

CALCASIEU PARISH PUBLIC
TRUST AUTHORITY
Calcasieu Parish, Louisiana

Financial Report
For the Year Ended May 31, 2024



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Langley, Williams
& Company, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

LESTER LANGLEY, JR.
DANNY L. WILLIAMS
PHILLIP D. ABSHIRE, JR.
DAPHNE BORDELON BERKEN

NICHOLAS J. LANGLEY
PHILLIP D. ABSHIRE, III
SARAH CLARK WERNER
ALEXIS HABETZ O'NEAL
JESSICA LOTT-HANSEN

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Calcasieu Parish Public Trust Authority
Lake Charles, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Calcasieu Parish Public Trust Authority, a component unity of Calcasieu Parish Police Jury, as of and for the year ended May 31, 2024, and the related notes to the 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 financial position of the Calcasieu Parish Public Trust Authority, as of May 31, 2024, and the changes in its financial position and cash flows 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 the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Calcasieu Parish Public Trust Authority 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Calcasieu Parish Public Trust Authority'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.

To the Board of Trustees
Calcasieu Parish Public Trust Authority

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 Calcasieu Parish Public Trust Authority'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 Calcasieu Parish Public Trust Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

The Calcasieu Parish Public Trust Authority has omitted Management Discussion and Analysis that the Government Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not 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, economical, or historical context. Our opinion on the basic financial statements is 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 Calcasieu Parish Public Trust Authority's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to

To the Board of Trustees
Calcasieu Parish Public Trust Authority

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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 November 25, 2024, on our consideration of the Calcasieu Parish Public Trust Authority'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 Calcasieu Parish Public Trust Authority'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 Calcasieu Parish Public Trust Authority's internal control over financial reporting and compliance.



Langley, Williams & Co., LLC
Lake Charles, Louisiana
November 25, 2024

CALCASIEU PARISH PUBLIC TRUST AUTHORITY
Lake Charles, Louisiana

STATEMENT OF NET POSITION

May 31, 2024

Assets	<u>2024</u>
Cash and cash equivalents	\$ 853,866
Investment securities at fair value	3,861,147
Mortgage-backed securities and loans	60,183
Accrued interest receivable	29,914
Total assets	<u>\$ 4,805,110</u>
 Liabilities and Net Position	
Liabilities:	
Accounts payable and accrued liabilities	\$ 153,815
Deferred revenues	437,547
Total liabilities	<u>591,362</u>
Net position:	
Unrestricted	<u>4,213,748</u>
Total liabilities and net position	<u>\$ 4,805,110</u>

See accompanying notes and independent auditors' report.

CALCASIEU PARISH PUBLIC TRUST AUTHORITY
Lake Charles, Louisiana

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION

For the Year Ended May 31, 2024

	<u>2024</u>
Operating revenues:	
Investment income on mortgage loans	\$ 51,390
Investment income on other securities	211,871
Mortgage credit certificate program revenues	2,685
PILOT program fees	53,753
Miscellaneous income	<u>5</u>
Total operating revenues	<u>319,704</u>
Operating expenses:	
Accounting fees	13,319
Membership and dues	1,320
Per diem	15,629
Travel and training	2,036
Secretarial services	13,800
Economic development contributions	250,000
Professional fees	43,731
Other operating expenses	<u>11,304</u>
Total operating expenses	<u>351,139</u>
Change in net position	(31,435)
Net position - beginning of year	<u>4,245,183</u>
Net position - end of year	<u><u>\$ 4,213,748</u></u>

See accompanying notes and independent auditors' report.

CALCASIEU PARISH PUBLIC TRUST AUTHORITY
Lake Charles, Louisiana

STATEMENT OF CASH FLOWS

For the Year Ended May 31, 2024

Cash Flows From Operating Activities:	
Change in net position	\$ (31,435)
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Unrealized gain on investments and investment income, net	(84,125)
Net changes in operating assets and liabilities:	
Accrued interest receivable	(28,412)
Accounts payable and accrued liabilities	150,149
Deferred revenues	437,547
	<hr/>
Net cash provided by operating activities	443,724
Cash Flows From Investing Activities:	
Collections and sales of mortgage loans receivable, net	5,470
	<hr/>
Net cash used by investing activities	5,470
	<hr/>
Net change in cash and cash equivalents	449,194
Cash and cash equivalents, beginning of year	404,672
	<hr/>
Cash and cash equivalents, end of year	<u>\$ 853,866</u>

See accompanying notes and independent auditors' report.

