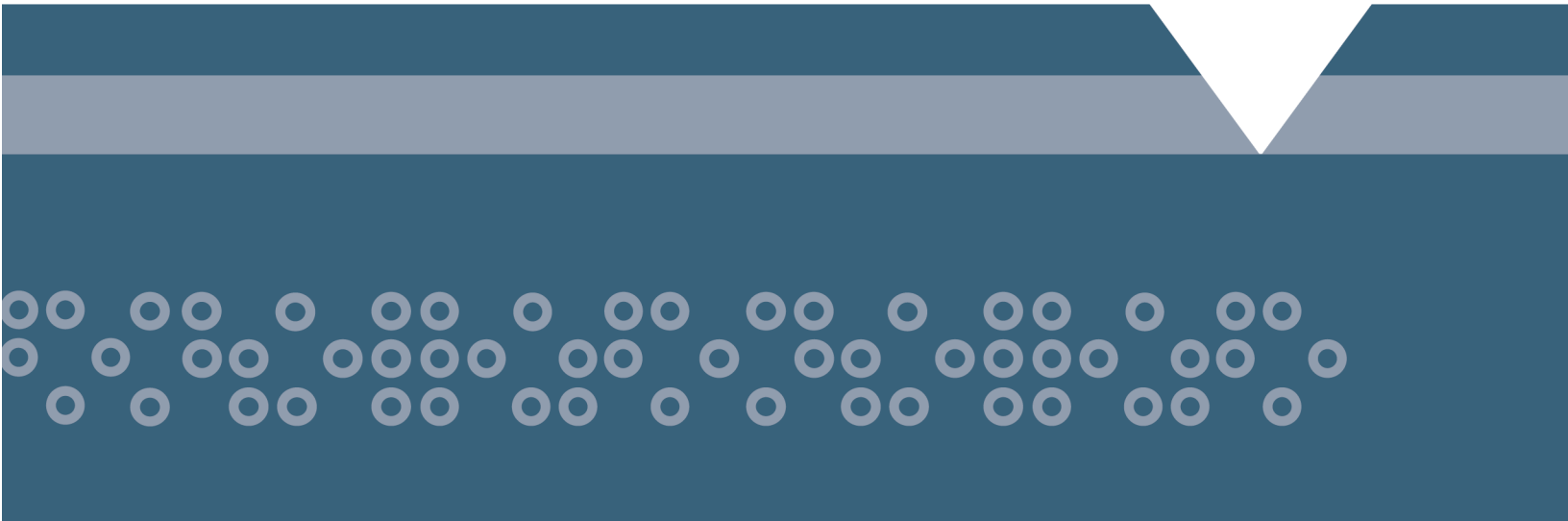


Lincoln Parish Geographic Information System District
Ruston, Louisiana

For the Year Ended December 31, 2023



LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

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The Board of Commissioners
Lincoln Parish Geographic Information System District
Ruston, Louisiana

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities of the Lincoln Parish Geographic Information System District (which is the “District” as well as “the primary government”) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Lincoln Parish Geographic Information System District as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by 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 Lincoln Parish Geographic Information System 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

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Lincoln Parish Geographic Information System 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 the 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 assurances.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated July 1, 2024, on our consideration of the Lincoln Parish Geographic Information System District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lincoln Parish Geographic Information System District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lincoln Parish Geographic Information System District's internal control over financial reporting and compliance.

HEARD, MELROY & VESTAL, L.L.C.

