

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

**REPORT ON AUDIT OF COMPONENT
UNIT FINANCIAL STATEMENTS**

DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Livingston Parish Communications District
Livingston, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund (the General Fund) of the Livingston Parish Communications District, State of Louisiana, “the District”, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Livingston Parish Communications District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities and the major fund (the General Fund) of the Livingston Parish Communications District, State of Louisiana as of December 31, 2025, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4 through 9 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our

inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the Livingston Parish Communications District's basic financial statements. The accompanying schedules listed as Other Supplementary Information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedules listed as Other Supplementary Information in the table of contents is 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. 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 our opinion, the accompanying schedules listed as Other Supplementary Information in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
June 25, 2026

Livingston Parish Communications District
Management's Discussion and Analysis
December 31, 2025

Introduction

The Livingston Parish Communications District (the District) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), as amended. The amendment of GASB 34, including the adoption of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and applicable standards as more fully described in the financial statement footnotes as *Footnote 1 – Organization, Nature of Operations, and Summary of Significant Accounting Policies*.

The Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any significant variations from the District's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the District's financial statements in this report.

Financial Highlights

- At December 31, 2025, the District's government wide assets of \$2,819,023 exceeded its liabilities by \$1,509,489 (net position). Of this amount, \$691,099 (unrestricted net position) may be used to meet the District's ongoing obligations to its citizens.
- For the year ended December 31, 2025, the District's total government wide net position decreased by \$73,487.
- At December 31, 2025, the District's governmental fund reported an ending fund balance of \$691,099 an decrease of \$211,791 for the year. Of this amount a total of \$637,694 is unassigned and is available for spending at the District's discretion, \$53,405 is not spendable.
- At December 31, 2025, the District had cash and cash equivalents of \$985,514, which represents a increase of \$293,634 from December 31, 2024.
- At December 31, 2025, the District had capital assets net of accumulated depreciation of \$1,231,397.

Overview of the Annual Financial Report

The financial statement focus is on both the District as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the District's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the District's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on the District's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various governmental activities that are supported by the District's phone tariffs and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services.

In the government-wide financial statements, the District's activities are presented as:

- Governmental activities - The District's basic services are reported here. These activities are financed primarily by telephone tariffs in Livingston Parish to fund public safety emergency communications services.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The District uses one category of funds to account for financial transactions: governmental funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the District's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the District's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the District's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position in this report.

Net Position 2025 and 2024

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Assets:		
Current and Other Assets	\$ 1,587,626	\$ 1,332,559
Capital Assets	<u>1,231,397</u>	<u>1,224,046</u>
Total Assets	<u>2,819,023</u>	<u>2,556,605</u>
Liabilities:		
Long-Term Debt Outstanding	410,000	540,000
Other Liabilities	<u>899,534</u>	<u>433,629</u>
Total Liabilities	<u>1,309,534</u>	<u>973,629</u>
Net Position:		
Net Investment in Capital Assets	818,390	680,086
Unrestricted	<u>691,099</u>	<u>902,890</u>
Total Net Position	<u>\$ 1,509,489</u>	<u>\$ 1,582,976</u>

For the year ended December 31, 2025, approximately 46 percent of the District's net position is unrestricted and may be used to meet the District's ongoing obligations to its citizens.

For the year ended December 31, 2025, approximately 54 percent of the District's net position reflects its net investment in capital assets.

For the year ended December 31, 2025, none of the District's net position is restricted on how it can be used.

At December 31, 2025, the District had cash and cash equivalents of \$985,514 and investments of a certificate of deposit with maturity greater than three months of \$100,000 for total cash and investments of \$1,085,514. This represents approximately 68 percent of current and other assets.

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the District's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table.

**Changes in Net Position
For the years ended December 31, 2025 and 2024**

	Governmental Activities	
	2025	2024
Revenues:		
General Revenues:		
Emergency Telephone Tariffs, Net of Collection Fees	\$ 2,249,319	\$ 2,102,630
Prepaid Phone Fees	192,760	213,709
Interest Income	12,857	8,207
Total Revenues	<u>2,454,936</u>	<u>2,324,546</u>
Expenses:		
Public Safety - Emergency Communications	2,518,926	2,151,534
Bond Interest Expense	9,497	12,357
Total Expenses	<u>2,528,423</u>	<u>2,163,891</u>
Change in Net Position	(73,487)	160,655
Net Position, Beginning	<u>1,582,976</u>	<u>1,422,321</u>
Net Position, Ending	<u><u>\$ 1,509,489</u></u>	<u><u>\$ 1,582,976</u></u>

The District's total revenues increased by \$130,390 or 6 percent of the prior year amount. The overall increase is primarily attributed to the increase in Tariff Revenue. Prepaid phone fees decreased again in 2025. Emergency telephone tariffs, net of collections increased \$146,689 and prepaid phone fees decreased \$20,949. Total program expenses increased by 17 percent or approximately \$364,532 mainly due to emergency communications.