CALCASIEU PARISH PUBLIC TRUST AUTHORITY
Notes to Financial Statements
May 31, 2024

1. Organization

The Calcasieu Parish Public Trust Authority (“Authority”) was created through a trust indenture dated May 14, 1979, pursuant to provisions of Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended. The Authority is a legal entity, separate and apart from the parish government, although the parish government is the ultimate beneficiary of all residuals of the trust estate. The initial legislation and subsequent amendments grant the Authority the right to obtain resources to promote the financing and development of any essential program conducted in the public's interest within the boundaries of Calcasieu Parish, Louisiana. The Authority's primary activities involve the issuance of bonds to obtain resources for the purpose of assisting in the financing of housing needs for persons of low and moderate incomes in Calcasieu Parish. Since then, the authority has expanded its jurisdiction to cover the five parishes of southwest Louisiana- Allen, Beauregard, Carmeron, Jefferson Davis and Calcasieu Parish and broadened its capabilities to include issuing bond for industrial development.

The bonds are solely the obligations of the Authority and are payable from revenues derived from mortgage loans, mortgage-backed securities and investments acquired pursuant to the indentures to which such bonds relate. The bonds are not obligations of Calcasieu Parish or any other governmental entity.

The Authority is managed by a Board of Trustees empowered to contract with outside parties to conduct the operations of the various programs. The Authority also contracts with national banking institutions to serve as trustee for each of its bond programs or as its custodial bank for the Authority's unrestricted resources.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Governmental Accounting Standards Board (“GASB”) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principles are found in the Codification of Governmental Accounting and Financial Reporting Standards, published by GASB. The accompanying financial statements have been prepared in accordance with such principles.

Reporting Entity

GASB Codification Section 2100 established criteria for determining the government reporting entity and component units that should be included within the reporting entity. The Authority is considered a component unit of the Calcasieu Parish Police Jury (“Police Jury”) because the Police Jury exercises oversight responsibility and has accountability in fiscal matters. As provided by Louisiana Revised Statute 9:2343, the Police Jury, as beneficiary of the public trust, appoints the trustees who may then be removed from office at the will of the Police Jury. In addition, the Police Jury can possibly modify board decisions with respect to debt approval. As such, the Police Jury can impose its will on the Authority. The accompanying financial statements present only the activity of the Authority. Annually, the Police Jury issues basic financial statements that include the activity contained in the accompanying financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The proprietary fund 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 at the time liabilities are incurred, regardless of when the related cash flows take place.

CALCASIEU PARISH PUBLIC TRUST AUTHORITY
Notes to Financial Statements
May 31, 2024

2. Summary of Significant Accounting Policies – (continued)

The Authority's accounts are organized into a single proprietary fund. The enterprise fund (a proprietary fund) is used to account for operations (a) that are operated in a manner similar to private business where the intent of the governing body is that the cost (expense, including depreciation) of providing goods and services to the general public is financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or changes in net position is appropriate for capital maintenance.

Cash and Cash Equivalents

Cash and cash equivalents are stated at cost which approximates fair market value. For financial statement and cash flow purposes, the Authority considers cash, demand deposits, certificates of deposit and debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Investment Securities

Investments are reported at fair value which is the amount at which a financial instrument could be exchanged in a current transaction between willing parties and has generally been based upon quoted values. This method of accounting causes fluctuations in reported investment values based on fluctuations in the investment market. Fluctuations in the fair value of investments are recorded as income or expense in the statements of revenues, expenses and changes in net position, and the amount is disclosed in the statements of cash flows as unrealized gain (loss) on investments.