Shreveport, Louisiana
July 1, 2024

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

STATEMENT OF NET POSITION

DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash	\$ 263,251
Accounts receivable	28,032
Due from other governments	712,519
Capital assets:	
Depreciable	<u>27,227</u>
Total assets	<u>1,031,029</u>
LIABILITIES	
Accounts payable	770
Compensated absences	<u>13,747</u>
Total liabilities	<u>14,517</u>
NET POSITION	
Net investment in capital assets	27,227
Unrestricted	<u>989,285</u>
Total net position	<u><u>\$ 1,016,512</u></u>

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

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Function/Program Activities					
Government Activities:					
Public Safety	<u>\$ 547,069</u>	<u>\$ 578,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,890</u>
			General Revenues:		
			Interest earned		<u>-</u>
			Changes in net position		31,890
			Net position - beginning		1,090,662
			Prior period adjustment		<u>(106,040)</u>
			Net position - beginning (restated)		<u>984,622</u>
			Net position - ending		<u>\$ 1,016,512</u>

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

FUND FINANCIAL STATEMENTS

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

BALANCE SHEETS – GOVERNMENTAL FUNDS

DECEMBER 31, 2023

	GIS Mapping Fund	GIS Project Reserve Fund	Total Governmental Funds
ASSETS			
Cash	\$ 76,725	\$ 186,526	\$ 263,251
Accounts receivable	27,948	84	28,032
Due from other governments	712,519	-	712,519
Due from other funds	-	328,130	328,130
TOTAL ASSETS	\$ 817,192	\$ 514,740	\$ 1,331,932
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 770	\$ -	\$ 770
Due to other funds	328,130	-	328,130
Total liabilities	328,900	-	328,900
Fund Balance:			
Assigned	-	514,740	514,740
Unassigned	488,292	-	488,292
Total fund balances	488,292	514,740	1,003,032
TOTAL LIABILITIES AND FUND BALANCE	\$ 817,192	\$ 514,740	\$ 1,331,932

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

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES

TO NET POSITION OF GOVERNMENTAL ACTIVITIES

DECEMBER 31, 2023

Total Governmental Fund Balances	\$ 1,003,032
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	27,227
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>(13,747)</u>
Net Position of Governmental Activities	<u>\$ 1,016,512</u>

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

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	GIS Mapping Fund	GIS Project Reserve Fund	Total Governmental Funds
Revenues:			
User fees	\$ 548,197	\$ -	\$ 548,197
Construction permit fees	30,362	-	30,362
Miscellaneous revenue	-	400	400
Total revenues	578,559	400	578,959
Expenditures:			
Public safety			
Salaries & related expenses	329,320	-	329,320
Utilities	2,087	-	2,087
Telephone	2,750	-	2,750
Internet service	17,141	-	17,141
Insurance & surety bonds	4,332	-	4,332
Professional services	122,499	-	122,499
Office supplies & expense	3,929	-	3,929
Travel	2,476	-	2,476
Computer hardware & software	60,007	-	60,007
Total expenditures	544,541	-	544,541
Excess of revenues over expenditures	34,018	400	34,418
Other financing sources (uses):			
Operating transfers in	-	10,693	10,693
Operating transfers out	(10,693)	-	(10,693)
Total other financing sources (uses)	(10,693)	10,693	-
Excess of revenues and other sources over expenditures and other uses	23,325	11,093	34,418
Fund balance - beginning	552,372	503,647	1,056,019
Prior period adjustment	(87,405)	-	(87,405)
Fund balance - beginning (restated)	464,967	503,647	968,614
FUND BALANCE - ENDING	\$ 488,292	\$ 514,740	\$ 1,003,032

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

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balances - Total Governmental Funds	\$	34,418
--	----	--------

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized		7,574
-------------------------------------	--	-------

Depreciation expense		(12,266)
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The decrease in compensated absences liability is recorded as a reduction of expenses in the statement of activities.		<u>2,164</u>
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Change in Net Position in Governmental Activities	\$	<u><u>31,890</u></u>
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The accompanying notes are an integral part of this financial statements.

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lincoln Parish Geographic Information System District (the "District") was created by the Police Jury of Lincoln Parish for the purpose of the development and application of geographic information systems, including but not limited to base data regarding property ownership, population, demographics, political boundaries, emergency service areas, etc. The District may also assist with homeland security and emergency preparedness. The governing body of the District consists of a seven-member Board of Commissioners.