Fund Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund type – governmental funds.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

The District’s major fund is the General Fund. Information is presented in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for this fund.

The general fund is the chief operating fund of the District. At the end of the current year, the total fund balance for the general fund was \$691,099, of which \$637,694 or 92 percent was unassigned. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

General Fund Budgetary Highlights

Livingston Parish Communications District adopts an annual operating budget in accordance with the requirements of the Local Government Budget Act. As required by state law, actual revenues and other sources were within 5 percent of budgeted revenues and actual expenditures were within 5 percent of budgeted expenditures. The budget provides an estimate for the current fiscal year of the proposed expenditures and the revenues that will finance the operation of the District. The operating budget is adopted before the end of the prior fiscal year and is amended by the Board of Commissioners after review of monthly budget-to-actual reports if necessary. The analysis of budget variances refers to Schedule 1 included as Required Supplementary Information, following the footnotes of the financial statements.

Capital Assets and Debt Administration

Capital Assets

The District’s investment in capital assets for its governmental activities as of December 31, 2025 amounts to \$1,231,397 (net of depreciation). This represents a total increase in the District’s investment in capital assets for the current fiscal year of \$7,351 (net of depreciation). The increase is due to some current year equipment acquisitions.

The following table provides a summary of the District’s capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 7 to the financial statements in this report.

**Capital Assets (Net of Depreciation)
2025 and 2024**

Capital Assets	Governmental Activities	
	2025	2024
Buildings and Improvements	\$ 974,287	\$ 974,287
Equipment	3,226,436	3,084,176
Subtotal Capital Assets	4,200,723	4,058,463
Less: Accumulated Depreciation	(2,969,326)	(2,834,417)
Capital Assets, Net	\$ 1,231,397	\$ 1,224,046

Livingston Parish Communications District Livingston Parish Communications District had \$142,260 in equipment capital asset additions during the year ended December 31, 2025.

Long-Term Debt

At December 31, 2025, the District had total debt outstanding of \$410,000. Of this total, \$135,000 is due within one year and \$275,000 is due within greater than one year. The following table provides a summary of the District's outstanding debt at the end of the current year as compared to the prior year. See Note 10 to the financial statements in this report.

Outstanding Debt 2025 and 2024

	Governmental	
	2025	2024
Revenue Bonds Payable	\$ 410,000	\$ 540,000

Other Factors Affecting the District

The Livingston Parish Communications District's management approach is conservative and prudent.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, creditors and investors with a general overview of the District's finances and show the District's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to Jamie Felder, Accountant, Livingston Parish Communications District, Post Office Box 1117, Denham Springs, LA 70727 or (225) 316-7502.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2025

	<u>Governmental Activities</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 985,514
Investments	100,000
Receivables, Net:	
Accounts	448,707
Prepaid and Other Assets	53,405
Total Current Assets	<u>1,587,626</u>
Capital Assets:	
Capital Assets, Net	1,231,397
Total Capital Assets	<u>1,231,397</u>
Total Assets	<u>2,819,023</u>
Liabilities	
Current Liabilities (Payable from Current Assets):	
Accounts Payable	16,211
Accrued Interest Payable	3,007
Other Accrued Payables	18
Due to Other Governments	880,298
Total Current Liabilities (Payable from Current Assets)	<u>899,534</u>
Current Liabilities (Payable From Restricted Assets):	
Bonds Payable-Current Portion	135,000
Total Current Liabilities (Payable from Restricted Assets)	<u>135,000</u>
Long-Term Liabilities:	
Bonds Payable-Non-Current	275,000
Total Long-Term Liabilities	<u>275,000</u>
Total Liabilities	<u>1,309,534</u>
Net Position	
Net Investment in Capital Assets	818,390
Unrestricted	691,099
Total Net Position	<u>\$ 1,509,489</u>

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2025

		<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Net (Expenses) Revenues</u>	<u>Governmental Activities</u>
Governmental Activities					
Public Safety - Emergency Communications	\$ 2,518,926	\$ -	\$ -	\$ (2,518,926)	\$ (2,518,926)
Bond Interest Expense	9,497	-	-	(9,497)	(9,497)
Total Governmental Activities	<u>\$ 2,528,423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,528,423)</u>	<u>(2,528,423)</u>
General Revenues:					
Emergency Telephone Tariffs, Net of Collection Fees					2,249,319
Prepaid Phone Fees					192,760
Interest Income					12,857
Total General Revenues					<u>2,454,936</u>
Change in Net Position					<u>(73,487)</u>
Net Position - Beginning					<u>1,582,976</u>
Net Position - Ending					<u>\$ 1,509,489</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

BALANCE SHEET - GENERAL FUND

AS OF DECEMBER 31, 2025

Assets

Cash and Equivalents	\$	985,514
Investments		100,000
Receivables, Net:		
Accounts		448,707
Prepaid and Other Assets		53,405
Total Assets	\$	1,587,626