Mortgage-Backed Securities

Mortgage-backed securities are stated at cost, adjusted for amortization of premiums and accretion of fees and discounts using a method that approximates level yields. These securities are issued by the Government National Mortgage Association (GNMA) or the Federal National Mortgage Association (FNMA). Such securities are backed by mortgage loans originated in Calcasieu Parish, Louisiana. Monthly payments of principal and interest are passed through to the Authority to finance debt service payments and other administrative costs.

The Authority has adequate liquidity and capital, and it is generally the Board's intention to hold such assets to maturity. Should any be sold, gains and losses will be recognized based on the specific identification method. These securities bear a term of 30 years and pass-through interest rates ranging from 3.25% to 7.25%.

Estimates

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

Reclassification

Certain accounts have been reclassified for the fiscal year ending May 31, 2023, to conform to the presentation for the fiscal year ended May 31, 2024. LAMP was reclassified from investments to cash and cash equivalents in the year ended May 31, 2024.

CALCASIEU PARISH PUBLIC TRUST AUTHORITY
Notes to Financial Statements
May 31, 2024

2. Summary of Significant Accounting Policies – (continued)

Recently Issued Accounting Pronouncements

In December 2023, GASB approved Statement No. 102, “*Certain Risk Disclosures.*” The objective of this statement is to provide users of governmental financial statements with essential information about the risk related to the government’s vulnerabilities due to certain concentrations or constraints. The requirement of this statement is effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The effect of implementation on the Authority’s financial statements has not yet been determined.

In April 2024, GASB approved Statement No. 103, “*Financial Reporting Model Improvements.*” The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing government’s accountability. This statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting period thereafter. The effect of implementation on the Authority’s financial statements has not yet been determined.

3. Cash and Cash Equivalents

Cash and cash equivalents include bank accounts and short-term investments.

Custodial Credit Risk- Deposits

Louisiana state law allows the Authority to invest excess funds in obligations of the United States or any other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts and investment grade commercial paper of domestic corporations.

As of May 31, 2024, the Authority had the following cash and cash equivalents balances:

<u>Cash and Cash Equivalents</u>	<u>Book Balance</u>	<u>Bank Balance</u>	<u>Insurance Coverage</u>	<u>Pledged Securities</u>
Cash deposits	\$ 584,804	\$ 587,759	\$ 250,000	\$ 337,832
Money market mutual funds	240,825	240,825	-	-
Total	<u>\$ 825,629</u>	<u>\$ 828,584</u>	<u>\$ 250,000</u>	<u>\$ 337,832</u>

State Law requires cash bank deposits (or resulting bank balances) to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held in the political subdivision, or with an unaffiliated bank or with a trust company for the account of the political subdivision. At May 31, 2024, the Authority’s cash and cash equivalents were insured or collateralized with securities held by the pledging financial institution or trust company but not in the Authority’s name.

CALCASIEU PARISH PUBLIC TRUST AUTHORITY
Notes to Financial Statements
May 31, 2024

3. Cash and Cash Equivalents – (continued)

Investments held as of May 31, 2024 consist of \$28,237 in the Louisiana Asset Management Pool, a local government investment pool, carried at cost which approximates fair market value. In accordance with GASB Codification Section 150.128, the investment in Louisiana Asset Management Pool (LAMP) is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in a pool of funds and thereby not evidenced by securities that exist in physical or book entry form.

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 a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit Risk: LAMP is rated AAAM by Standard and Poor's.
- Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- 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 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 60 days as of May 31, 2024.
- Foreign Currency Risk: Not applicable to 2a7-like pools.

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.

