in the possession of an outside party. The Board does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) were secured as follows:

Bank balances	<u>\$ 266,372</u>
Deposits are secured as follows:	
Insured deposits	<u>\$ 266,372</u>

Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

Notes to Financial Statements

(3) Receivables

Receivables consist of the following:

Accounts receivable	\$ 239,070
Ad valorem taxes receivable	19,083
Less: Allowance for doubtful accounts	<u>(218,236)</u>
Net	<u>\$ 39,917</u>

The aging of the accounts receivable is as follows:

Current	\$ 47,494
0-30 days	3,336
31-60 days	1,487
61-90 days	1,160
Over 91 days	<u>185,593</u>
Total	<u>\$ 239,070</u>

(4) Changes in Capital Assets

The following is a summary of changes in capital assets:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets not being depreciated				
Land	\$ 158,231	\$ -	\$ -	\$ 158,231
Capital assets being depreciated				
Sewer systems	6,501,075	-	-	6,501,075
Buildings and improvements	26,928	-	-	26,928
Machinery and equipment	196,763	-	-	196,763
Vehicles	<u>31,000</u>	<u>-</u>	<u>-</u>	<u>31,000</u>
Total capital assets being depreciated	6,755,766	-	-	6,755,766
Less accumulated depreciation	<u>(3,482,620)</u>	<u>(162,106)</u>	<u>-</u>	<u>(3,644,726)</u>
Total capital assets being depreciated, net	<u>3,273,146</u>	<u>(162,106)</u>	<u>-</u>	<u>3,111,040</u>
Total	<u>\$ 3,431,377</u>	<u>\$ (162,106)</u>	<u>\$ -</u>	<u>\$ 3,269,271</u>

Depreciation expense charged to operations for the year ended December 31, 2022, is \$162,106.



Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

Notes to Financial Statements

(5) Changes in Long-Term Debt

The following changes occurred in long-term debt for the year ended December 31, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Direct Placement:					
USDA Revenue Bonds	\$ 17,812	\$ -	\$ 17,812	\$ -	\$ -
USDA General Obligation Bonds	6,588	-	6,588	-	-
USDA Revenue Bonds	300,586	-	5,810	294,776	6,610
USDA Revenue Bonds	369,162	-	7,365	361,797	8,357
USDA Revenue Bonds	<u>392,106</u>	<u>-</u>	<u>7,580</u>	<u>384,526</u>	<u>8,623</u>
Total long-term debt	<u>\$ 1,086,254</u>	<u>\$ -</u>	<u>\$ 45,155</u>	<u>\$ 1,041,099</u>	<u>\$ 23,590</u>

Long-term debt payable is composed of the following issues:

\$358,000 U.S. Department of Agriculture Revenue Bonds - Sewer District 4, dated March 13, 2008, due in monthly installments of \$1,615 (including interest) through March 13, 2048 at interest rate of 4.375%.	\$ 294,776
\$443,000 U.S. Department of Agriculture Revenue Bonds - Sewer District 4, dated March 13, 2008, due in monthly installments of \$1,927 (including interest) through March 13, 2048 at interest rate of 4.125%.	361,797
\$467,000 U.S. Department of Agriculture Revenue Bonds - Sewer District 4, dated March 13, 2008, due in monthly installments of \$2,106 (including interest) through March 13, 2048 at interest rate of 4.375%.	<u>384,526</u>
	<u>\$ 1,041,099</u>

Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

Notes to Financial Statements

The annual requirement to amortize all debt outstanding is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 23,590	\$ 44,183	\$ 67,773
2024	24,621	43,153	67,774
2025	25,698	42,077	67,775
2026	26,821	40,952	67,773
2027	27,994	39,780	67,774
2028-2032	159,437	179,432	338,869
2033-2037	244,615	92,247	336,862
2038-2042	197,480	141,387	338,867
2043-2047	303,007	35,859	338,866
2048-2052	7,836	24	7,860
	<u>\$ 1,041,099</u>	<u>\$ 659,094</u>	<u>\$ 1,700,193</u>

Default Provisions

In the event of default on direct borrowings and direct placements, the bondholder may take actions as deemed necessary and appropriate as permitted by law to cause the Board to comply with its obligations under the debt and compel performance.

(6) Compensation Paid to Board Members

For the year ended December 31, 2022, the Board's board members received no compensation.

(7) Compensation and Payments to Chief Officer

Act 706 of the 2014 Legislative Session amended R.S. 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. For the year ended December 31, 2022, the Board's Chair, Steve Boudreaux, received no compensation, reimbursements, benefits, or other payments.

Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

Notes to Financial Statements

(8) Litigation

There was no litigation pending against the Board at December 31, 2022.

(9) Risk Management

The Board is exposed to risks of loss in the areas of general liability and property hazards. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance during the year. The Board has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

(10) New Accounting Pronouncements

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. This standard requires governments to report SBITAs as either a capital asset or an intangible asset and to disclose information about the terms of the arrangement, the costs, and any significant impacts on operations. This standard is effective for reporting periods beginning after June 15, 2022. The Board will include the requirements of this standard, as applicable, in its December 31, 2023, financial statement. All of the Board's SBITA agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the Board are unknown at this time.

## **OTHER INFORMATION**

POINTE COUPEE PARISH SEWERAGE BOARD  
New Roads, Louisiana

Statement of Net Position  
Sewer Districts  
December 31, 2022

	<u>Consolidated Sewer District No.1</u>	<u>Sewer District No. 4</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 195,647	\$ 17,312	\$ 212,959
Receivables, net	38,193	1,724	39,917
Other receivable	-	13,185	13,185
Due from other governmental agencies	<u>67,319</u>	<u>10,002</u>	<u>77,321</u>
Total current assets	<u>301,159</u>	<u>42,223</u>	<u>343,382</u>
Non-current assets:			
Restricted assets -			
Cash	<u>-</u>	<u>52,259</u>	<u>52,259</u>
Capital assets			
Non-depreciable	131,481	26,750	158,231
Depreciable, net	<u>1,679,413</u>	<u>1,431,627</u>	<u>3,111,040</u>
Total capital assets	<u>1,810,894</u>	<u>1,458,377</u>	<u>3,269,271</u>
Total assets	<u>2,112,053</u>	<u>1,552,859</u>	<u>3,664,912</u>

(continued)

POINTE COUPEE PARISH SEWERAGE BOARD  
New Roads, Louisiana

Statement of Net Position (Continued)  
Sewer Districts  
December 31, 2022

	<u>Consolidated</u>	<u>Sewer</u>	<u>Total</u>
	<u>Sewer</u>	<u>District</u>	
	<u>No.1</u>	<u>No. 4</u>	
<b>LIABILITIES</b>			
Current liabilities (payable from current assets)			
Accounts payable	28,144	18,356	46,500
Due to primary government	<u>330,765</u>	<u>40,000</u>	<u>370,765</u>
Total payable from current assets	358,909	58,356	417,265
Payable from restricted assets			
Current portion of long term debt	<u>-</u>	<u>23,590</u>	<u>23,590</u>
Total current liabilities	358,909	81,946	440,855
Noncurrent liabilities:			
Bonds payable	<u>-</u>	<u>1,017,509</u>	<u>1,017,509</u>
Total liabilities	<u>358,909</u>	<u>1,099,455</u>	<u>1,458,364</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,810,894	417,277	2,228,171
Restricted	-	52,259	52,259
Unrestricted	<u>(57,750)</u>	<u>(16,132)</u>	<u>(73,882)</u>
Total net position	<u>\$ 1,753,144</u>	<u>\$ 453,404</u>	<u>\$ 2,206,548</u>

POINTE COUPEE PARISH SEWERAGE BOARD  
New Roads, Louisiana

Statement of Revenues, Expenses, and Changes in Net Position  
Sewer Districts  
Year Ended December 31, 2022

	Consolidated Sewer District No.1	Sewer District No. 4	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Operating revenues			
Charges for services	\$ 340,343	\$ 183,746	\$ 524,089
Miscellaneous	3,487	-	3,487
Total operating revenues	<u>343,830</u>	<u>183,746</u>	<u>527,576</u>
Operating expenses			
Contract labor	89,891	19,910	109,801
Supplies and materials	2,389	7,365	9,754
Operations and maintenance	155,711	84,407	240,118
Insurance	10,144	2,678	12,822
Professional services	42,310	18,183	60,493
Other services and charges	8,784	918	9,702
Depreciation	96,770	65,336	162,106
Total operating expenses	<u>405,999</u>	<u>198,797</u>	<u>604,796</u>
Operating loss	<u>(62,169)</u>	<u>(15,051)</u>	<u>(77,220)</u>
Non-operating revenues (expenses)			
Ad valorem taxes	21,001	-	21,001
State revenue sharing	1,639	-	1,639
Investment income	37	3	40
Interest expense	(1,852)	(41,371)	(43,223)
Total non-operating revenues (expenses)	<u>20,825</u>	<u>(41,368)</u>	<u>(20,543)</u>
Change in net position	(41,344)	(56,419)	(97,763)
Net position, beginning	<u>1,794,488</u>	<u>509,823</u>	<u>2,304,311</u>
Net position, ending	<u>\$ 1,753,144</u>	<u>\$ 453,404</u>	<u>\$ 2,206,548</u>

