

**ST. TAMMANY PARISH SEWERAGE
DISTRICT NO. 1**

Financial Statements with Supplementary Information

December 31, 2023

(With Independent Accountants' Review Report Thereon)

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Table of Contents

	<u>Page</u>
Independent Accountants' Review Report	1 - 2
Basic Financial Statements:	
Statement of Net Position	3
Statement of Revenues, Expenses, and Changes in Net Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 13
Other Supplementary Information:	
Schedule of Compensation, Benefits and Other Payments to Agency Head	14
Schedule of Compensation Paid to Board Members	15
Schedule of Findings and Management Corrective Action Plan	16
Status of Prior Year Findings	17
Independent Accountants' Report on Applying Agreed-Upon Procedures	18 - 21
Louisiana Attestation Questionnaire	22 - 24



Stephen M. Griffin, CPA
Robert J. Furman, CPA

Howard P. Vollenweider, CPA
Jessica S. Benjamin

Racheal D. Alvey
Michael R. Choate, CPA

American Society of Certified Public Accountants
Society of Louisiana CPAs

Independent Accountants' Review Report

**Board of Commissioners
St. Tammany Parish Sewerage District No. 1
Covington, Louisiana**

We have reviewed the accompanying financial statements of the business-type activities of St. Tammany Parish Sewerage District No. 1 (the District), a component unit of St. Tammany Parish, Louisiana, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting, whether we are aware of any material modifications that should be made for the financial statements to comply with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

205 E. Lockwood St.
Covington LA 70433
Phone: (985) 727-9924
Fax: (985) 400-5026

2915 S. Sherwood Forest Blvd., Suite B
Baton Rouge, LA 70816
Phone: (225) 292-7434
Fax: (225) 293-3651

4900 Cypress St. #15
West Monroe, LA 71291
Phone: (318) 397-2472

We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made for the financial statements to comply with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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

Other Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head and schedule of compensation paid to board members 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 financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Griffin & Furman, LLC

May 30, 2024

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Statement of Net Position

December 31, 2023

(See Independent Accountants' Review Report)

		<u>Assets</u>	
Current assets:			
Cash and cash equivalents	\$	105,764	
Certificates of deposit		50,009	
Revenue receivable - charges for services		23,109	
Due from other governmental entity - St. Tammany Parish			
Waterworks District No. 3		288,134	
Total current assets			467,016
Restricted assets:			
Cash and cash equivalents		155,936	
Total restricted assets			155,936
Non-current assets:			
Capital assets, net of accumulated depreciation		1,456,055	
Total non-current assets			1,456,055
Total assets	\$		2,079,007
		<u>Liabilities & Net Position</u>	
Current liabilities:			
Accounts payable and accrued expenses	\$	10,263	
Current portion of bonds payable		69,000	
Total current liabilities			79,263
Long-term liabilities:			
Long-term portion of bonds payable		1,035,936	
Total long-term liabilities			1,035,936
Total liabilities			1,115,199
Net position:			
Net investment in capital assets		351,119	
Restricted for debt service		155,936	
Unrestricted		456,753	
Total net position			963,808
Total liabilities & net position	\$		2,079,007

See accompanying notes to the financial statements.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended December 31, 2023

(See Independent Accountants' Review Report)

Operating Revenue:

Charges for services \$ 261,424

Total operating revenue 261,424

Operating Expenses:

Bank charges 27

Board members' per diems 3,060

Bookkeeping 8,550

Depreciation 60,339

Fees 3,026

Insurance 9,022

Loan administrative fee 5,865

Office supplies and expenses 1,514

Postage and delivery 1,244

Professional services 12,686

Repairs and maintenance 68,432

Utilities 25,114

Total operating expenses 198,879

Operating income 62,545

Non-operating revenue (expense)

Interest income 1,399

Interest expense (5,278)