Liabilities and Fund Balance

Liabilities:		
Accounts Payable	\$	16,211
Due to Other Governments		880,298
Other Accrued Liabilities		18
Total Liabilities		896,527
Fund Balance:		
Nonspendable		53,405
Unassigned Fund Balance		637,694
Total Fund Balance		691,099
Total Liabilities and Fund Balance	\$	1,587,626

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2025

Fund Balance, Total Governmental Fund (Statement C)	\$ 691,099
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.	
Governmental capital assets, net of depreciation	1,231,397
Some liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:	
Bonds and Notes Payable	(410,000)
Accrued Interest Payable	<u>(3,007)</u>
Net Position of Governmental Activities (Statement A)	\$ <u><u>1,509,489</u></u>

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2025

Revenues

Charges (Net):

Emergency Telephone Charges

\$ 2,272,068

Prepaid Phone Fees

192,760

Collector Fees

(22,749)

Total Charges (Net)

2,442,079

Interest

12,857

Total Revenues

2,454,936

Expenditures

Public Safety - Emergency Communications:

Board Per Diem and Payroll Taxes

2,580

Communications

52,747

Service Contracts

2,072,819

Insurance

23,853

Other operating

98,961

Professional Fees

115,200

Repairs and Maintenance

12,465

Supplies

5,392

Capital Outlays

142,260

Debt Service:

Principal

130,000

Interest

10,450

Total Expenditures

2,666,727

Excess (Deficiency) of Revenues Over (Under)**Expenditures**

(211,791)

Net Change in Fund Balance

(211,791)

Fund Balance, Beginning

902,890

Fund Balance, Ending

\$ 691,099

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ (211,791)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Expenditures for capital assets	\$	142,260	
Less:			
Current year depreciation		(134,909)	7,351

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased since the prior year.

953

Repayment of bond principal is an expenditure in Government Funds, but the payment reduced long-term liabilities in the Government-Wide Statement of Net Position. This amount represents bond principal payments during the current period.

130,000

Change in Net Position of Governmental Activities, Statement B \$ (73,487)

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Revenues				
Charges (Net):				
Emergency Telephone Charges	\$ 2,000,000	\$ 2,200,000	\$ 2,272,068	\$ 72,068
Prepaid Phone Fees	220,000	180,000	192,760	12,760
Collector Fees	(20,000)	(5,000)	(22,749)	(17,749)
Interest Income	9,000	9,000	12,857	3,857
Total Revenues	<u>2,209,000</u>	<u>2,384,000</u>	<u>2,454,936</u>	<u>70,936</u>
Expenditures				
Public Safety - Emergency Communications:				
Board Per Diem and Payroll Taxes	2,000	2,000	2,580	(580)
Communications and Utilities	50,000	50,000	52,747	(2,747)
Service Contracts	1,776,000	2,000,000	2,072,819	(72,819)
Insurance	-	-	23,853	(23,853)
Other operating	86,000	206,000	98,961	107,039
Professional Fees	150,000	125,000	115,200	9,800
Repairs and Maintenance	-	-	12,465	(12,465)
Supplies	-	-	5,392	(5,392)
Capital Outlays	100,000	150,000	142,260	7,740
Debt Service:				
Principal	145,000	145,000	130,000	15,000
Interest	-	-	10,450	(10,450)
Total Expenditures	<u>2,309,000</u>	<u>2,678,000</u>	<u>2,666,727</u>	<u>11,273</u>
Net Change in Fund Balances	(100,000)	(294,000)	(211,791)	82,209
Fund Balances, Beginning	<u>902,890</u>	<u>902,890</u>	<u>902,890</u>	-
Fund Balances, Ending	<u>\$ 802,890</u>	<u>\$ 608,890</u>	<u>\$ 691,099</u>	<u>\$ 82,209</u>

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

1. Organization, Nature of Operations, and Summary of Significant Accounting Policies -

A. Organization and Nature of Operations

The Livingston Parish Communications District (the District), was created by an ordinance of the Livingston Parish Council on September 4, 1991, pursuant to the provisions of Louisiana Statute (LSA-RS) 33:9101-9106. The District was organized to provide emergency telephone services and maintain the facilities and equipment necessary to provide those emergency telephone services (911) to residents of the entire parish of Livingston, Louisiana.

The District's board is composed of seven board members who are appointed by the Livingston Parish Council and there are no set term limits for the Board Members. Board members are compensated for meeting attendance at the rate of \$50 per meeting.

In 2003, the Livingston Parish Communications District began construction of a state-of-the-art facility to house the operation of the District. The Livingston Parish Communications District purchased a parcel of land with an existing building in Satsuma, Louisiana. The District renovated and customized the existing building to the needs and requirements of the Homeland Security Act. In November of 2004, the District began occupying the facility and started installing and configuring the telephone and computer systems. On February 3, 2005, the District began providing emergency telephone services at the new facility in Satsuma. The Livingston Parish Communications District allowed the Livingston Parish Sheriff's Office to house its Communications Department at the facility in Satsuma. The Livingston Parish Sheriff provided the necessary equipment, hardware and personnel to fully staff and operate the Sheriff's communications department. The Sheriff's Department in turn assisted with call taking and dispatching when the District had the need.

