

**Washington Parish Communications District
of the
Washington Parish Government
Franklinton, Louisiana**

**Annual Financial Statements
As of the Years Ended December 31, 2023 and 2022**

Minda B. Raybourn

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Limited Liability Company

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**Washington Parish Communications District
of the
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**Annual Financial Statements
With Supplemental Information Schedules
As of the Year Ended December 31, 2023 and 2022**

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MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Washington Parish Communications District
Washington Parish Government
Franklinton, Louisiana

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the business-type activities, of the Washington Parish Communications District, a component unit of Washington Parish Government, as of and for the years ended December 31, 2023, and 2022, and the related notes to the financial statements, which collectively comprise Washington Parish Communications District's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, of the Washington Parish Communications District, as of December 31, 2023, and 2022 and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

My 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 my 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 GAAS 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 GAAS and *Government Auditing Standards*, I:

- 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 Washington Parish Communications 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Washington Parish Communications District's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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 and the budgetary comparison schedule 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. Management has omitted the 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. My opinion on the basic financial statements is not affected by this missing information. I 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 my inquiries, the basic financial statements, and other knowledge we obtained during my audit of the basic financial statements. I 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

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington Parish Communications District's basic financial statements. The other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation paid to the Board of Members and the schedule of compensation, benefits, and other payments to the agency head, are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, based on my audit, the procedures performed as described above, schedule of compensation paid to the Board of Members and schedule of compensation, benefits, and other payments to the agency head are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 21, 2024 On my consideration of Washington Parish Communications District's internal control over financial reporting and on my 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 my 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 Washington Parish Communications 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 Washington Parish Communications District's internal control over financial reporting and compliance.



Minda Raybourn
Franklinton, Louisiana
June 21, 2024

FINANCIAL STATEMENTS

Schedule A

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
December 31, 2023

ASSETS	2023	2022
Current Assets:		
Cash and Cash Equivalents	74,989	112,890
Accounts Receivable	97,310	92,242
Prepaid Insurance	-	4,876
Prepaid Contract	11,719	10,172
Utility Deposits	191	191
Total Current Assets	184,209	220,371
Noncurrent Assets:		
Restricted Cash		
Debt Service	66,520	64,023
Capital Fund	442,934	333,163
Capital Assets:		
Building	3,170,878	3,170,878
Equipment	1,903,275	1,869,402
Less accumulated Depreciation	(2,053,967)	(1,891,872)
Total Capital Assets	3,020,186	3,148,408
Fixed Asset Not in Use	18,117	18,117
Land	120,919	120,919
Capital Assets, Net	3,159,222	3,287,444
Total Assets	3,852,885	3,905,001
 Liabilities		
Current Liabilities:		
Accounts Payable	15,696	42,526
Payroll taxes Payable	3,132	3,028
Bonds Payable-Due Within One Year	30,000	30,000
Total Current Liabilities	48,828	75,554
Noncurrent Liabilities		
Bonds Payable-Due in More Than 1 Year	145,000	175,000
 Net Assets		
Invested in Capital Assets, net of related debt	2,984,222	3,082,444
Restricted for Debt Service	66,520	64,023
Restricted for Capital Funds	442,934	333,163
Unrestricted	165,381	174,817
Total Net Assets	\$ 3,659,057	\$ 3,654,447

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

Schedule B

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
PROPRIETARY FUND TYPE
Year ended December 31, 2023

	2023	2022
Operating Revenues:		
Wireline Income	231,272	196,792
Wireless Income	526,879	518,753
Sign Fund Income	608	417
Other Income	4,530	65
Total Operating Revenue	763,289	716,027
Operating Expenses:		
Service Maintenance-ATT	14,357	16,270
911 Lines-ATT	46,005	43,972
Service-Other Equipment	158,656	108,727
Salaries	119,583	113,747
Telephone	9,034	5,814
Travel	3,213	2,843
Depreciation	162,096	168,648
Office Supplies	7,411	8,876
Insurance	66,832	63,484
Health Benefit	36,743	33,972
Payroll Taxes	9,113	8,735
Service & Maintenance Contracts	44,538	40,133
Legal Fees	2,400	2,200
Repairs and Maintenance	36,079	35,920
Training	3,804	2,470
Utilities	42,995	47,022
Automobile Expense	7,488	4,564
Dues & Subscriptions	(70)	1,304
Bank Fees	9	33
Professional Fees	9,500	10,000
Street Signs	284	592
Miscellaneous	487	-
Total Operating Expenses	780,557	719,325
Operating Income	(17,268)	(3,298)
Nonoperating Revenues & (Expenses):		
Gain on Sale of Asset	6,895	-
Interest Expense	(7,700)	(7,700)
Interest Income	22,683	4,864
Total Nonoperating Revenues	21,878	(2,836)
Change in Net Position	4,610	(6,135)
Total Net Assets, Beginning of Year	3,654,447	3,660,582
Total Net Assets, End of Year	3,659,057	3,654,447