Other income 19,561

Total non-operating revenue (expense) 15,682

Change in net position 78,227

Net position, beginning of year 885,581

Net position, end of year \$ 963,808

See accompanying notes to the financial statements.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Statement of Cash Flows

For the Year Ended December 31, 2023

(See Independent Accountants' Review Report)

Cash flows from operating activities:		
Cash received from customers	\$ 256,790	
Cash payments to suppliers for goods and services	(128,591)	
Cash payments to board members	<u>(3,060)</u>	
Net cash provided by operating activities		125,139
 Cash flows from investing activities:		
Interest received	<u>4,699</u>	
Net cash provided by investing activities		4,699
 Cash flows from non-capital financing activities:		
Increase in due from other governmental entity	<u>43,445</u>	
Net cash provided by non-capital financing activities		43,445
 Cash flows from capital financing activities		
Payments for capital acquisitions	(94,278)	
Payments on bond construction loan	(68,000)	
Interest payments on bonds	<u>(5,278)</u>	
Net cash used by capital financing activities		<u>(167,556)</u>
Net increase in cash		5,727
 Cash and cash equivalents at beginning of year		<u>255,973</u>
 Cash and cash equivalents at end of year		\$ <u><u>261,700</u></u>
 Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 62,545	
Adjustments to reconcile operating income to net cash provided in operating activities:		
Depreciation	60,339	
Increase in revenue receivable - charges for services	(4,634)	
Decrease in prepaid expenses	6,820	
Increase in accounts payable	3,369	
Decrease in unearned revenue	<u>(3,300)</u>	
Net cash provided by operating activities		\$ <u><u>125,139</u></u>

See accompanying notes to the financial statements.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Review Report)

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

St. Tammany Parish Sewerage District No. 1 (the District) was established by the St. Tammany Parish Police Jury on October 27, 1960, as provided by Louisiana Revised Statute (R.S.) 33:3885. The District has the authority to manage and operate a sewerage system within the boundaries of the District not served by municipal systems. The governing board is made up of five commissioners who serve four-year terms and are residents of and own real estate in the District. Four commissioners are appointed by the St. Tammany Parish Council and one is appointed by the Parish President. At December 31, 2023, the District had approximately 440 customers.

(b) Reporting Entity

As the governing authority of the parish, for reporting purposes, the St. Tammany Parish Government is the financial reporting entity for St. Tammany Parish. The financial reporting entity consists of (a) the primary government (parish government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Tammany Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, including:

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

Because the parish government appoints the District's governing body, the District was determined to be a component unit of the St. Tammany Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish government,

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Review Report)

the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

(c) Basis of Presentation

Fund Financial Statements

The Districts funds are organized on the basis of proprietary fund accounting used by governmental entities. The proprietary fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user charges or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

(d) Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net position.

The District's 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.

In accordance with GASB Statement No. 34, *Basic Financial Statements – and Managements Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 63, net position is classified into three components: Net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- a. Net Investment in Capital Assets – This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisitions, construction, or improvement of those assets, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.
- b. Restricted – This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Review Report)

c. Unrestricted – all other net position is reported in this category

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds principal ongoing operation. The principal operating revenues of the District's proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

(e) Financial Statements

GASB Statement No. 34 *Basic Financial Statements – and Managements Discussion and Analysis – for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for proprietary funds. For these governments, basic financial statements and required supplementary information (RSI) consist of:

1. Management's discussion and analysis (MD&A). (The District's management has not presented MD&A that the GASB has determined to be required to supplement, although not required to be part of, the basic financial statements.)
2. Statement of net position
3. Statement of revenues, expenses, and changes in net position
4. Statement of cash flows
5. Notes to financial statements
6. RSI, if applicable

The District is a special-purpose government engaged only in business-type activities.