On July 1, 2012, the District contracted with the Livingston Parish Sheriff's Office (LPSO) for dispatching services. The District no longer employs dispatchers. All District employees were compensated for the accrued leave, per the policy and no additional liability exists. LPSO assumes all staffing responsibilities. The Livingston Parish Sheriff and the District have contractually agreed that the District will pay the board approved contracted percentage of the annual phone tariff revenue to LPSO for dispatching services, to be remitted quarterly. As of December 31, 2025, the District operations are located within the Livingston Parish Council courthouse building.

Pursuant to Act 1029 of the 1999 Regular Session of the Legislature, the District is authorized to establish an emergency telephone service charge of \$0.85 per wireless user per month for users of CMRS (Commercial Mobile Radio Service) who can access the 911 telephone system. The purpose of the Act is to provide a funding mechanism to cover the costs of implementing enhancements to the emergency 911 telephone system for cellular and other wireless telephone users as provided by the Federal Communication Commission in Matter #94-102. Phase I of the FCC Matter requires the implementation of necessary enhancements that will automatically provide the wireless telephone number and wireless tower location of the wireless caller to the communication district (911 communications center) when such a caller accesses the 911

system. Proceeds from the monies collected pursuant to Act 1029 will be used first for payment of wireless service supplier's and the District's cost associated with the implementation of enhancements required in Phase I, allowing the District to receive the telephone number of the device accessing the 911 system. Phase II, allows the District to receive the telephone number and the address registered to that number. As delineated within the Act, each district shall enter a cooperative endeavor agreement with each wireless service supplier to implement the enhancements required by FCC Matter 94-102. The District is currently in Phase II. Act 665 of the 2016 Regular Session of the Louisiana Legislature, the District is authorized to raise the rate of \$0.85 per wireless user per month for users of CMRS (Commercial Mobile Radio Service) to \$1.25 per wireless user per month for users of CMRS (Commercial Mobile Radio Service) to be able to access the emergency telephone 911 system. This resolution numbered 2016-07-001 was adopted by the District at its July 21, 2016 board meeting.

Act 665 of the 2016 Regular Session of the Louisiana Legislature also authorized the District to convert residential and business landlines from flat fees to percentages of tariffs. The wire line residential lines converted from a flat fee of \$0.77 for wire line residential lines to the amount of 5% of the present tariff rate based on the highest amount charged for basic service within the District by an exchange access service provider or equivalent, or \$1.06 per access line per month, for residential service users of fixed location wire line (i.e., landline telephone exchange service), whose address is within the boundaries of Livingston Parish. The District was authorized to convert from a flat fee of \$1.50 to the amount of a percentage of the tariff rate for business service users of fixed location wire line whose address is within the boundaries of Livingston Parish to the amount equal to 1.75% instead of the 5% as authorized to the present tariff based rate, or \$2.00 per access line per month, not to exceed collection for more than 10 lines per customer. The District shall utilize its revenues for communication enhancements which enable public safety agencies to decrease response times and improve effectiveness and for establishing, maintaining and operating the 911 emergency reporting telephone services. This resolution numbered 2016-07-002 was adopted by the District at its July 21, 2016 board meeting.

B. Financial Reporting Entity

Government Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Livingston Parish Communications District is considered a component unit of the Livingston Parish Council. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements or separately reported as a discrete component unit. Under provisions of this statement, there are no component units of the District.

C. Basis of Statement Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) of the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

D. Fund Accounting

The District uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain governmental functions or activities.

A fund is defined as a separate accounting entity with a self-balancing set of accounts. Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The governmental funds presented in the financial statements are described as follows:

E. Financial Statement Presentation

Basic Financial Statements - Government-Wide Financial Statements (GWFS)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. As a general rule, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, a primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The District does not have any business-type activities and reports only governmental activities. The District has no component units.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The District follows GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Basic Financial Statements - Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if they are measurable and available. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Substantially all other revenue items are considered to be measurable and available only when cash is received by the government.

Separate financial statements are provided for governmental funds and proprietary funds. All individual funds are reported in separate columns in the fund financial statement.

The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Telephone tariffs are recorded in the year the fees are charged. Telephone tariffs are charged monthly to the customer's telephone bill by various telephone companies. The telephone companies remit the collections to the Livingston Parish Communications District in the subsequent month. Interest revenue represents amounts earned on checking accounts and certificates of deposit invested with financial institutions. Interest earned on checking accounts is recorded when received. Interest earned on certificates of deposit is recorded when the certificates mature and the interest is available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Proceeds from the sale of fixed assets are accounted for as other financing sources and are recognized when received. Transfers between funds that are not expected to be repaid (and any other financing source / use) are accounted for as other financing sources (uses).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental Fund Types

The District reports the following major governmental fund:

General Fund

The General Fund is the District's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in another fund.

F. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

In accordance with state law, the District limits its investments to those allowed under R.S. 33:2955. Certificates of deposit are classified as investments if their original maturities exceed 90 days. Investments are reported at fair value, except nonputtable investment contracts which are represented at cost if any.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities are reported in the government-wide financial statements as "internal balances."

Telephone service fees are recorded in the year the fees are charged. Telephone service fees are charged monthly to the customer's telephone bill by various telephone companies. The telephone companies remit the collections to the District in the subsequent month.

H. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. The District did not have any inventory at December 31, 2025. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Restricted Assets

Certain amounts shown as governmental restricted assets are to be used for specified purposes, such as servicing general obligation bond debt, and construction of capital assets. Such assets have been restricted by bond indenture, law, or contractual obligations.

J. Capital Assets

Capital assets, which include property, equipment, and vehicles, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated capital assets are recorded at acquisition value. The District maintains a threshold level of \$1,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 40 Years
Equipment	5 Years
Vehicles	5 Years

K. Deferred Outflows and Inflows of Resources

The statement of net position reports a separate section for deferred outflows and (or) inflows of financial resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represents an acquisition of a net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The District did not have any deferred outflows or deferred inflows of resources at December 31, 2025.

L. Compensated Absences

The District has no employees and no compensated absences liability.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Net Position

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, requires classification of net position, the difference between the District's assets, deferred outflows of resources, and liabilities, into three components, as described below:

- **Net Investment in Capital Assets Component of Net Position** - The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Component of Net Position** - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Net position should be reported as restricted when constraints placed on net position use are either: (a) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) Imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Component of Net Position** - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

O. Fund Balance

In the fund statements, governmental fund equity is classified as fund balance in accordance with GASB 54. As such, fund balances of the governmental funds are classified as follows:

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision-making authority for the District.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes based on the discretion of the Board. Assigned fund balance includes (a) all remaining amounts (except for negative balances,) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the general fund that are intended to be used for a specific purpose based on the discretion of the Board. The District has only one governmental fund, the general fund.
- **Unassigned.** These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also, within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed or assigned for those purposes.

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

When restricted, committed, assigned, or unassigned fund balances are available for use, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment action.

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

Q. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates and such differences may be material.

R. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Stewardship, Compliance and Accountability -

The Communication District prepares its budget on the modified accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The budget is legally adopted and amended, as necessary by the board of commissioners. The annual budget was amended for the fiscal year 2025. A summary of the budget practices of the District is as follows:

1. The District's finance director prepares the annual budget and submits the proposed budget to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year. The budgets for the fiscal year 2025 were presented to the Board of Commissioners in December, prior to the beginning of the year of which the budget applies.
2. A summary of the proposed budget is published in the official journal and the public notified that the proposed budget is available for public inspection at the Parish President / Council's office in Livingston. At the time the proposed budget is published, a public hearing is called. The proposed budget was published in December, prior to the beginning of the year of which the budget applies.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and taking all action necessary to finalize and implement the budget for the ensuing fiscal year, the proposed budget is formally adopted by the Board of Commissioners.

All expenditure appropriations lapse at year end. Unexpected appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

There were no material variances in actual revenues and other sources under budgeted revenues and other sources or actual expenditures and other sources over budgeted amounts for the year ended December 31, 2025, that would have resulted in a violation of the Local Government Budget Act.

3. Cash and Cash Equivalents -

At December 31, 2025, the District has cash and cash equivalents (book balances) as follows:

Demand Deposits-Interest Bearing	\$ 885,641
Louisiana Asset Management Pool	64,602
Time and Savings	<u>35,271</u>
Total Cash and Cash Equivalents	985,514
Certificates of Deposit Held as Investments (See Note 4)	<u>100,000</u>
Total Deposits	<u><u>\$ 1,085,514</u></u>

These deposits are stated at cost, which approximates market. 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 on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. The District does not have a formal policy for custodial risk. At December 31, 2025 the District has \$1,037,083 in deposits (collected bank balances) other than LAMP, consisting of \$901,811 in demand deposits, \$35,271 in time and savings deposits and \$100,000 in certificates of deposits held as investments (See Note 4). \$1,037,083 of the demand deposits, time and savings deposits, and certificates of deposits held at one bank are secured from risk by federal deposit insurance of \$250,000 for demand deposits and \$250,000 for time and savings accounts, and pledged securities of \$651,811. The \$651,811 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities may be considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. However, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

Also included within the definition of cash and cash equivalents are LAMP investments of \$64,602, since funds within LAMP are redeemable by the District as needed.

4. Investments -

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the District or its agent in the District's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the District's name.

At December 31, 2025, the District's investment balances were as follows:

	Carrying Amount	Fair Market Value
Certificates of Deposit with original maturities greater than 90 days	\$ <u>100,000</u>	\$ <u>100,000</u>

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-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, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

1. Credit risk: LAMP is rated AAA by Standards and Poor's.
2. 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.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. 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 73 days as of December 31, 2025.
5. 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.

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

5. Receivables -

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available. All receivables as of December 31, 2025 are current.