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

Schedule C

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
Year ended December 31, 2023

	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 753,691	\$ 720,172
Cash received from others	4,530	482
Cash payments for goods and services	(522,275)	(409,768)
Cash payments for employees	(119,583)	(113,747)
Net cash provided (used) by operating activities	116,363	197,139
Cash flows from capital and related financing activities:		
Purchases of capital assets	(33,872)	(22,545)
Proceeds from sales of assets	6,895	-
Principal paid on debt	(30,000)	(30,000)
Interest paid on debt	(7,700)	(7,700)
Net cash provided (used) by capital and related financing activities	(64,677)	(60,245)
Cash flows from investing activities		
Interest from investments	22,683	80
Purchase of investments	(112,268)	(130,000)
Proceeds from sale of investments	-	-
Net cash provided (used) by financing activities	(89,585)	(129,920)
Net increase (decrease) in cash and equivalents	(37,899)	6,974
Cash and cash equivalents, beginning of year	112,889	105,915
Cash and cash equivalents, end of year	\$ 74,990	\$ 112,889
Reconciliation of cash equivalents and investment cash to statement of net position		
Cash and cash equivalent	74,989	112,889
Total cash and cash equivalents	\$ 74,989	\$ 112,889
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ (17,268)	\$ (3,300)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	162,096	168,648
(Increase) decrease in accounts receivable	(5,068)	4,074
(Increase) decrease in prepaid expenditures	3,329	(5,090)
Increase (decrease) in accounts payable	(26,830)	32,654
Increase (decrease) in payroll payable	104	153
Total adjustments	133,631	200,439
Net cash provided (used) by operating activities	\$ 116,363	\$ 197,139

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

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

INTRODUCTION

The Washington Parish Communications District (The District) was created by the Washington Parish Government on May 17, 1988, under the provisions authorized by Louisiana Revised Statute 33:9101-9106. The purpose of the District is to establish and manage operations of an enhanced 911 emergency telephone system in Washington Parish. The District is governed by a seven-member board appointed by the parish government. Board members receive no compensation.

The District has equipped three public safety answering points: Washington Parish Sheriff's Office, Franklinton Police Department, and Bogalusa Police Department, with enhanced 911 equipment. Each answering point is staffed by the respective agency's personnel.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general-purpose financial statements of the Washington Parish Communications District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Washington Parish Government is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the primary government, Parish Council, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Washington Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

Because the parish government appoints the District's governing board and has the ability to significantly influence operations, the District was determined to be a component unit of the Washington Parish Government, the financial reporting entity.

C. FUND ACCOUNTING

The Washington Parish Communications District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The accrual basis of accounting is used. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. The Enterprise Fund uses the following practices in recording certain revenues and expenses:

Revenues

Wire-line: On November 10, 1988, the voters of Washington Parish approved a levy, not to exceed 5% of the tariff rate approved by Public Service Commission, on each private and commercial telephone to fund the enhanced 911 emergency telephone service. Beginning in 2012, AT&T Telephone Company began collecting a service charge of \$0.68 per residential and \$2.95 per commercial telephone line. Effective August 1, 2016, landline residential rates are \$1.06 and commercial rates are \$6.00. AT&T remits monthly collections (less a 1% administrative fee) to the District by the fifteenth (15th) day of the following month. Currently, there are approximately 17,000 residential and 3,000 commercial lines in the Parish.

Wireless: On December 15, 2000, an agreement for Phase I E-911 Services as entered into between the Washington Parish Communications District and AT&T's Mobility as per the Federal Communications Commission in its Report and Order and Further Notice of Proposed Rulemaking in FCC docket No. 94-102, released on July 26, 1996, which requires cellular and broadband PCS licenses and certain wireless licenses to initiate action for the provision of Phase I E-911 service (as defined in the FCC Order), which will enable such licensees to relay a caller's mobile directory number information and the location of a cell site receiving a 911 call to the designated Communications District.

