

**GREEN GOLD LIBRARY SYSTEM**

Shreveport, Louisiana

**FINANCIAL STATEMENTS**

September 30, 2022

Marsha O. Millican  
A Professional Accounting Corporation  
Shreveport, Louisiana

# GREEN GOLD LIBRARY SYSTEM

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# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Green Gold Library System  
Shreveport, Louisiana

### Opinion

I have audited the accompanying financial statements of the governmental activities and major fund of the Green Gold Library System (the System), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the System as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

I conducted my 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 and the *Louisiana Governmental Audit Guide*. 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 the Green Gold Library System 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 opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System'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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, 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 the System'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 System'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 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. 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 I 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 me with sufficient evidence to express an opinion or provide any assurance.

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 basis financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of my audit of the basic financial statements are not affected by this missing information.

#### **Other Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated March 24, 2023 on my consideration of Green Gold Library System's internal control over financial reporting and on my tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements, and other matters. The purpose of that report is 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 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 System's internal control over financial reporting and compliance.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated March 24, 2023 on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



Certified Public Accountant  
March 24, 2023

**GREEN GOLD LIBRARY SYSTEM**

Statement of Net Position

September 30, 2022

<b>ASSETS</b>	
Cash	\$ 6,489
Investments - Money Market Savings	164,843
Capital assets, net of depreciation	<u>-</u>
Total Assets	<u>171,332</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
	<u>-</u>
<b>LIABILITIES</b>	
Liabilities	
Accounts payable and accruals	-
Payroll taxes payable	<u>547</u>
Total Liabilities	<u>547</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
	<u>-</u>
<b>NET POSITION</b>	
Invested in capital assets, net of debt	-
Committed	-
Unassigned	<u>170,785</u>
Total Net Position	<u>\$ 170,785</u>

The accompanying notes are an integral part of this statement.

**GREEN GOLD LIBRARY SYSTEM**  
Statement of Activities  
For the Year Ended September 30, 2022

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ 509,183	\$ 471,730	\$ -	\$ -	\$ (37,453)	\$ -	\$ (37,453)
Depreciation	-	-	-	-	-	-	-
Total Governmental Activities	<u>\$ 509,183</u>	<u>\$ 471,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(37,453)</u>	<u>-</u>	<u>(37,453)</u>
<b>GENERAL REVENUES</b>							
Intergovernmental					28,500	-	28,500
Donations					10,250	-	10,250
Interest					36	-	36
Miscellaneous					2,868	-	2,868
Total General Revenues					<u>41,654</u>	<u>-</u>	<u>41,654</u>
Change in Net Position					4,201	-	4,201
Net Position, Beginning of Year					<u>166,584</u>	<u>-</u>	<u>166,584</u>
Net Position, End of Year					<u>\$ 170,785</u>	<u>\$ -</u>	<u>\$ 170,785</u>

The accompanying notes are an integral part of this statement.

**GREEN GOLD LIBRARY SYSTEM**

Balance Sheet  
Governmental Fund  
September 30, 2022

<b>ASSETS</b>		
Cash		\$ 6,489
Investments - Money Market Savings		<u>164,843</u>
Total Assets		<u>\$ 171,332</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts payable and accruals		\$ -
Payroll taxes payable		<u>547</u>
Total Liabilities		<u>547</u>
Fund Balances		
Committed		-
Unassigned		<u>170,785</u>
Total Net Assets		<u>170,785</u>
Total Liabilities and Fund Balances		<u>\$ 171,332</u>

The accompanying notes are an integral part of this statement.



**GREEN GOLD LIBRARY SYSTEM**

Reconciliation of the Fund Balance on the Balance Sheets for Governmental Funds to Net Position  
of Governmental Activities on the Statement of Net Position

For the Year Ended September 30, 2022

Total Fund Balance for Governmental Funds	\$ 170,785
Total Net Position for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	-
Total Net Position of Governmental Activities	<u>\$ 170,785</u>

The accompanying notes are an integral part of this statement.

**GREEN GOLD LIBRARY SYSTEM**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2022

**REVENUES**

Intergovernmental	\$ 28,500
Fees & Charges for Library Services	471,730
Donations	10,250
Interest	36
Miscellaneous	<u>2,868</u>
Total Revenues	<u>513,384</u>

**EXPENDITURES**

General Operating Expenditures	<u>509,183</u>
Total Expenditures	<u>509,183</u>
Net Change in Fund Balances	4,201
Fund Balances, Beginning of year	<u>166,584</u>
Fund Balances, End of year	<u>\$ 170,785</u>

The accompanying notes are an integral part of this statement.