The District has a class of receivables for telephone tariffs due at December 31, 2025 in the amount of \$448,707. These receivables have been stated net of a one percent collection charge from the telephone companies for acting as an agent for the District in collecting the telephone tariffs from the end users.

6. Interfund Receivables/Payables -

There were no interfund receivable/payables at December 31, 2025.

7. Capital Assets -

Capital assets and depreciation activity as of and for the year ended December 31, 2025 for governmental activities is as follows:

Governmental Activities Capital Assets:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 974,287	\$ -	\$ -	\$ 974,287
Equipment	3,084,176	142,260	-	3,226,436
Total Capital Assets Being Depreciated	4,058,463	142,260	-	4,200,723
Less Accumulated Depreciation for:				
Buildings and Improvements	262,943	2,622	-	265,565
Equipment	2,571,474	132,287	-	2,703,761
Total Accumulated Depreciation	2,834,417	134,909	-	2,969,326
Total Capital Assets Being Depreciated, Net	1,224,046	7,351	-	1,231,397
Total Governmental Activities Capital Assets, Net	\$ 1,224,046	\$ 7,351	\$ -	\$ 1,231,397

Depreciation was charged to governmental functions as follows:

Public Safety - Emergency Communications	\$ 134,909
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The District had \$142,260 in equipment capital asset additions during the year ended December 31, 2025. Depreciation expense for December 31, 2025 was \$134,909.

8. Interfund Transfers -

There were no interfund transfers for 2025.

9. Accounts and Other Payables -

The Governmental Fund payable at December 31, 2025 are as follows:

Governmental Fund Payable	<u>General Fund</u>
Accounts Payable	\$ 16,211
Due to Other Governments	880,298
Other Accrued Liabilities	<u>18</u>
Total Governmental Funds Payable	\$ <u>896,527</u>

10. Long-Term Obligations -

The following is a summary of long-term obligation transactions for the year ended December 31, 2025:

	<u>Governmental Activities Revenue Bonds</u>
Beginning Balance	\$ 540,000
Deletions	<u>130,000</u>
Ending Balance	\$ <u>410,000</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of the long-term obligations:

	<u>Governmental Activities Revenue Bonds</u>
Current Portion	\$ 135,000
Long-Term Portion	<u>275,000</u>
	\$ <u>410,000</u>

Long-term debt as of December 31, 2025 is as follows:

	Bonds Payable End of Year	Due Within One Year
Revenue Bonds, Series 2016, \$1,500,000, Dated March 18, 2019. Interest at 2.20% semi-annual installments of interest and maturing annually in amounts ranging from \$115,000 in 2019 to \$140,000 through March 1, 2018.	\$ <u>410,000</u>	\$ <u>135,000</u>

The annual requirements to amortize all debt outstanding at December 31, 2025, are presented below.

Year Ending 12/31	Series 2016 Revenue		
	Principal	Interest	Total
2026	\$ 135,000	\$ 7,535	\$ 142,535
2027	135,000	4,565	139,565
2028	140,000	1,540	141,540
	\$ <u>410,000</u>	\$ <u>13,640</u>	\$ <u>423,640</u>

11. Flow of Funds, Restrictions on Use - Revenue Bonds -

During 2016, the District issued \$1,500,000 in Revenue Bonds, Series 2016 for the renovation of a portion of the Livingston Parish Courthouse to provide offices for the Livingston Parish Communications District, including all necessary furnishings and equipment and to pay the costs incurred in connection with the issuance of the bonds. The bonds shall be special obligations of the District payable solely from and secured by an irrevocable pledge and dedication of all available revenues of the District (pledged revenues), all in accordance with and pursuant to the provision of Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended. The bonds shall be in fully registered form, shall be dated the date of delivery thereof and shall be issued in the form of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof, numbered R-1 upwards. The unpaid principal of the bonds shall bear interest from the date thereof or from the most recent interest payment date to which interest has been paid, said interest being payable semiannually on March 1 and September 1 of each year, commencing September 1, 2016, at the rate of 2.20% per annum. The principal on the bond shall mature in annual installments on March 1 of each year.

The proceeds from the sale of the bonds \$1,500,000 was deposited into a special fund to be known as Livingston Parish Communications District Revenue Bonds, Series 2016, Construction Fund. The renovation project was completed in 2017.

Installments of principal of the bonds maturing on and after March 1, 2018 are subject to optional prepayment prior to maturity, at the option of the Issuer, in whole or in part on any date on and after September 1, 2017, from monies made available for such redemption, at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon payable upon redemption, without premium or penalty.

Revenues of the District for the year ending December 31, 2025 were \$2,454,936, while interest payments were \$10,450. There were bond principal payments of \$130,000 made during the fiscal year ended December 31, 2025.

12. Fund Balances -

At December 31, 2025, the General Fund has a nonspendable fund balance of \$53,405 created from prepaid expenses and other assets. The remaining \$637,694 of the fund balance was unassigned.

13. Commitments -

There were no commitments as of December 31, 2025.