This agreement allows the Communications District to collect a monthly fee of \$0.85 per cellular subscriber per month minus a collection fee not to exceed \$0.15 per cellular subscriber per month. Effective August 1, 2016, this rate changed to \$1.25. While not governed by this agreement, various other cellular providers are collecting monthly fees from their subscribers and remitting the fees to the Communications District.

Expenses

The District records expenses when the liability has been incurred.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

E. BUDGET PRACTICES

The operating budget was adopted December 8, 2022. The budget was amended on December 14, 2023. The budget is prepared on the accrual basis of accounting.

F. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. The District includes in cash and cash equivalents, amounts in time deposits and those investments in bank certificates of deposits with original maturities of no more than 90 days. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. Investments are stated at amortized cost.

G. RESTRICTED ASSETS

Certain unspent proceeds from revenue bond obligations and certain resources are set aside for their repayment are classified as restricted assets on the statement of net position. They are maintained in separate bank accounts and their use is limited by applicable debt agreements.

H. FIXED ASSETS

Fixed assets of the District are stated on the balance sheet of the Enterprise Fund at historical cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Vehicles	5 years
Equipment	7 years
Computer equipment	5 years

I. COMPENSATED ABSENCES

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized, as current-year expenditures in the proprietary fund when leave is actually taken.

Employees of the District earn vacation leave at varying rates according to years of service. Vacation leave must be taken during the year earned. However, upon termination employees are paid for any unused vacation leave earned during the year.

Employees earn 12 days of sick leave each year. A total of 45 days may be accumulated. All accumulated sick leave lapses upon termination.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

J. LONG-TERM LIABILITIES

Long-term liabilities consist of debt or other obligations that have maturities in excess of one year.

K. NET POSITION

Restricted Net Position—Restricted net position represents those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Unrestricted Net Position—This represents unrestricted net position that can be used for future operations of the District.

L. NEW ACCOUNTING STANDARDS

For 2022, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. The District does not have any lease agreements that meet the reporting requirements of the standard.

The District adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, (SBITA) in fiscal year 2023. GASB statement No. 96 requires governments to recognize subscription-based asset associated with SBITA agreements. The District does not have any SBITA that meet the reporting requirements of the standard.

2. CASH AND CASH EQUIVALENTS

At December 31, 2023, the District had cash and cash equivalents (book balances) totaling \$141,509.

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount of deposit with the fiscal agent. At December 31, 2022, the District had \$75,104 in deposits (collected bank balances), at Hancock Whitney Bank and \$66,520 in deposits at Regions Bank which were secured by federal deposit insurance.

3. INVESTMENTS

At December 31, 2023, the District held investments as follows:

	Cash Equivalent	FDIC Pledge Security
Lamp	\$ 442,934	\$ -

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

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.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM 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 or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 53 days (from LAMP's monthly Portfolio Holdings) as of December 31, 2023.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. 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.

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

4. RECEIVABLES

The following is a summary of receivables at December 31, 2023:

Wireline/Wireless(Celluar) Service	
ATT wireline/wireless service	\$ 12,062
Other wireline/wireless service	85,248
Total Receivables	<u>\$ 97,310</u>

5. RESTRICTED CASH

The District maintains the following accounts due to restrictions imposed by the revenue bonds or by the board for future capital acquisitions:

Restricted Cash:	
Debt Service Fund	\$ 24,625
Debt Reserve Fund	41,895
Capital Funds	442,934
Total	<u>\$ 509,454</u>

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

6. PROPERTY, PLANT AND EQUIPMENT

A summary of fixed assets at December 31, 2023 as follows:

	Beginning January 1, 2023	Additions	Deductions	Ending December 31, 2023
Building	\$ 3,170,881	-	-	\$ 3,170,881
Communication equipment	1,139,315	2,930	-	1,142,245
Other equipment	287,970	30,943	-	318,913
Recording equipment	64,986	-	-	64,986
Mapping Equipment	131,544	-	-	131,544
Office equipments & Furniture	88,636	-	-	88,636
Vehicle	50,805	-	-	50,805
Maps	106,144	-	-	106,144
Total Capital Assets Being				
Depreciated	5,040,281	33,873	-	5,074,154
Less Accumulated Depreciation	(1,891,871)	(162,096)	-	(2,053,967)
Total Capital Assets Being				
Depreciated, Net	3,148,410	(128,223)	-	3,020,187
Fixed Assets not being Depreciated	18,116	-	-	18,116
Land	120,919	-	-	120,919
Capital Assets, Net	<u>3,287,445</u>	<u>(128,223)</u>	<u>-</u>	<u>3,159,222</u>