The District complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Basis of Presentation

In June, 1999, the GASB unanimously approved statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the District’s overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The governmental-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.

Governmental Fund Financial Statements – The 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, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end.

Principal revenue sources considered susceptible to accrual are federal grants, interest on investments, sales and income taxes, and lease payments receivable. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the District’s present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period.

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2023 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

Fund Accounting

The financial activities of the District are recorded in individual funds, each of which is deemed to be a separate accounting entity. The District uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

General Fund – The GIS Mapping Fund is the general operating fund for the Lincoln Parish Geographic Information System District. It is used to account for all financial sources and uses of the Geographic Information System District, except those required to be accounted for in other funds.

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The GIS Project Reserve fund was established in 1994 to account for funds to replace equipment.

Use of Estimates

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

Budgets and Budgetary Accounting

The budget for the General Fund is proposed by the Director and formally adopted by the Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles (GAAP). Budgetary amendments involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Commissioners. At year end, all appropriations lapse.

Cash and Cash Equivalents

Louisiana statutes permit the District to invest in United States' bonds, treasury notes, or certificates, or other obligations of the U.S. Government and agencies of the U.S. Government which are federally insured, and certificates of deposit of state banks having their principal office in the State of Louisiana, or in mutual or trust fund institutions which are registered and which have underlying investments limited to securities of the U.S. Government or its agencies.

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

The District's policy is to include short term interest bearing deposits with a maturity of three months or less as cash in the financial statements.

Valuation of Carrying Amounts of Deposits

Cash is reported at net book value - the year end bank balance plus any deposits in transit and less any outstanding checks that have not cleared the bank as of that date.

Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Commissioners – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of Commissioners remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the Board's "intent" to be used for specific purposes but are neither restricted nor committed. The Board and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except 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.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

Receivables

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Interfund Transactions

Quasi external transactions are accounted for as revenue and expenditures. Transactions that constitute reimbursements to a fund are recorded as expenditures in the reimbursing fund and as reduction of expenditures in the fund that is reimbursed. All other interfund transactions that are not to be repaid are recorded as transfers.

Fixed Assets

Fixed assets of the District are stated at cost and are reported in the government-wide financial statements. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of 5 years.

Compensated Absences

Employees accrue from five to fifteen days of annual and sick leave each year depending on years of service with the Geographic Information System District. Annual leave must be used in the year it is earned. Sick leave, up to a maximum of fifteen days, may be carried forward to the next year for major illnesses only. Upon separation, all unused sick leave lapses.

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits. The custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its’ own securities to cover any amount in excess of Federal Depository Insurance Coverage. 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 bank has failed to pay deposited funds upon demand. Accordingly, the District had no custodial credit risk related to its deposits at December 31, 2023. The District had cash and cash equivalents in demand deposits, totaling \$263,251 at December 31, 2023.

These deposits are stated at cost, which approximates market. 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. Cash per books at year end was \$263,251. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at December 31, 2023, are secured, as follows:

Bank Balances	<u>\$ 262,847</u>
FDIC Insurance	\$ 250,000
Pledged Securities (uncollateralized)	<u>12,847</u>
Total	<u>\$ 262,847</u>

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 3 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2023 is as follows:

	December 31, 2022			December 31, 2023
	Balance	Additions	Disposals	Balance
Depreciable Assets:				
Machinery & Equipment	\$ 100,384	\$ 7,574	\$ -	\$ 107,958
Totals at Historical Cost	100,384	7,574	-	107,958
Less Accumulated Depreciation for:				
Machinery & Equipment	(68,465)	(12,266)	-	(80,731)
Total Accumulated Depreciation	(68,465)	(12,266)	-	(80,731)
Capital Assets, net	<u>\$ 31,919</u>	<u>\$ (4,692)</u>	<u>\$ -</u>	<u>\$ 27,227</u>

Depreciation was charged to the Public Safety function of the District for \$12,266.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2023, were \$28,032 and consisted of local grant commitments. Based on prior experience, the uncollectible receivables are considered immaterial, thus no provision has been made for such loss in these financial statements.