4. Investment Securities

Investment Securities have been classified according to management's intent. The amortized cost of securities and their approximate fair values are as follows as of May 31, 2024:

<u>Securities available-for-sale</u>	<u>Amortized Cost</u>	<u>Unrealized Gains (Loss)</u>	<u>Fair Value</u>
Federal Home Loan Bank	\$ 1,845,005	\$ (2,367)	\$ 1,842,638
U. S. Treasury Bill	2,002,477	16,032	2,018,509
	<u>\$ 3,847,482</u>	<u>\$ 13,665</u>	<u>\$ 3,861,147</u>

CALCASIEU PARISH PUBLIC TRUST AUTHORITY
Notes to Financial Statements
May 31, 2024

4. Investment Securities – (continued)

The following is a summary of maturities of securities available-for-sale as of May 31, 2024:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Federal Home Loan Bank	\$ 1,842,638	\$ 1,842,638	\$ -	\$ -	\$ -
U. S. Treasury Bill	2,018,509	2,018,509	-	-	-
Totals	\$ 3,861,147	\$ 3,861,147	\$ -	\$ -	\$ -

Credit Risk- Investments

Investments permitted by state statute include obligations issued, insured or guaranteed by the U.S. government including certificates or other evidences of ownership interest in such obligations and/or investments in registered mutual or trust funds consisting solely of U.S. government securities.

Custodial Credit Risk- Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Authority does not have a formal policy for custodial credit risk.

Fair Value of Financial Instruments

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are other observable inputs. Level 3 inputs are significant unobservable inputs.

The Authority has the following recurring fair value measurements as of May 31, 2024:

	Level 1	Level 2	Level 3
Federal Home Loan Bank	\$ 1,842,638	\$ -	\$ -
U. S. Treasury Bill	2,018,509	-	-
	\$ 3,861,147	\$ -	\$ -

CALCASIEU PARISH PUBLIC TRUST AUTHORITY
Notes to Financial Statements
May 31, 2024

5. Mortgage-Backed Securities and Loans

The following chart presents the mortgage-backed securities of the Authority as of May 31, 2024. The amortized cost and approximate market value of the securities are:

	Amortized Cost	Unrealized Gain (Loss)	Market Value
GNMA	\$ 25,196	\$ (792)	\$ 24,404
FNMA	34,987	(1,995)	32,992
	\$ 60,183	\$ (2,787)	\$ 57,396

The amortized cost and estimated market value of investment securities, as of May 31, 2024, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

As of May 31, 2024, the Authority's mortgage-backed securities will mature as follows:

	Amortized Cost	Estimated Fair Value
Amounts maturing in:		
One year or less	\$ -	\$ -
After one year through five years	-	-
After five years through ten years	60,183	57,396
After ten years	-	-
	\$ 60,183	\$ 57,396

Monthly principal and interest payments from the GNMA and FNMA mortgage-backed securities are guaranteed by GNMA and FNMA. Payments flow through to the holders of the Mortgage Revenue Bonds.

CALCASIEU PARISH PUBLIC TRUST AUTHORITY
Notes to Financial Statements
May 31, 2024

6. Related Party Transactions

The members of the Authority's Board of Trustees receive a per diem payment for each meeting attended and are reimbursed for actual expenses incurred in their capacity as trustees of the Authority. For the year ended May 31, 2024, the following payments were made to the members of the Board of Trustees for per diem and reimbursements:

	May 31, 2024
Allen Joyner	\$ 3,479
Julie Miller	1,800
Joshua Darby	1,500
Tim Castle	1,500
Teri Johnson	900
Jeffrey Davis	1,650
John Nash	1,650
Alvin Stevens	1,800
Charles Mackey	1,350
	\$ 15,629

7. Corporate Endeavor Agreement

On January 31, 2022, the Authority entered into a corporate endeavor agreement with the City of Lake Charles to support the development of the lakefront project which includes the Port Wander Museum (“Project”). The agreement outlines the funding arrangements and anticipated benefits to the public. The Authority’s mission includes economic benefits, public health, safety, welfare, provide affordable housing finance for first-time homebuyers in Southwest Louisiana and inducement of enterprise. As a result of the project, the Authority believes there will be benefits to their government function and acknowledges that these benefits, among others, are reasonably anticipated to be received by the Authority for the benefit of Southwest Louisiana citizens and visitors to the area. The Authority has paid the City \$500,000 toward the Project in two equal installments; one installment in the prior year and the final payment in the current year. The economic development contributions made during the year ended May 31, 2024 of \$250,000 are classified as an economic development contributions on the statement of revenues, expenses, and changes in net position.