POINTE COUPEE PARISH SEWERAGE BOARD  
New Roads, Louisiana

Statement of Cash Flows  
Sewer Districts  
Year Ended December 31, 2022

	Consolidated Sewer District No.1	Sewer District No. 4	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Cash flows from operating activities:			
Receipts from customers	\$ 302,186	\$ 180,523	\$ 482,709
Payments to suppliers	(345,120)	(131,552)	(476,672)
Other receipts	<u>3,487</u>	<u>-</u>	<u>3,487</u>
Net cash provided (used) by operating activities	<u>(39,447)</u>	<u>48,971</u>	<u>9,524</u>
Cash flows from noncapital financing activities:			
Proceeds from taxes levied	21,001	-	21,001
Grants and contributions	1,639	-	1,639
Cash received from primary government	<u>10,680</u>	<u>17,000</u>	<u>27,680</u>
Net cash provided by noncapital financing activities	<u>33,320</u>	<u>17,000</u>	<u>50,320</u>
Cash flows from capital and related financing activities:			
Principal paid on capital debt	(24,400)	(20,755)	(45,155)
Interest paid on capital debt	<u>(1,852)</u>	<u>(41,371)</u>	<u>(43,223)</u>
Net cash used for capital and related financing activities	<u>(26,252)</u>	<u>(62,126)</u>	<u>(88,378)</u>
Cash flows from investing activities:			
Interest income	<u>37</u>	<u>3</u>	<u>40</u>
Net increase (decrease) in cash	(32,342)	3,848	(28,494)
Cash and cash equivalents, beginning of year	<u>227,989</u>	<u>65,723</u>	<u>293,712</u>
Cash and cash equivalents, end of year	<u>\$ 195,647</u>	<u>\$ 69,571</u>	<u>\$ 265,218</u>

(continued)



POINTE COUPEE PARISH SEWERAGE BOARD  
New Roads, Louisiana

Statement of Cash Flows (Continued)  
Sewer Districts  
Year Ended December 31, 2022

	<u>Consolidated</u>		
	Sewer District No.1	Sewer District No. 4	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating loss	\$ (62,169)	\$ (15,051)	\$ (77,220)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	96,770	65,336	162,106
(Increase) decrease current assets:			
Accounts receivable, net	(38,157)	9,962	(28,195)
Other receivables	-	(13,185)	(13,185)
Increase (decrease) current liabilities:			
Accounts payable	<u>(35,891)</u>	<u>1,909</u>	<u>(33,982)</u>
Net cash provided (used) by operating activities	<u>\$ (39,447)</u>	<u>\$ 48,971</u>	<u>\$ 9,524</u>
Cash and interest-bearing deposits, end of period -			
Current	\$ 195,647	\$ 17,312	\$ 212,959
Restricted	<u>-</u>	<u>52,259</u>	<u>52,259</u>
	<u>\$ 195,647</u>	<u>\$ 69,571</u>	<u>\$ 265,218</u>

Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

Schedule of Number of Customers  
December 31, 2022

Records maintained by the Board indicate the following number of sewer customers were being served as of December 31, 2022:

<u>District</u>	<u>No. of Customers</u>
Consolidated Sewerage District:	
Sewerage District No. 1	\$ 685
Legonniere/Batchelor Sewerage District	80
Sewerage District No. 4	<u>293</u>
 Total	 <u>\$ 1,058</u>

Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

Schedule of Insurance in Force  
December 31, 2022

<u>Insurer</u>	<u>Type of Coverage</u>	<u>Coverage Amounts</u>		<u>Exp. Date</u>
Glatfelter Public Entities	Property liability	Each event	\$ 250,000	3/12/2023
Glatfelter Public Entities	General liability	Each occurrence	1,000,000	3/12/2023
		Aggregate	3,000,000	
Glatfelter Public Entities	Public officials and management liability	Each offense	1,000,000	3/12/2023
		Aggregate	3,000,000	

Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

Schedule of Sewer Rates  
December 31, 2022

Monthly sewer rates for customers of the Board are as follows:

District	Monthly Rate
Consolidated Sewerage District:	
Sewerage District No. 1	\$ 37
Legonnie/Batchelor Sewerage District	\$ 40
Sewerage District No. 4	\$ 45

**INTERNAL CONTROL, COMPLIANCE,  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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## 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*

Board of Commissioners  
Pointe Coupee Parish Sewerage Board, and  
Louisiana Legislative Auditor

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Pointe Coupee Parish Sewerage Board, (the "Board"), a component unit of the Pointe Coupee Parish Government, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated June 26, 2023.

### Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2022-001 that we consider to be a material weakness.

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

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

## **Pointe Coupee Parish Sewerage Board’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Board's response to the finding identified in our audit and described in the accompanying schedule of current and prior year audit findings and management’s corrective action plan. The Board's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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 result of that testing, and not to provide an opinion on the effectiveness of the Board’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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
June 26, 2023

Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2022

Part I. Current Year Findings and Management's Corrective Action Plan:

A. Internal Control over Financial Reporting

2022-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2022

CONDITION: The Board did not have adequate segregation of duties within the accounting function.

CRITERIA: Committee of Sponsoring Organizations (COSO) *Internal Control – Integrated Framework* and the Louisiana Legislative Auditor's *Governmental Auditing Guide*.

CAUSE: the Board does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: We evaluated the cost vs. benefit of fully segregating accounting functions and determined that it would not be cost effective to fully segregate these functions. We evaluated our processes, and to the extent practicable with our current staffing level, have reassigned duties and functions and have created compensating controls. While this may not be sufficient to eliminate this finding, we feel that we have taken appropriate steps to reduce the financial statement risk caused by inadequate segregation of accounting functions.

B. Compliance

None reported.



Pointe Coupee Parish Sewerage Board  
New Roads, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2022

Part II. Prior Year Findings:

A. Internal Control Over Financial Reporting

None reported.

B. Compliance

None reported.

**Pointe Coupee Parish Sewerage Board**  
Pointe Coupee Parish, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period January 1, 2022 through December 31, 2022

# KOLDER, SLAVEN & COMPANY, LLC

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

Mr. Steve Boudreaux, Chairman  
And the Board of Commissioners  
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. Pointe Coupee Parish Sewerage Board (the Board) management is responsible for those C/C areas identified in the SAUPs.

The Board 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 and associated findings are as follows:

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

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, purchase cards)**, 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).
- i) **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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **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.

### ***Board or Finance Committee***

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - d) 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.

### ***Bank Reconciliations***

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (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:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) 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
  - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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

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4. 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).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
  - a) Employees responsible for cash collections do not share cash drawers/registers;
  - b) 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;
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedures #3 (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

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- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under procedure #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - b) At least two employees are involved in processing and approving payments to vendors;
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
  - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and
  - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
- 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, 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.

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

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12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g. each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

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15. 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:
  - a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures (procedure #1g); and
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### ***Contracts***

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16. 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
  - a) 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;

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment, the documented approval); and
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

### ***Payroll and Personnel***

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- 17. 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.
- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.);
  - b) Observe whether supervisors approved the attendance and leave of the selected employees/officials;
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- 19. 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 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.
- 20. 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.

### ***Ethics***

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- 21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 obtain ethics documentation from management, and:
  - a. 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
  - b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- 22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.



### ***Debt Service***

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23. 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.
24. 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).

### ***Fraud Notice***

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25. 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.
26. 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.

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

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27. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
  - a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
  - b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

***Prevention of Sexual Harassment***

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- 29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S 42:343.
- 30. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
- 31. 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:
  - a. Number and percentage of public servants in the agency who have completed the training requirements;
  - b. Number of sexual harassment complaints received by the agency;
  - c. Number of complaints which resulted in a finding that sexual harassment occurred;
  - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e. Amount of time it took to resolve each complaint.

***Findings:***

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No exceptions were found as a result of procedures list above with the exception of:

**Written Policies and Procedures**

*The Board does not have written policies and procedures.*

**Ethics**

*The Board did not complete the required ethics training.*

**Prevention of Sexual Harassment**

*The Board did not complete the required sexual harassment training.*

*The Board did not prepare the required sexual harassment report.*

***Management’s Response:***

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The Board concurs with the exceptions and are working to address the deficiencies identified.

We were engaged by the Board 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 the Board 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.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
June 26, 2023