The District incurred capital expenditures of \$33,873 of various communications equipment and improvements. Depreciation expense totaled \$162,096.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

7. LONG-TERM DEBT

Below is a summary of long-term obligations for the year ended December 31, 2022:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>	<u>Due Within</u>
					<u>One Year</u>
2012 Revenue Bonds	\$ 205,000	\$ -	\$ (30,000)	\$ 175,000	\$ 30,000

The District issued 2012 revenue bonds for the new operations center in the amount of \$465,000. The bonds are payable with semi-annual interest payments and annual principal payments with an annual interest rate at 3.50% and mature on May 1, 2027.

The schedule to amortize all future debt service payments including interest of \$21,261 are shown as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>12/31/2023</u>			
2024	30,000	5,600	\$ 35,600
2025	35,000	4,462	39,462
2026	35,000	3,237	38,237
2027	75,000	1,312	76,312
2028	-	-	-
Total	\$ 175,000	\$ 14,611	\$ 189,611

The District paid \$7,700 in interest expense.

8. LITIGATION AND CLAIMS

As of December 31, 2023, there were no litigations or claims against the District.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

9. SUBSEQUENT EVENTS

These financial statements considered subsequent events through June 21, 2024, the date the financial statements were available to be issued. No events were noted that required recording or disclosure in the financial statements for the fiscal year ending December 31, 2023.

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS-BUDGET AND ACTUAL
PROPRIETARY FUND TYPE
Year Ended December 31, 2023

	Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance
Revenues:				
Wireline Income	\$ 200,856	\$ 213,384	\$ 231,272	\$ 17,888
Wireless Income	488,520	535,374	526,879	(8,495)
Miscellaneous Income	608	121,634	4,530	(117,104)
Sign Fund Income	285	285	608	323
Total Revenue	<u>690,269</u>	<u>870,677</u>	<u>763,289</u>	<u>(107,388)</u>
Expenses:				
Service Maintenance-ATT	22,680	16,932	14,357	2,575
911 Lines-ATT	43,200	50,400	46,005	4,395
Service-Other Equipment	127,200	127,200	158,656	(31,456)
Salaries	100,452	118,800	119,583	(783)
Telephone	6,861	6,861	9,034	(2,173)
Travel	9,600	9,600	3,213	6,387
Depreciation	-	-	162,096	(162,096)
Office Supplies	6,000	6,000	7,411	(1,411)
Insurance	56,412	56,412	66,832	(10,420)
Health Benefit	24,552	36,480	36,743	(263)
Payroll Taxes	7,560	7,560	9,113	(1,553)
Service & Maintenance Contracts	45,696	60,372	44,538	15,834
Legal Fees	2,400	2,400	2,400	-
Repairs and Maintenance	31,596	167,640	36,079	131,561
Training	9,000	9,000	3,804	5,196
Utilities	45,000	45,000	42,995	2,005
Automobile Expense	6,000	6,000	7,488	(1,488)
Dues & Subscriptions	614	614	(70)	684
Bank Charges	83	83	9	74
Street Signs	1,200	1,200	284	916
Professional Fees	15,996	25,956	9,500	16,456
Miscellaneous	-	-	487	(487)
Total Expenses	<u>562,102</u>	<u>754,510</u>	<u>780,557</u>	<u>(26,047)</u>
Operating income	128,167	116,167	(17,268)	(133,435)
Non-operating Revenues & Expenses				
Gain on Sale of Asset	-	-	6,895	6,895
Interest Income	3,480	13,488	22,683	9,195
Interest Expense	(16,500)	(7,176)	(7,700)	(524)
Total non-operating revenues	<u>(13,020)</u>	<u>6,312</u>	<u>21,878</u>	<u>15,566</u>
Change in Net Position	115,147	122,479	4,610	(117,869)
Net Position, Beginning of Year	<u>3,654,447</u>	<u>3,654,447</u>	<u>3,654,447</u>	<u>-</u>
Net Position, End of Year	<u>3,769,594</u>	<u>3,776,926</u>	<u>3,659,057</u>	<u>(117,869)</u>

See independent auditor's report.