NOTE 5 – DUE FROM/TO OTHER FUNDS

The due from/to other funds at December 31, 2023, are as follows:

Fund	Due From Other Funds	Due To Other Funds
GIS Mapping Fund	\$ -	\$ 328,130
GIS Project Reserve Fund	\$ 328,130	\$ -

These balances resulted from the time lag between the dates that the surplus in the GIS Mapping Fund was owed to the GIS Project Reserve Fund and payment between funds is made.

NOTE 6 – PENSION PLAN PAROCHIAL RETIREMENT SYSTEM

Plan Description

The Parochial Employees' Retirement System, a Public Employee Retirement System, is a cost sharing multiple employer plan that is governed by the Louisiana Revised Statutes, title II, Sections 1901 through 2015, specifically, and other general laws of the State of Louisiana.

Under the Parochial Retirement System, a member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age or 25 years of creditable service and is at least 55 years old, or 10 years of creditable service and is at least 60 years old.

The monthly retirement benefit is equal to three percent of the member's coverage monthly compensation for any 36 months of consecutive service in which compensation was highest, multiplied by years of creditable service, not to exceed 100% of member's final compensation.

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death under certain conditions are payable to the retiree's surviving spouse and minor children. The District's payroll is included in the Lincoln Parish Police Jury, primary government financial statements.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, Louisiana 70898.

Funding Policy

Under the plan, members are required by state statute to contribute 9.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 11.50% of annual covered payroll. The District's contributions to the System for the years ending December 31, 2023, 2022, and 2021 are included in the Lincoln Parish Police Jury's retirement expense.

NOTE 7 – DEFERRED COMPENSATION PLAN

Employees of the Lincoln Parish Geographic Information System District may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Lincoln Parish Geographic Information System District. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB Statements No. 32 and No. 34, plan balances and activities are not reflected in the financial statements of the Lincoln Parish Geographic Information System District.

NOTE 8 – LITIGATION

According to the Parish District Attorney, the District had no pending or threatened litigation as of December 31, 2023.

NOTE 9 – COMPENSATION FOR THE BOARD OF COMMISSION

The members of the Commission for the Lincoln Parish Geographic Information System District receive no compensation.

NOTE 10 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual revenue and expenditure amounts for the year ended December 31, 2023, General Fund expenditures had a favorable variance of 6%. This was caused by a decrease in expenditures for professional services and computer hardware & software expenditures.

NOTE 11 – GIS, IT AND CONTRACTUAL REVENUE

The District provides services to other departments of Lincoln Parish as well as to component units of the Lincoln Parish Police Jury. These departments and component units are charged a monthly fee for

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

providing GIS and IT services. During 2023, the District received \$ 548,197 for providing these services. Also, the District is responsible for code enforcement for new and existing structures throughout Lincoln Parish. During 2023, the District received \$ 30,362 for providing this service.

NOTE 12 – PRIOR PERIOD ADJUSTMENTS

The District's fund financial statements include a prior period adjustment decreasing the fund balance by \$87,405 for corrections to prior year amounts related to due to, due from, and accounts receivable accounts.