**GREEN GOLD LIBRARY SYSTEM**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities

For the Year Ended September 30, 2022

Net changes in Fund Balances - Governmental Funds \$ 4,201

The change in net assets reported for governmental activities  
in the statement of activities is different because:

Governmental funds report capital outlay as  
expenditures. However, in the statement of  
activities the cost of those assets is allocated  
over their estimated useful lives and reported as  
depreciation expense. This is the amount by  
which depreciation (\$-0-) exceeds  
capital outlay (\$-0-) in the current period

-

Total Net Position of Governmental Activities \$ 4,201

The accompanying notes are an integral part of this statement.

**GREEN GOLD LIBRARY SYSTEM**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2022

Green Gold Library System was originally funded by a Grant from the State Library of Louisiana with LSCA funds. The Green Gold Library System's main purpose is to deliver books and other materials between participating libraries.

**NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A.                      Basis of Accounting**

The accompanying financial statements of the Green Gold Library System have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June, 1999.

**B.                      Reporting Entity**

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Green Gold Library System has no component units and is fiscally independent of other state or local governments.

**C.                      Government-Wide and Fund Financial Statements**

The Statement of Net Position and the Statement of Activities display information about Green Gold Library System as a whole. Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services.

**D.                      Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used are as follows: Government-Wide Financial Statements - Accrual Basis; Fund Financial Statements - Modified Accrual Basis. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when the liability is incurred. Under the modified accrual basis of accounting revenue is recognized when it is considered measurable and available. Revenue is generally considered available if it is collected within 60 days of year end or may otherwise be available to finance current expenditures.

**E.                      Use of Estimates**

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



**NOTE 1**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Basic Financial Statements**

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize all of Green Gold Library System's operations as governmental activities. Governmental activities involve government services that are normally supported by fees and charges for library services.

In the government-wide financial statements, the Statement of Net Position and Statement of Activities display information about the System as a whole. Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service.

In the fund financial statements, funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The General Fund is the primary operating fund and is used to account for all resources.

**G. Budget Practices**

The Executive Council adopts the annual budget for the General Fund in the manner prescribed by State Law. The budget presents revenue and expenditures on a basis consistent with generally accepted accounting principles.

**H. Capital Assets**

Capital Assets include one vehicle expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions. All capital assets are reported at historical cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

**I. Cash and Investments**

Amounts reported as cash include all cash in one bank account. Investments consist of a money market account. All cash is fully collateralized by FDIC insurance.

**J. Compensated Absences**

Green Gold Library System does not compensate its employee for absence from work.

**K. Fund Balance**

GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions*, which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 34 requires the fund balance amounts to be properly within one of the fund balance categories listed below:

**K. Fund Balance (Continued)**

Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid expenses, or (b) legally or contractually required to be maintained intact.

Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balances include amounts that can be used only for the specific purposes as a result of constraints imposed by the System's management. Committed amounts cannot be used for any other purpose unless the System's management removes those constraints by taking the same type of action. At September 30, 2022, the System's management has no committed fund balance.

Assigned fund balances are amounts that are constrained by the System's intent to be used for specific purposes, but they are neither restricted nor committed. Intent is expressed by the System's management.

Unassigned fund balances are the residual classification for the System's General Fund and include all spendable amounts not contained in the other classifications.

The System's policy is to apply expenditures against nonspendable fund balances, restricted fund balances, committed fund balances, assigned fund balances, and unassigned fund balances, in that order.

**NOTE 2 Capital Assets**

A summary of Green Gold Library System's capital assets at September 30, 2022 follows:

	Balance 10/1/2021	Additions	Retirements	Balance 9/30/2022
Government Activities				
Capital Assets, being depreciated				
Vehicle	\$ 21,893	\$ -	\$ -	\$ 21,893
Total Capital Assets, being depreciated	21,893	-	-	21,893
Less accumulated depreciation	(21,893)	-	-	(21,893)
Total Accumulated Depreciation	(21,893)	-	-	(21,893)
 Total Capital Assets, being depreciated	 \$ -	 \$ -	 \$ -	 \$ -

**3. Subsequent Events**

Management has evaluated subsequent events through March 24, 2023, the date the financial statements were available to be distributed, and determined no additional disclosures are warranted.