Schedule 2

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
Year Ended December 31, 2023

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No 54 of the 1979 Session of the Louisiana Legislature. Board members were not paid compensation in any form.

	<u>Term</u>
Mr. James Coleman, Chairman 1530 Military Rd. Bogalusa, La. 70427	12/31/2024
Mr. Mike Stogner, Vice-Chairman 11389 Dutch Stogner Bogalusa, La.70427	12/31/2024
Mrs. Cynthia August, Secretary 23873 Hwy 430 Franklinton, La.70438	12/31/2026
Mr. Danny Harris 46230 Jenkins Road No. 2 Franklinton, La. 70438	12/31/2024
Mr. Christopher "Brent" Jones 29336 Marin Jones Road Franklinton, La. 70438	12/31/2027
Mr. Olander Smith 31253 Hwy 438 Franklinton, LA 70438	12/31/2027
Ms. Sarah Burris 1219 Harrison Street Bogalusa, LA 70427	12/31/2026

See independent auditor's report.

Schedule 3

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
Year Ended December 31, 2023

COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

Agency Head: Ms. Joana Thomas, Director

Compensation	\$ 52,207
Payroll Taxes	3,994
Health Insurance	15,471
Reimbursements	<u>831</u>
	<u>\$ 72,503</u>

See independent auditor's report.

Minda B. Raybourn

Certified Public Accountant
Limited Liability Company

820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402

Member
AICPA

Member
LCPA

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*

To the Board of Commissioners
Washington Parish Communications District
Washington Parish Council
Franklinton, LA

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Washington Parish Communications District, a component unit of the Washington Parish Council, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Washington Parish Communications District's basic financial statements and have issued my report thereon dated June 21, 2024.

Internal Control over Financial Reporting

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

My 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. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider material weaknesses or significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Washington Parish Communication District's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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.

A handwritten signature in cursive script that reads "Minda Raybourn".

Minda Raybourn
Franklinton, LA

June 21, 2024

Washington Parish Communications District
Schedule of Current Year Audit Findings and Responses
For the Year Ended December 31, 2023

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes No

Significant deficiencies identified that are not
considered to be material weaknesses? Yes No

Noncompliance material to the financial statements note? Yes No

**Washington Parish Communication District
Schedule Prior Year Findings and Responses
For the Year Ended December 31, 2023**

There were no prior year findings.

Minda B. Raybourn

Certified Public Accountant

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners Washington Parish Communications 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, 2023 through December 31, 2023. Washington Parish Communications District's (the "District") management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. 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:

1) *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, 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).
- 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.

- 1) ***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.

The District policies and procedures does not address j) debt service-continuing disclosure/EMMA requirements and k) information technology disaster recover/business continuity-identification of personnel, processes, and tools need to recover operations after a critical event.

Management Response: We will implement the policies and procedures noted.

2) Board or Finance Committee

1. 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.
 - 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 comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, 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.*
 - 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.
 - 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 to the procedures noted.

3) Bank Reconciliations

1. 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:
 - 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);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
 - 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 to the procedures noted.

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).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - 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;

- 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
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- 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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions on the procedures noted.

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

- 1. 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).
- 2. 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

- 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.]

3. 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
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - 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.
4. 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 on the procedures noted.

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 persons who maintained possession of the cards. Obtain management’s representation that the listing is complete.
- 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
 - 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.
- C. Using the monthly statements or combined statements selected under procedure #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 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.

The District does not use cards.

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 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);
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Reimbursement for meals included receipts documenting the business/public purpose and names of the individuals participating, did not at times include a detailed receipt of the meal contents.

Management Response: We will include the detailed charge receipt of the meal with the required reimbursement documentation.

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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
 - 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;
 - 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);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

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

No exceptions to the procedures noted.

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.
- 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 that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- 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.
- 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 to the procedures noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A 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.
2. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions to the procedures noted.

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.
- 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 to the procedures noted.

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.
- 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.

No exceptions to the procedures noted.

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.”**

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.

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

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

0. Hired before June 9, 2020 - completed the training; and

1. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

1. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
2. 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).
3. 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:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

No exceptions to the procedures noted.

We were engaged by the 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or

compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in cursive script that reads "Minda Raybourn". The signature is written in dark ink on a light-colored background.

Minda B. Raybourn CPA
Franklinton, LA
June 21, 2024