14. Intergovernmental Agreement -

On July 1, 2012, the District contracted with the Livingston Parish Sheriff's Office (LPSO) for dispatching services for a two-year period ending June 30, 2014. On June 9, 2014, this agreement was renewed for another year ending on June 30, 2015. This agreement was again renewed June 19, 2018 retroactively to July 1, 2015 with a term ending June 30, 2019. On October 8, 2019 the District renewed the contract with LPSO until June 30, 2021. The agreement stated that it shall automatically renew for an additional two year period ending June, 2023 as long as there is no objection between Livingston Parish Communication District 911 and Jason Ard, Sheriff of Livingston Parish. On October 30, 2023, the District again renewed the contract with LPSO until June 30, 2025. On July 14, 2026, the District again renewed the contract with LPSO until June 30, 2026. In the renewed agreement, the Sheriff agreed to continue to provide call service operators for the District under the same terms, conditions, and obligations. The District agreed to pay to the Sheriff a percentage of the revenues for this service. The District no longer has employees as a result of the intergovernmental agreement. LPSO assumed all staffing responsibilities. The Livingston Parish Sheriff and the District have contractually agreed that the District will pay 70% of the annual phone tariff revenue to LPSO for dispatching services, to be remitted quarterly.

In April 2021, the District approved an increase in the percentage paid to LPSO to 80%. The new rate was approved to cover the cost of adding four new dispatchers. The percentage paid to LPSO transitioned to 80% when the LPSO hired four new dispatcher positions during the year end December 31, 2025.

15. Risk Management -

The District is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The District purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The District's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

16. Contingent Liabilities -

At December 31, 2025, the District was not involved in any outstanding litigation or claims.

17. Current Adoption of New Accounting Standards -

The following statements of the Governmental Accounting Standards Board (GASB) are effective for the District's 2025 fiscal year. The District has adopted and implemented this statement in the preparation of the financial statements for the year ended December 31, 2025.

- During the year, the District adopted GASB Statement No. 102 – *Certain Risk Disclosures* – This new accounting standard had no material effect on the District's financial statements.

18. Current Accounting Pronouncements -

The following statements of the Governmental Accounting Standards Board will be effective for years subsequent to the District's fiscal year 2025.

1. Statement No. 103 – *Financial Reporting Model Improvements (2026)*
2. Statement No. 104 – *Disclosure of Certain Capital Assets (2026)*
3. Statement No. 105 – *Subsequent Events* – (2027)

Management is currently evaluating the effects of the new GASB pronouncements.

19. Subsequent Events -

Management has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 25, 2026, the date which the financial statements were available to be issued.

OTHER SUPPLEMENTARY INFORMATION

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

SCHEDULE OF COMPENSATION PAID TO BOARD OF COMMISSIONERS

FOR THE YEAR ENDED DECEMBER 31, 2025

<u>Name</u>	<u>Compensation Received</u>
Jason Ard	\$ 300
Fred Banks	350
Kelly Jennings	300
Melvin Wheat	200
Joey Sibley	400
Melvin Wild	400
James Wascom	450
	<u>\$ 2,400</u>

See independent auditor's report.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Jason Ard, Chairman

<u>Purpose</u>	<u>Amount</u>
Board Per Diem	\$ 300
Employer Paid Payroll Taxes	23
	<u>\$ 323</u>

See independent auditor's report.

LIVINGSTON PRISH COMMUNICATIONS DISTRICT**SUPPLEMENTARY INFORMATION IN ACCORDANCE WITH LA R.S. 33:9109E**

FOR THE YEAR ENDING DECEMBER 31, 2025

Louisiana Revised Statutes 33:9101 through 9131 authorize the governing authority of a communications district to levy an emergency telephone charge on certain wireless communications systems to pay the costs of implementing Federal Communications Commission (FCC) ordered enhancements to emergency telephone systems.

The following schedule lists the total revenues derived from the wireless E911 service charges and the expenditures for equipment for each year:

Revenues

Wireless E911 Fees	\$1,718,333
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Expenditures

Equipment Purchases	\$ 151,925
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As of December 31, 2025, the Livingston Parish Communications District was in Phase 2 of the Federal Communications Commission's three phase plan for local emergency telephone service providers. The system is currently using NGA technology which is Next Generation Advanced 911 call handling. The FCC's program objectives for emergency telephone service providers call for upgrading services to better serve users of those systems. When implementation of the FCC program is complete, an emergency telephone system would be able to give the dispatcher the telephone number of the caller, address of the caller and geographic location of the caller. At Phase 0, the system provides the caller's telephone number. At Phase 1, the system provides the caller's telephone number and address registered to that telephone number. At Phase 2, the system provides the caller's telephone number, address registered to that number and the present geographic location of the caller.

At December 31, 2025, AT&T Wireless, Verizon, and T-Mobile were Phase 2 compliant.