The District's government-wide financial statements also reflect a prior period adjustment decreasing net position by \$18,635 for dispositions of capital assets and associated accumulated depreciation that was not recorded in a previous year.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 1, 2024, which is the date the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues (Inflows):				
User fees	\$ 579,368	\$ 561,004	\$ 548,197	\$ (12,807)
Construction permit fees	<u>30,000</u>	<u>26,000</u>	<u>30,362</u>	<u>4,362</u>
Total revenues	<u>609,368</u>	<u>587,004</u>	<u>578,559</u>	<u>(8,445)</u>
Expenditures (Outflows):				
Salaries & related expenses	321,514	324,886	329,320	(4,434)
Utilities	2,500	2,300	2,087	213
Telephone	4,000	5,300	2,750	2,550
Internet service	25,000	18,000	17,141	859
Insurance & surety bonds	4,500	4,332	4,332	-
Professional services	125,115	140,761	122,499	18,262
Office supplies & expense	6,000	5,500	3,929	1,571
Travel	10,000	3,000	2,476	524
Computer hardware & software	<u>67,232</u>	<u>72,232</u>	<u>60,007</u>	<u>12,225</u>
Total expenditures	<u>565,861</u>	<u>576,311</u>	<u>544,541</u>	<u>31,770</u>
Excess of revenues over expenditures	43,507	10,693	34,018	23,325
Other financing sources (uses):				
Transfers in (out)	<u>(43,507)</u>	<u>(10,693)</u>	<u>(10,693)</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	-	-	23,325	23,325
Fund balance - beginning	552,372	552,372	552,372	-
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(87,405)</u>	<u>(87,405)</u>
Fund balance - beginning (restated)	<u>552,372</u>	<u>552,372</u>	<u>464,967</u>	<u>(87,405)</u>
FUND BALANCE - ENDING	<u><u>\$ 552,372</u></u>	<u><u>\$ 552,372</u></u>	<u><u>\$ 488,292</u></u>	<u><u>\$ (64,080)</u></u>

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

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT
RUSTON, LOUISIANA
NOTES TO THE BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

The budget for the funds are proposed by the Director and formally adopted by the Commissioners. The budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP). Budgetary amendments involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Commissioners. At year end, all appropriations lapse.

State law requires the District to amend its budgets when revenues plus projected revenues within a fund are expected to fall short from budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

OTHER SUPPLEMENTARY INFORMATION

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2023

	Jackson Matthews
	<u>Director</u>
<i>Purpose:</i>	
Salary	\$ 72,405
Benefits - Insurance	13,385
Benefits - Retirement	8,327
Travel Reimbursements	-
Total	<u>\$ 94,117</u>

OTHER REPORTS



REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
318.429.1525 (P) | 318.429.2124 (F)

The Board of Commissioners
Lincoln Parish Geographic Information System District
Ruston, Louisiana

**Independent Auditor’s Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Lincoln Parish Geographic Information System District as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated July 1, 2024.

Internal Control over Financial Reporting

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

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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those in charge with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-1, 2023-2, and 2023-3, to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed test of its compliance with certain provisions of laws, regulations,

contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's Response to Findings

The District's response to the findings identified in our audit is described in Management's Corrective Action Plan for Current Year Findings. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

HEARD, MELROY & VESTAL, L.L.C.

Shreveport, Louisiana
July 1, 2024

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Lincoln Parish Geographic Information System District.
2. Three significant deficiencies relating to the audit of the basic financial statements are reported, all of which are considered to be material weaknesses.
3. There were no findings of noncompliance relating to the basic financial statements of the Lincoln Parish Geographic Information System District disclosed during the audit.
4. No federal single audit was required under the Uniform Guidance relating to the financial statements of the Lincoln Parish Geographic Information System District.

B. Findings — Financial Statement Audit

2023-1: Accounts Receivable and Prior Period Adjustment

CONDITION: During the audit, it was determined that a portion of the accounts receivable balance could not be substantiated through supporting documentation. Management addressed the unverifiable accounts receivable by making a prior period adjustment, writing off the balances to the fund balance.

CRITERIA: According to auditing standards and best practices, accounts receivable balances should be supported by adequate and reliable documentation to ensure accuracy and completeness of financial statements.

CAUSE: The inability to substantiate the accounts receivable balance may be attributed to inadequate record-keeping practices, insufficient reconciliation processes, or weaknesses in internal controls over receivables management.