CALCASIEU PARISH PUBLIC TRUST AUTHORITY
Notes to Financial Statements
May 31, 2024

8. PILOT Programs

The Authority has entered into multiple payment in lieu of taxes (“PILOT”) agreements with various developers and local taxing authorities. Each arrangement includes an act of transfer of property and improvements agreement and a ground and building lease agreement. Each developer transfers all rights, title, and interest in the associated property to the Authority in order to take advantage of the Authority’s tax-exempt status. As part of these agreements, the developer received several benefits, including 100% ad valorem tax exemptions on future property improvements and a freeze on current ad valorem taxes. Also, the developers may receive sales taxes exemptions on purchases agreements, the Authority leases the land and buildings back to the developers. The developers agree to make certain lease payments and payments in lieu (PILOT) of taxes to the appropriate taxing authorities. At all times during the term of the leases, the developers shall be entitled to all the tax attributes of ownership, including the right to claim depreciation or cost recovery deductions, the right to claim the low-income housing tax credit, and the right to amortize capital cost and to claim any other federal or state tax benefits. Pursuant to the terms of the leases, the developers pay an administrative fee and a lease payment (which will be remitted for ad valorem tax as discussed above) annually.

During the year ended May 31, 2024, administrative fees associated with the PILOT programs included \$57,420 administrative and other fees. These revenues were recorded as PILOT program fees in the accompanying statements of revenues, expenses, and changes in net position.

During the year ended May 31, 2024, one developer paid all administrative fees upfront for two projects and PIOLT fees upfront for one project. There was also closing fees paid by a separate developer during the current year of \$20,000 which have also been amortized over eh likely length of the contracts. The funds related to future periods have been deferred as follows for the years ending May 31,:

2025	\$ 31,253
2026	31,253
2027	31,253
2028	31,253
2029	31,253
2030-2035	156,265
2036-2038	125,017
	\$ 437,547

The Authority has included the upfront payment of PIOLT fees in the accrued liabilities as of May 31, 2024, in the amount of \$150,000.

There are no fixed assets recorded on the books of the Authority in relation to these agreements because the purpose of these agreements is for the ad valorem tax savings to the participating developers

OTHER SUPPLEMENTAL INFORMATION

CALCASIEU PARISH PUBLIC TRUST AUTHORITY
Lake Charles, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD

May 31, 2024

Agency Head Name / Title: Tim Castle, Board President

Purpose:	<u>Amount Paid</u>
Per Diem	<u>\$ 1,500</u>
	<u><u>\$ 1,500</u></u>

See accompanying notes and independent auditors' report.

INTERNAL CONTROL
AND
COMPLIANCE



LESTER LANGLEY, JR.
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JESSICA LOTT-HANSEN

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Calcasieu Parish Public Trust Authority

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 business-type activities of the Calcasieu Parish Public Trust Authority as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise Calcasieu Parish Public Trust Authority's basic financial statements and have issued our report thereon dated November 25, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Calcasieu Parish Public Trust Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Calcasieu Parish Public Trust Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Calcasieu Parish Public Trust Authority'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2024-01(IC) and 2024-02(IC) that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

Calcasieu Parish Public Trust Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Calcasieu Parish Public Trust Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Calcasieu Parish Public Trust Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Jasper, Williams & Co., P.C.

Lake Charles, Louisiana
November 25, 2024

CALCASIEU PARISH PUBLIC TRUST AUTHORITY
SCHEDULE OF FINDINGS AND REPOSES
Year Ended May 31, 2024

1. Summary of Audit Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiency identified not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

2. Current Year Findings and Management Corrective Action Plan

Internal Control Over Financial Reporting:

2024-01 (IC) – Material adjusting journal entries

Condition: Material adjusting journal entries were required to correct errors in the financial statement presentation to bring them into accordance with generally accepted accounting principles (GAAP) and governmental accounting standards board (GASB).