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Livingston Parish Communications District
Livingston, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and the major fund (the General Fund) of the Livingston Parish Communications District, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 25, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Livingston Parish Communications District's internal control over financial reporting (internal control) as a basis for designing 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, we do not express an opinion on the effectiveness of the Livingston Parish Communications District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Livingston Parish Communications District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Livingston Parish Communications District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
June 25, 2026

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED DECEMBER 31, 2025

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

• Material weaknesses identified?

 Yes x No

• Significant deficiencies identified?

 Yes x None reported

Noncompliance material to financial statements noted?

 Yes x No

B. Internal Control Over Financial Reporting

None

C. Compliance and Other Matters

None

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

A. Internal Control Over Financial Reporting

None

B. Compliance and Other Matters

None

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

DECEMBER 31, 2025

BATON ROUGE, LOUISIANA

Independent Accountant's Report
on Applying Agreed-Upon Procedures
For the Year Ended December 31, 2025

To the Board of Commissioners
Livingston Parish Communications District
Denham Springs, Louisiana

To 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) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The Livingston 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, 2025 through December 31, 2025. 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

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget. – **No exceptions noted.**
 - ii. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes. – **No exceptions noted.**
 - iii. ***Disbursements***, including processing, reviewing, and approving. – **No exceptions noted.**

- iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation). – **No exceptions noted.**
- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules. – **No exceptions noted.**
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process. – **No exceptions noted.**
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers. – **No exceptions noted.**
- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases). – **No exceptions noted.**
- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy. – **No exceptions noted.**
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements. – **No exceptions noted.**
- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event. – **No exceptions noted.**
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting. – **No exceptions noted.**

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document. – **No exceptions noted.**
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.* – **No exceptions noted.**
 - 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. – **Per review of the prior year audit report, there was no negative unrestricted net position.**
 - 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 noted.**

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- 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); – **No exceptions noted.**
 - 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 – **No exceptions noted.**
 - 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 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). – **No exceptions noted.**
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if 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. – **The District does not have any cash drawers/registers and does not collect any actual cash. All payments received are via electronic funds transfer or check.**
 - ii. 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. – **No exceptions noted.**
 - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and – **No exceptions noted.**
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation. – **No exceptions noted.**
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period. – **No exceptions noted.**
- 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. – **No exceptions noted.**
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip. – **No exceptions noted.**
 - iii. Trace the deposit slip total to the actual deposit per the bank statement. – **No exceptions noted.**
 - iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer). – **No exceptions noted.**

- v. Trace the actual deposit per the bank statement to the general ledger. – **No exceptions noted.**

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5). – **No exceptions noted.**
- B. For each location selected under #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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase. – **No exceptions noted.**
 - ii. At least two employees are involved in processing and approving payments to vendors. – **No exceptions noted.**
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files. – **No exceptions noted.**
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments. – **No exceptions noted.**
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means. – **No exceptions noted.**
- C. For each location selected under #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: – **No exceptions noted.**
- i. Observe whether the disbursement, whether by paper or electronic, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity. – **No exceptions noted.**
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable. – **No exceptions noted.**
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements. – **No exceptions.**

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. – **There were no active credit cards, bank debit cards, fuel cards, and purchase cards during the current fiscal period.**
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and – **See note above. Not applicable.**
 - ii. Observe that finance charges and late fees were not assessed on the selected statements. – **See note above. Not applicable.**
- C. Using the monthly statements or combined statements selected under #6B 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 inspection). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny. – **See note above. Not applicable.**
- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed. – **See note above. Not applicable.**

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, 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: **There were no travel and travel related expense reimbursements during the current fiscal period.**

- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide) or the U.S. General Services Administration (www.gsa.gov). – **See above note. Not applicable.**
- ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased. – **See above note. Not applicable.**
- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures #1A(vii). – **See above note. Not applicable.**
- iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement. – **See above note. Not applicable.**

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law. – **No exceptions noted.**
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter). – **No exceptions noted.**
 - iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented). – **No exceptions noted.**
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract. – **No exceptions 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. – **The District does not have any employees. The District does pay per diem to board members.**
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). – **No exceptions noted.**

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials. – **See note above. Not applicable.**
 - iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records. – **See note above. Not applicable.**
 - iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file. – **No exceptions noted.**
- 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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy. – **No exceptions noted.**
- 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 noted.**

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:
- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and – **No exceptions noted.**
 - ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable. – **No exceptions noted.**
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170. – **No exceptions 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. – **No debt was issued during current fiscal period.**
- 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 noted.**

12) Fraud Notice

- C. 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. – **There were no misappropriations of public funds or assets noted during the fiscal period.**
- D. 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 noted.**

13) Information Technology Disaster Recovery/Business Continuity

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. – **We performed the procedure 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. – **We performed the procedure 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. – **We performed the procedure and discussed the results with management.**
- D. 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. – **We performed the procedure and discussed the results with management.**
- E. 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: – **We performed the procedure and discussed the results with management.**

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

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343. – **No exceptions noted.**
- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website). - **No exceptions noted.**
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it 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 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, 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.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
June 25, 2026