EFFECT: While the prior period adjustment resolves the immediate issue of unverifiable accounts receivable, it raises concerns about the accuracy and completeness of prior period financial statements. This situation also indicates potential weaknesses in internal controls over accounts receivable, including inadequate procedures for documentation and verification.

RECOMMENDATION: We recommend that management review and strengthen internal controls over accounts receivable management to prevent the recurrence of unverified balances in the future. This may involve implementing segregation of duties, enhancing oversight and monitoring mechanisms, and providing training to staff responsible for accounts receivable processing and reconciliation.

MANAGEMENT'S RESPONSE: See management's corrective action plan.

2023-2: Unreconciled Due To/Due From Balances

CONDITION: During the audit, it was identified that Due To/Due From balances with other governments had not been reconciled within the audit period. Management addressed this by reconciling the Due To and Due From balances during fieldwork and adjustments were made to correct the balances. Anticipated cash transfers are expected to be completed before the current fiscal year ends.

LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT

RUSTON, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2023

CRITERIA: According to auditing standards and best practices, Due To/Due From balances should be reconciled regularly to ensure accuracy and completeness of financial records.

CAUSE: The lack of reconciliation of Due To/Due From balances may be attributed to inadequate reconciliation processes, insufficient oversight, or delays in receiving necessary information from other governments.

EFFECT: The lack of reconciliation of Due To/Due From balances within the audit period could lead to inaccurate balances of intergovernmental transactions reported in the financial statements. This situation may indicate potential weaknesses in internal controls over financial reporting and intergovernmental accounting.

RECOMMENDATION: We recommend that management enhance its reconciliation procedures for Due To/Due From balances with other governments. This should include implementing regular reconciliation schedules, establishing clear communication channels with relevant parties, and enhancing oversight to ensure timely and accurate reconciliation.

MANAGEMENT'S RESPONSE: See management's corrective action plan.

2023-3: Adjustments to Capital Assets and Beginning Net Position

CONDITION: During the audit, it was identified that adjustments were necessary to correct the balances of capital assets, including related accumulated depreciation, and to adjust the beginning net position reported in the financial statements of the prior period.

CRITERIA: According to accounting standards and best practices, financial statements must accurately reflect the balances of capital assets and beginning net position.

CAUSE: The omission of material disposals and related depreciation from the financial statements may have been due to inadequate internal controls over financial reporting, lack of reconciliation processes, or insufficient oversight of accounting practices.

EFFECT: The failure to accurately report material disposals and related depreciation affects the completeness and accuracy of the financial statements. This can lead to misrepresentation of asset valuation, impacting management's ability to make informed decisions and provide the Board with reliable information.

RECOMMENDATION: We recommend that the District strengthen its internal controls and procedures over financial reporting to ensure all disposals of capital assets and related depreciation are properly identified, recorded, and reported in accordance with accounting standards and the District's reporting requirements. This includes implementing reconciliation processes and enhancing oversight of accounting practices and financial reporting.

MANAGEMENT'S RESPONSE: See management's corrective action plan.

**LINCOLN PARISH GEOGRAPHIC INFORMATION SYSTEM DISTRICT
RUSTON, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

No findings were reported in the prior year.

MANAGEMENT'S CORRECTIVE ACTION PLAN

7/1/2024

Heard, McElroy and Vestal, LLC
333 Texas Street, Suite 1525
Shreveport, LA 71101

We are writing in response to the findings expressed in your audit of the Lincoln Parish Geographic Information System District for the year ended December 31, 2023. Please find our response and corrective actions listed below.

2023-1: Accounts Receivable and Prior Period Adjustment

CONDITION: During the audit, it was determined that a portion of the accounts receivable balance could not be substantiated through supporting documentation. Management addressed the unverifiable accounts receivable by making a prior period adjustment, writing off the balances to the fund balance.