(f) Cash and Certificates of Deposit

Cash and cash equivalents include amounts in interest-bearing and non-interest-bearing demand deposits. The District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state of the union or the laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. R.S. 39:1225 provides that the amount of security shall at all times be equal to 100% of the amount on deposit to the credit of each depository authority, except that portion of the deposit insured by the United States of America. State law also allows the District to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90 days, they are classified as cash equivalents. At December 31, 2023, the District had \$50,009 in certificates of deposit with original maturities that exceed 90 days.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Review Report)

(g) Revenue Receivable - Charges for Services

The District bills customers in the month following the month in which services were provided. Unbilled service charges are accrued for the month of December at year-end. Revenue receivable - charges for services on the accompanying statement of net position are considered to be fully collectible at December 31, 2023. Non-collectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate that the account is non-collectible.

(h) Capital Assets

All capital assets of the proprietary fund are recorded at historical cost. The depreciation of all exhaustible capital assets is charged as an expense against operations. Pre-construction costs are associated with the development of the sewer system, including engineering, legal, and interest costs; these are capitalized and will be depreciated over their useful lives using the straight-line method.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets as applicable.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment	10-15 years
Sewer system	35 years

(i) Federal Income Tax

The District is not subject to federal income taxes in accordance with Internal Revenue Code (IRC) Section 115 regarding income of states, municipalities, political subdivisions, etc.

(j) 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Review Report)

(2) Cash and Cash Equivalents

At December 31, 2023, cash and cash equivalents consisted of the following:

Demand deposits	\$ 105,764
Demand deposits - restricted	<u>155,936</u>
Total	<u>\$ 261,700</u>

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits might not be recovered. The District's deposit policy for custodial credit risk conforms to state law as described in Note 1. At December 31, 2023, the District's deposit bank balances of \$273,430 was not subject to custodial risk.

(3) Certificates of Deposit

At December 31, 2023, certificates of deposit with financial institutions consisted of the following:

Six-Month CD, Maturing April 23, 2024	<u>\$ 50,009</u>
---------------------------------------	------------------

(4) Restricted Assets

At December 31, 2023, restricted assets consisted of the following:

Cash Restricted for Debt Service	<u>\$ 155,936</u>
----------------------------------	-------------------

(5) Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2023 are as follows:

	Balance January 1, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2023</u>
Capital assets not being depreciated				
Land	<u>\$ 20,747</u>	<u>-</u>	<u>-</u>	<u>20,747</u>
Total capital assets not being depreciated and amortized	<u>20,747</u>	<u>-</u>	<u>-</u>	<u>20,747</u>
Capital assets being depreciated				
Sewer system and improvements	<u>1,862,683</u>	<u>94,278</u>	<u>-</u>	<u>1,956,961</u>

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Review Report)

Total capital assets being depreciated and amortized	<u>1,862,683</u>	<u>94,278</u>	<u>-</u>	<u>1,956,961</u>
Less accumulated depreciation for Sewer system and improvements	<u>(461,314)</u>	<u>(60,339)</u>	<u>-</u>	<u>(521,653)</u>
Total accumulated depreciation	<u>(461,314)</u>	<u>(60,339)</u>	<u>-</u>	<u>(521,653)</u>
Total capital assets being depreciated, net	<u>1,401,369</u>	<u>33,939</u>	<u>-</u>	<u>1,435,308</u>
Capital assets, net	<u>\$ 1,422,116</u>	<u>33,939</u>	<u>-</u>	<u>1,456,055</u>

The District recorded \$60,339 of depreciation expense on its capital assets for the year ended December 31, 2023.