**GREEN GOLD LIBRARY SYSTEM**

Budgetary Comparison Schedule - Governmental Fund - General Fund

For the Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>GAAP</u> <u>Basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 25,500	\$ 28,500	\$ 28,500	\$ -
Fees & Charges for Library Services	476,300	476,300	471,730	(4,570)
Donations	-	10,250	10,250	-
Interest	70	70	36	(34)
Miscellaneous	900	3,000	2,868	(132)
<b>Total Revenues</b>	<u>502,770</u>	<u>518,120</u>	<u>513,384</u>	<u>(4,736)</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	14,200	14,214	14,689	(475)
Operating Services	9,760	15,800	13,951	1,849
Online Data Base	476,500	475,300	474,528	772
Miscellaneous	1,600	7,300	6,015	1,285
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>502,060</u>	<u>512,614</u>	<u>509,183</u>	<u>3,431</u>
Excess (deficiency) of revenues over expenditures	<u>710</u>	<u>5,506</u>	<u>4,201</u>	<u>(1,305)</u>
<b>FUND BALANCES</b>				
Beginning of year	<u>166,584</u>	<u>166,584</u>	<u>166,584</u>	<u>-</u>
End of year	<u>\$ 167,294</u>	<u>\$ 172,090</u>	<u>\$ 170,785</u>	<u>\$ (1,305)</u>

**GREEN GOLD LIBRARY SYSTEM**  
Schedule of Compensation, Reimbursements, Benefits, and Other Payments  
to Agency Head  
For the Year Ended September 30, 2022

Agency Head: James A Pelton, Chief Administrative Officer

Salary	<u>\$ 2,662</u>
Payroll Taxes	<u>\$ 204</u>
Reimbursements	<u>\$ 748</u>





# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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  
Green Gold Library System  
Shreveport, Louisiana

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 governmental activities of Green Gold Library System as of September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated March 24, 2023.

## Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Green Gold Library System's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion 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 the District's internal control.

A *deficiency in internal control* exists when the design or operation 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 System's financial statements will not be detected or 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. I identified a certain deficiency in internal control, described in the accompanying schedule of findings as Finding #2022-1 that I consider to be a material weaknesses.

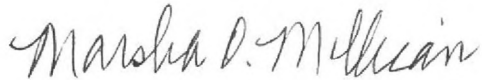
## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Green Gold Library System's financial statements are free of 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*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System'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 System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.



Certified Public Accountant

March 24, 2023

# GREEN GOLD LIBRARY SYSTEM

## Schedule of Findings

For the Year Ended September 30, 2022

### Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. One significant deficiency in internal control over financial reporting, which is a material weakness, was disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.

### Finding # 2022-1

#### Criteria:

Effective internal control requires the segregation of duties.

#### Condition:

Employees perform interrelated duties.

#### Cause:

The condition is due to economic and space limitations.

#### Effect:

Unknown.

#### Recommendation:

Whether or not it would be cost effective to correct a condition is not a factor in reporting requirements under accounting standards generally accepted in the United States of America. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all conditions reported under accounting standards generally accepted in the United States of America. In this case, both management and the auditor do not believe that correcting the condition described above is cost effective or practical, and, accordingly, do not believe that any corrective action is necessary.

#### Management's Response and Corrective Action Plan:

We agree with the finding. We will segregate duties as allowed by space and economic limitations.





# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

To the Board of Directors  
Green Gold Library System  
Shreveport, Louisiana

I 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 October 1, 2021 through September 30, 2022. Management of Green Gold Library System (the System) is responsible for those C/C areas identified in the SAUPS.

The Board of Directors of Green Gold Library System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPS for the fiscal period October 1, 2021 through September 30, 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 that 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.

**The entity has written policies and procedures that adequately address this function.**

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 Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

**The entity has written policy and procedures that adequately address this function.**



**The entity has written policies and procedures that adequately address this function.**

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

**The entity has written policies and procedures that adequately address this function.**

- 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).

**The entity has written policies and procedures that adequately address this function.**

- 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(s) rate of pay or approval and maintenance of pay rate schedules.

**The entity has written policies and procedures that adequately address this function.**

- 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.

**The entity has written policies and procedures that adequately address this function.**

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

**The entity has written policies and procedures that adequately address this function.**

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

**The entity has written policies and procedures that adequately address this function.**

- i) *Ethics*, including (1) the prohibition 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.

**The entity has written policies and procedures that adequately address this function.**

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

**The entity has no debt.**

- 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 a 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.

**The entity has written policies and procedures that adequately address this function.**

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

**The entity has written policies and procedures that adequately address this function.**

#### ***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.

**No exceptions were noted as a result of this procedure.**

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to the public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

**No exceptions were noted as a result of this procedure.**

- 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.

**No exceptions were noted as a result of this procedure.**

### ***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 or electronically logged);

**No exceptions were noted as a result of this procedure.**

- b) Bank reconciliations include evidence that a member of management/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

**Bank Reconciliations do not include that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.**

**Management's Response - In the future, a member of management/board member who does not handle cash, post ledgers, or issue checks will review each bank reconciliation.**

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

**No exceptions were noted as a result of this procedure.**

### ***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).

**No exceptions were noted as a result of this procedure.**

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 (i.e., 5 collection locations for 5 deposit sites, obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

**The Entity has no cash collections.**

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

**The Entity has no cash collections.**

- 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.