MANAGEMENT'S RESPONSE: Management understands the finding. During the last two fiscal years, employee turnover has created inconsistency in this area of our operations. The receivables in question are from our agency partners, and we have offered multiple payment terms (annual, quarterly, or monthly) that has caused the need for us to automate the billing and collection process. We will implement an automated billing process in 2024.

2023-2: Unreconciled Due To/Due From Balances

CONDITION: During the audit, it was identified that Due To/Due From balances with other governments had not been reconciled within the audit period. Management addressed this by reconciling the Due To and Due From balances during fieldwork and adjustments were made to correct the balances. Anticipated cash transfers are expected to be completed before the current fiscal year ends.

MANAGEMENT'S RESPONSE: Management understands the need to reconcile interfund balances periodically to maintain the integrity of financial reporting. Our practice has been to reconcile interfund transfers at year end as part of the normal year end close process. We will add additional steps to our process to more frequently reconcile these balances to strengthen our controls over financial reporting.


2023-3: Adjustments to Capital Assets and Beginning Net Position

CONDITION: During the audit, it was identified that adjustments were necessary to correct the balances of capital assets, including related accumulated depreciation, and to adjust the beginning net position reported in the financial statements of the prior period.

MANAGEMENT'S RESPONSE: Management agrees with this finding and we understand the related accounting standards that cover capital assets. We have been working toward a permanent solution to our software used to capture capital asset activity. The software we use is no longer supported, and we will identify a reporting program that better fits the volume of capital assets we maintain.

Sincerely,

Lincoln Parish Geographic Information System District

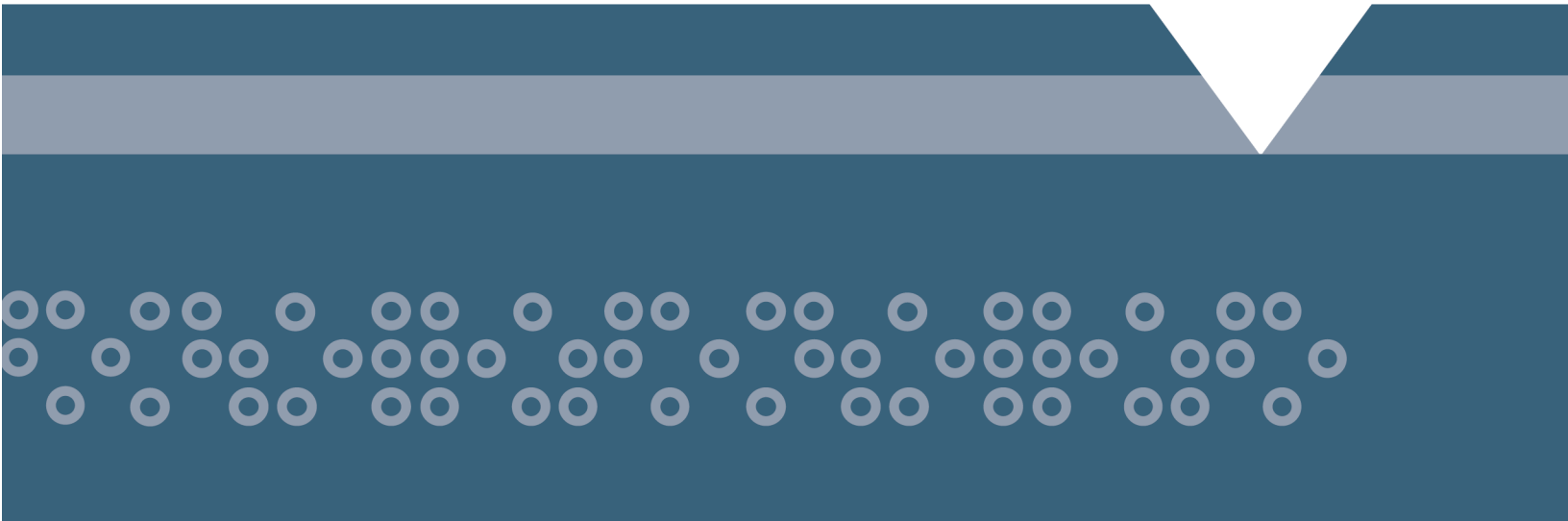

Mike Rainwater
Chairman


Courtney Hall,
Administrator



Lincoln Parish Geographic Information System District
Statewide Agreed-Upon Procedures Report