(6) Net Position

Net position for the year ended December 31, 2023 consisted of the following:

Net investment in capital assets	\$ 351,120
Restricted for debt service	155,936
Unrestricted	<u>440,492</u>
Total	<u>\$ 947,548</u>

(7) Revenue Receivable – Charges for Services

For the year ended December 31, 2023, the District's revenue receivable consisted of the following:

Charges for service	\$ 23,109
Less: allowance for doubtful accounts	<u>-</u>
Total	<u>\$ 23,109</u>

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Review Report)

(8) Bonds Payable

The following is a summary of bonds payable transactions of the District for the year ended December 31, 2023:

<u>Revenue Bonds</u>	<u>Amount</u>
Bonds payable at January 1 st	\$ 1,172,936
Bonds issued	-
Bonds retired	<u>(68,000)</u>
Bond payable at December 31 st	<u>\$ 1,104,936</u>

The following is a description of the bonds payable of the District for the year ended December 31, 2023:

<u>Revenue Bonds</u>	<u>Amount</u>
\$1,500,000 taxable sewer revenue bonds dated May 1, 2018; due in annual principal payments of \$68,000-\$78,000 plus semi-annual interest payments through December 31, 2038, with interest at 0.45% and administrative fees at 0.5%, collateralized by sewer revenues.	\$ 1,104,936
Less: Current maturities	<u>(69,000)</u>
Non-current portion of bonds payable	<u>\$ 1,035,936</u>

Principal and interest payments due on the revenue bonds outstanding as of December 31, 2023 are as follows:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest and fees</u>	<u>Total</u>
2024	\$ 69,000	10,497	79,497
2025	70,000	9,841	79,841
2026	70,000	9,176	79,176
2027	71,000	8,511	79,511
2028	71,000	7,837	78,837
2029-2033	368,000	28,887	396,887
2034-2038	<u>385,936</u>	<u>11,074</u>	<u>397,010</u>
Total	<u>\$ 1,104,936</u>	<u>85,823</u>	<u>1,190,759</u>

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Review Report)

(9) Due from Other Governmental Agencies

The District uses St. Tammany Parish Waterworks District No. 3 as its billing and collection agent for sewerage fees. Sewerage fees collected that had not been remitted to the District at December 31, 2023 were \$288,134.

(10) Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of commercial insurance.

(11) Subsequent Events

The District evaluated subsequent events through May 30, 2024, the date which the financial statements were available to be issued.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Schedule of Compensation, Benefits, and Other Payments to Agency Head

For the Year Ended December 31, 2023

(See Independent Accountants' Review Report)

Agency Head Name: Roger Kocken

<u>Purpose</u>	<u>Amount</u>
Per Diem	\$ <u>1,050</u>

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Schedule of Compensation Paid to Board Members

For the Year Ended December 31, 2023

(See Independent Accountants' Review Report)

<u>Board Member</u>	<u>Amount</u>
Briton Richardson	\$ 240
Michael Franklin	390
Jesmin Finley	720
Roger Kocken	1,050
Jeffery Peters	<u>660</u>
	\$ <u><u>3,060</u></u>

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1
Schedule of Findings and Management Corrective Action Plan
For the Year Ended December 31, 2023

Not applicable.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Status of Prior Year Findings

December 31, 2023

Finding 2022-1:

Criteria:

R.S. 39:1225 provides that the amount of deposit security shall at all times be equal to 100% of the amount on deposit to the credit of each depository authority, except that portion of the deposit insured by the United States of America.

Condition & Cause:

At December 31, 2022, the District's bank deposits totaled \$266,365 leaving an uninsured and uncollateralized balance of \$16,365. This was the result of the District's financial institution flagging accounts incorrectly in their system such that the collective amount of deposits in the District's accounts would be collateralized when the balance exceeded \$250,000.

Effect:

The District is not in compliance with R.S. 39:1225

Recommendation:

We recommend the District contacts the financial institution and ensures that all accounts are identified as public funds such that collateral will be pledged when required.

Management Corrective Action:

The financial institution has been contacted and they have made the necessary changes in their system to ensure collateral is pledged as required.

Status:

This finding was resolved in 2023.

Finding 2022-2:

Criteria:

R.S. 24:513 provides that any state auditee must submit an audit report within six months of their fiscal year end.