**The Entity has no cash collections.**

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

**The Entity has no cash collections.**

- 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 enforced during the fiscal period.

**The Entity has no cash collections.**

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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.

**The Entity does not use pre-numbered receipts.**

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

**See a) above.**

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

**No exceptions were noted as a result of this procedure.**

- 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).

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

***Non-Payroll Disbursements (excluding card purchases/payments, 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).

**No exceptions were noted as a result of this procedure.**

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, 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/making the purchase.

**Due to a lack of segregation of duties, only one employee is involved in the above function.**

**Management's Response: Both management and the independent auditor do not believe that correcting the lack of segregation of duties is cost effective or practical.**

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

**Due to a lack of segregation of duties, only one employee is involved in the above function.**

**Management's Response: Both management and the independent auditor do not believe that correcting the lack of segregation of duties is cost effective or practical.**

- 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.

**Due to a lack of segregation of duties, the employee responsible for processing payments is not prohibited from adding/modifying vendor files.**

**Management's Response: Both management and the independent auditor do not believe that correcting the lack of segregation of duties is cost effective or practical.**

- 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.

**Due to a lack of segregation of duties, the employee responsible for signing checks mails the payment.**

**Management's Response: Both management and the independent auditor do not believe that correcting the lack of segregation of duties is cost effective or practical.**

[Note: Exceptions 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 that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

**No exceptions were noted as a result of this procedure.**

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**The lack of segregation of duties is inadequate to provide effective internal control.**

**Management's Response: Both management and the independent auditor do not believe that correcting the lack of segregation of duties is cost effective or practical.**

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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

**A list of all credit cards was provided. No exceptions were noted as a result of this procedure.**



12. 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 on monthly bank statement), obtain supporting documentation, and:

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

**Due to lack of segregation of duties, supporting documents was not received or approved in writing by someone other than the auditor zed card holder.**

**Management's Response: Both management and the independent auditor do not believe that correcting the lack of segregation of duties is cost effective or practical.**

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

**No exceptions were noted as a result of this procedure.**

13. Using the monthly statements or combined statements selected under #12 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 (i.e. each card should have 10 transactions subject to testing). 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 practitioners should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**No exceptions were noted as a result of this procedure.**

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

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14. 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, 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)).

**No exceptions were noted as a result of this procedure.**



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

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

### Contracts

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

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

- 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 was approval documented).

**No exceptions were noted as a result of this procedure.**

- 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.

**No exceptions were noted as a result of this procedure.**

*Payroll and Personnel*

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16. Obtain a list 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 salaries and personnel files, and agree paid salaries to authorized salaries/ pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 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 a policy and/or contract, the official should document his/her daily attendance and leave.

**No exceptions were noted as a result of this procedure.**

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

**Due to the lack of segregation of duties, supervisors do not approve the attendance of the selected employees. Employees are not compensated for absence from work.**

**Management's Response: Both management and the independent auditor do not believe that correcting the lack of segregation of duties is cost effective or practical.**

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

**Employees are not compensated for absence from work.**

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

**No exceptions were noted as a result of this procedure.**

18. 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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employees' or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or official's personnel files, and agree the termination payment to entity policy.

**There were no terminations during the period.**

19. 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 the required deadlines.

**No exceptions were noted as a result of this procedure.**

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
  - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

**Board members did not obtain the required ethice training.**

**Management's Response: Board members will obtain the required ethics training in the future.**

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

**No exceptions were noted as a result of this procedure.**

### ***Debt Service***

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21. 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.

**The Entity has no debt.**

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

**No exceptions were noted as a result of this procedure.**

***Fraud Notice***

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23. Obtain a listing of misappropriation 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 to the district attorney of the parish in which the entity is domiciled.

**No exceptions were noted as a result of this procedure.**

24. Observe 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 were noted as a result of this procedure.**

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

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25. Perform the following procedures, **verbally discuss the results with management, and report, "I 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 no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

**I performed the procedures and discussed the results with management.**

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

**I performed the procedures and discussed the results with management.**

- 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.

**I performed the procedures and discussed the results with management.**

## Sexual Harassment

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

28. 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 it includes the applicable requirements of R.S. 42:344:

**The annual sexual harassment report was not filed.**

**Management's Response: We will file annual sexual harassment report in the future.**

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

**See response above.**

- b) Number of sexual harassment complaints received by the agency;

**See response above.**

- e) Amount of time it took to resolve each complaint.

**See response above.**

I was engaged by the System to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the System and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my 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.

*Marsha D. Milhean*

Certified Public Accountant

March 24, 2023