January 1, 2023 - December 31, 2023





REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
318.429.1525 (P) | 318.429.2124 (F)
July 1, 2024

The Board of Commissioners
for the Lincoln Parish Geographic Information System District
Ruston, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023, through December 31, 2023. Lincoln Parish Geographic Information System District's ("The Entity") management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023, through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: *Exceptions noted. The District's established policies and procedures did not address the following matters: the process for adding vendors to the vendor list, the procedures for processing, reviewing, and approving disbursements, actions for determining the completeness of receipts/collections for different types of revenue or agency fund additions, the requirement for legal review in contracting processes, the absence of a system to monitor potential ethics violations and annual employee attestation to policy familiarity, the lack of a written disaster recovery/business continuity plan, and did not outline procedures for sexual harassment prevention relating to annual employee training and annual reporting.*

Management's Response: *Management agrees. Written policies and procedures will be revised to include all applicable elements.*

Board or Finance Committee

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

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

Not applicable. The entity reports on the nonprofit accounting model and public funds comprised less than 10% of the entity's collections during the fiscal year.

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

Not applicable to this nonprofit entity.

- d) Observe whether the board or 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.

Findings: *Exception noted. The minutes did not include reference that budget-to-actual comparisons on the general fund were discussed.*

Management's Response: *Management agrees. An agenda item will now be added to all future agendas to reference a budget report being presented.*

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: *Exceptions noted. Bank reconciliations were not dated upon preparation to ascertain their timeliness. Additionally, bank reconciliations lacked evidence of being reviewed by non-cash-handling management.*

Management's Response: *Management agrees. The proper steps have since been added to make sure reconciliations are documented the date each bank reconciliation is completed and reviewed.*

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Findings: No exceptions noted.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3 above, 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.

Findings: *Exceptions noted. The employee responsible for processing payments also mails the payments.*

Management's Response: *Management has other controls in place to effectively reduce the risk of fraud or errors in the payment process to the extent that it becomes inconsequential who mails the checks.*

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

Findings: *No exceptions noted.*

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

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

Findings: *No exceptions noted.*

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Findings: *No exceptions noted.*

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee

or officials' cumulate 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.

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

Findings: *No exceptions noted.*

Ethics

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

Findings: *No exceptions noted.*

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: *This section does not apply to this entity.*

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
26. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings: *No exceptions noted.*

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - b. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if 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.
 - c. Obtain a listing of the entity’s computers currently in use, and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 19. Observe evidence that the selected terminated employees have been removed or disabled from the network.
29. 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: a) Hired before June 9, 2020 - completed the training; and b) Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Findings: *We performed the procedure and discussed the results with management.*

Prevention of Sexual Harassment

30. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year, as required by R.S 42:343.
31. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
32. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
1. Number and percentage of public servants in the agency who have completed the training requirements;

2. Number of sexual harassment complaints received by the agency;
3. Number of complaints which resulted in a finding that sexual harassment occurred;
4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
5. Amount of time it took to resolve each complaint.

Findings: *Exceptions noted. Sexual Harassment policy and complaint procedure not posted on website. No documentation of annual reporting requirement process.*

Management's Response: *Management agrees. They have not implemented the newer annual reporting requirement. While they did not have any claims to report, they will implement a "no claims" documentation process for future.*

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

We are required to be independent of the Entity 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.

HEARD, McELROY & VESTAL, L.L.C.