Criteria: Financial statements are prepared in accordance with applicable standards.

Cause: Inaccurate application of GAAP and GASB as it relates to an unusual significant event that occurred during the year ended May 31, 2024.

Recommendation: Establish a robust review process for financial statements to ensure compliance with applicable accounting standards.

Management's Response: Management acknowledges the finding and has committed to implementing a corrective action plan including training bookkeeping staff on unusual transactions which began in the current year and seek external expertise to enhance compliance with accounting standards.

CALCASIEU PARISH PUBLIC TRUST AUTHORITY
SCHEDULE OF FINDINGS AND REPOSSES
Year Ended May 31, 2024

2024-02 (IC) – Segregation of duties

Condition: The Calcasieu Parish Public Trust Authority’s small staff size limits the ability to segregate accounting duties adequately, resulting in one individual performing multiple incompatible roles.

Criteria: Governmental entities are required to establish and maintain internal controls to safeguard assets and ensure reliable financial reporting.

Cause: The Calcasieu Parish Public Trust Authority’s small staff size limits its ability to assign separate individuals to perform distinct roles in the accounting process. Resource constraints prevent the hiring of staff to address this issue.

Recommendations: Establish processes that segregate as many roles as possible.

Management’s Response: Management will continue to segregate as many roles as possible.

Compliance:

There were no findings with regards to compliance.



LESTER LANGLEY, JR.
DANNY L. WILLIAMS
PHILLIP D. ABSHIRE, JR.
DAPHNE BORDELON BERKEN

NICHOLAS J. LANGLEY
PHILLIP D. ABSHIRE, III
SARAH CLARK WERNER
ALEXIS HABETZ O'NEAL
JESSICA LOTT-HANSEN

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED MAY 31, 2024

To the Board of Trustees of Calcasieu Parish Public Trust Authority and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period June 1, 2023 through May 31, 2024. Calcasieu Parish Public Trust Authority's, a component unit of Calcasieu Parish Police Jury, management is responsible for those C/C areas identified in the SAUPs.

Calcasieu Parish Public Trust Authority 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 June 1, 2023 through May 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(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/Electronic Municipal Market Access ("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.

The Calcasieu Parish Public Trust Authority ("CPPTA") does not have written policies and procedures but plans to create written policies and procedures.

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.

There were no exceptions noted as a result of applying this procedure.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue fund.

Exception: The entity did not reference or include monthly budget-to-actual comparisons within the minutes.

Management's Response: Going forward, management will include monthly budget-to-actual comparisons in the meetings and minutes.

- 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.

Per the prior year review report, the unrestricted fund balance in the general fund did not have a negative ending balance; therefore, making this procedure not applicable.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

There was no audit performed in the prior year, as such this procedure is not applicable.

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:

We obtained a list of bank accounts from management and management's representation that the list was complete.

- 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);

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no items that have been outstanding for more than 12 months; therefore, this procedure is not applicable.

Collections (excluding electronic funds transfers)

4.

- 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).

Obtained a listing of all deposit sites for the fiscal period and management's representation that the listing is complete.

- 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, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

The entity does not collect cash; therefore, this procedure is not applicable.

- 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.

Exception: The same employee collects checks and deposits at the bank.

Management's Response: Due to the small staff size at CPPTA, these duties cannot be separated. The Board will review bank statements monthly.

- 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.

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

- 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.

The entity does not receive cash; therefore, this procedure is not applicable.

D. 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.

There are no pre-numbered receipts, therefore, this procedure is not applicable.

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

There are no pre-numbered receipts, therefore, this procedure is not applicable.

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

There were no exceptions noted as a result of applying this procedure.

d) 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).

Exception: The date the collections were received was not documented.

Management’s Response: Going forward, the CPPTA will note the date funds are received.

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

There were no exceptions noted as a result of this procedure.

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

5.

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).

Per discussion with management, we noted only one location processes payments for the fiscal period.

B. 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.

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

- 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.

Exception: The employee responsible for processing payments can add/modify vendor files.