Condition & Cause:

The District submitted their financial report past the six-month deadline for the December 31, 2022 fiscal year end.

Effect:

The District is not in compliance with R.S. 24:513

Recommendation:

We recommend the District submits their financial report within six months of its year end.

Management Corrective Action:

The District will do its best to submit its annual report within six months of its year end.

Status:

This finding was resolved in 2023.



Stephen M. Griffin, CPA
Robert J. Furman, CPA

Howard P. Vollenweider, CPA
Jessica S. Benjamin

Racheal D. Alvey
Michael R. Choate, CPA

American Society of Certified Public Accountants
Society of Louisiana CPAs

Independent Accountants' Report on Applying Agreed-Upon Procedures

Board of Commissioners
St. Tammany Parish Sewerage District No. 1
Covington, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) agreed-upon procedures applicable to review attestations (AUPs) for the fiscal period January 1, 2023 through December 31, 2023. St. Tammany Parish Sewerage District No. 1's management is responsible for those C/C areas identified in the AUPs.

St. Tammany Parish Sewerage District No. 1 (the District) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's AUPs for the fiscal 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:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$60,000 and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code), R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable, and report whether the expenditures were made in accordance with these laws.

Finding: There were no expenditures for material and supplies exceeding \$60,000 and there were no public works exceeding \$250,000.

205 E. Lockwood St.
Covington LA 70433
Phone: (985) 727-9924
Fax: (985) 400-5026

2915 S. Sherwood Forest Blvd., Suite B
Baton Rouge, LA 70816
Phone: (225) 292-7434
Fax: (225) 293-3651

4900 Cypress St. #15
West Monroe, LA 71291
Phone: (318) 397-2472

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Finding: Procedure performed without exception.

3. Obtain a list of all employees paid during the fiscal year.

Finding: Not applicable.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

Finding: Not applicable.

5. Obtain a list of all disbursements made during the year and a list of the outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Finding: Procedure performed without exception.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Finding: Not applicable.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book and report whether there are any exceptions.

Finding: Not applicable.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

Finding: Not applicable.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation and: (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c)

report whether the six disbursements were approved in accordance with management's policies and procedures.

Finding: Procedure performed without exception.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law) and report whether there are any exceptions.

Finding: Procedure performed without exception.

Debt

11. Obtain bank deposit slips for the fiscal year and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission and report any exceptions.

Finding: Procedure performed without exception.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

Finding: Not applicable.

State Audit Law

13. Report whether the agency provided a timely report in accordance with R.S. 24:513.

Finding: Procedure performed without exception.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2) and that were subject to the public bid law (R.S. 38:2211, et seq.) while the agency was not in compliance with R.S. 24:513 (the audit law).

Finding: Not applicable.

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

Finding: The District did not submit its report within six months of year end. Management intends to submit the current year report within six months of year end.

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the AUPs 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.

Griffin & Furman, LLC

May 29, 2024

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)**

June 28, 2023

Griffin and Furman, LLC
2270 7th Street, Suite 1
Mandeville, Louisiana 70471

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of Feb. 12, 2024 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes [] No [] N/A

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes [] No [] N/A

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No [] N/A []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [] No [] N/A

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "[Open Meeting FAQs](#)," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes No [] N/A []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [] No [] N/A

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No [] N/A []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No [] N/A []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [] No [] N/A

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No [] N/A

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No [] N/A []

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes No [] N/A []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes No [] N/A []

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

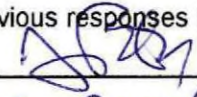
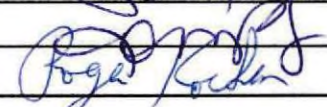

Yes No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal

controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes No [] N/A []

The previous responses have been made to the best of our belief and knowledge.

	Secretary	<u>March 21, 2024</u>	Date
	Treasurer	<u>March 21, 2024</u>	Date
	President	<u>Feb. 12, 2024</u>	Date