Management's Response: Going forward, management will review the vendor list periodically.

- 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.

Exception: The same employee processing payments is also mailing the checks.

Management's Response: Due to the small staff size at CPPTA, these duties cannot be separated. The board will review bank statements monthly.

- 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.

There were no electronic disbursements, therefore, this procedure is not applicable.

- C. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

There were no exceptions noted as a result of applying this procedure.

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

Exception: The entity did not include evidence of segregation of duties.

Management's Response: Due to the small staff size at CPPTA, these duties cannot be separated. The board will review bank statements monthly.

- 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.

This procedure is not applicable due to the entity not having any electronic non-payroll disbursements for this period.

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

- 6.
- A. 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.
- Per management, there are no active cards.**
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [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.]
- There are no active cards; therefore, this procedure is not applicable.**
- b) Observe that finance charges and late fees were not assessed on the selected statements.
- There are no active cards; therefore, this procedure is not applicable.**
- C. 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 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.
- There are no active cards; therefore, this procedure is not applicable.**

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

- 7.
- 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:
- Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete.**

- a) If reimbursed using a per diem, observe 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).

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

- c) 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 policy (procedure #1h).

There were no exceptions noted as a result of applying this procedure.

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

Exception: One of the reimbursement travel expense reports was not reviewed and approved, in writing.

Management's Response: The check for the reimbursement was signed by two board members. It should be noted that while the reimbursement was reviewed, the CPPTA will be sure to include documentation of the review in the future.

Contracts

8.

- 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:

Per management, there were no contracts that were initiated or renewed during the fiscal period.

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

This procedure is not applicable.

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

This procedure is not applicable.

- c) 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).

This procedure is not applicable.

- 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 the invoice and related payment agreed to the terms and conditions of the contract.

This procedure is not applicable.

Payroll and Personnel

9.

- 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 CPPTA does not have any employees; therefore, this procedure is not applicable.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe 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.)

The CPPTA does not have any employees; therefore, this procedure is not applicable.

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

The CPPTA does not have any employees; therefore, this procedure is not applicable.

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

The CPPTA does not have any employees; therefore, this procedure is not applicable.

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

The CPPTA does not have any employees; therefore, this procedure is not applicable.

- 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.

The CPPTA does not have any employees; therefore, this procedure is not applicable.

- 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.

The CPPTA does not have any employees; therefore, this procedure is not applicable.

Ethics

10.

A. Using the 5 randomly selected employees/officials from procedure #9 under “Payroll and Personnel” above obtain ethics documentation from management, and:

a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

The CPPTA does not have any employees; therefore, this procedure is not applicable.

b) 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.

The CPPTA does not have any employees; therefore, this procedure is not applicable.

c) Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

The CPPTA does not have any employees; therefore, this procedure is not applicable.

Debt Service

11.

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 State Bond Commission approval was obtained for each debt instrument issued.

No debt was issued during the fiscal period; therefore, this procedure is not applicable.

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 debt was issued during the fiscal period, therefore, this procedure is not applicable.

Fraud Notice

12.

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management has asserted that the entity did not have any misappropriations of public funds or assets.

- B. 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.

The entity has posted on its premises the notice required by R.S. 24:523.1.

Information Technology Disaster Recovery/Business Continuity

13.

- A. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”

- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

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.

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

The CPPTA does not have any employees; therefore, this procedure is not applicable.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:126725. 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.

The CPPTA does not have any employees; therefore, this procedure is not applicable.

Sexual Harassment

14.

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

The CPPTA does not have any employees; therefore, this procedure is not applicable.

- 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).

Exception: The CPPTA does not have a sexual harassment policy and complaint procedure.

Management’s Response: The CPPTA plans to create written policies and procedures.

- 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.

The CPPTA does not have any employees; therefore, this procedure is not applicable.

We were engaged by Calcasieu Parish Public Trust Authority 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 Calcasieu Parish Public Trust Authority 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.

Long, McLean & Co., P.C.

Lake Charles, LA
November 12, 2024