

**TERREBONNE PARISH
RECREATION DISTRICT NO. 6
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

TERREBONNE PARISH RECREATION DISTRICT NO. 6
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2023

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TERREBONNE PARISH RECREATION DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

This discussion and analysis of the Terrebonne Parish Recreation District No. 6's financial performance provides a narrative overview of the financial activities as of and for the fiscal year ended December 31, 2023. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- At the close of fiscal year assets exceeded liabilities by \$5,684,831 (net position).
- During the year, expenses for recreational activities were \$718,135.
- General revenues of \$1.8 million, mainly FEMA and insurance proceeds added to the program revenues helped to make up the shortfall to end the year with revenue exceeding expenses by \$1.1 million.
- The governmental funds ended the year with a fund balance of \$1,402,160 – \$734,117 is either non-spendable, committed, or restricted, the remaining of \$688,043 is considered unassigned and available to use to fund operations.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

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

TERREBONNE PARISH RECREATION DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

The statement of net position presents information on all the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The District utilizes the governmental type of funds with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent soon to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Our analysis below focuses on the net position and changes in net position of the governmental-type activities.

| Condensed Statement of Net Position | 2022 | 2023 | Dollar Variance |
|--|--------------------|--------------------|--------------------|
| Current and Other Assets | \$3,158,069 | \$2,197,903 | \$ (960,166) |
| Capital Assets | 3,628,276 | 4,924,101 | 1,295,825 |
| Total Assets | 6,786,345 | 7,122,004 | 335,659 |
| Current Liabilities | 552,953 | 150,958 | (401,995) |
| Long-term Obligations | 785,484 | 493,745 | (291,739) |
| Total Liabilities | 1,338,437 | 644,703 | (693,734) |
| Deferred Inflows | 866,323 | 792,470 | (73,853) |
| Invested in Capital Assets | 2,868,276 | 4,299,101 | 1,430,825 |
| Restricted for Debt Service | 13,934 | 68,794 | 54,860 |
| Unrestricted | 1,699,375 | 1,316,936 | (382,439) |
| Total Net Position | \$4,581,585 | \$5,684,831 | \$1,103,246 |

The net position increased significantly due to compensation received from FEMA and insurance proceeds due to damage from Hurricane Ida for repairs of equipment and buildings. Current assets decreased also due to payments made from the insurance proceeds and FEMA reimbursements made in the prior year. Capital assets and the Invested in capital assets increased significantly due to capital purchases of equipment and improvements to the facilities during the year. Current liabilities decreased because there was a significant decrease in accounts payable and payroll accruals at the end of this year. Long term obligations decreased to reflect the payment on debt and decrease in compensated absences. Deferred inflows decreased due to the decrease in the 2023 levy of property taxes to be used in 2024. Unrestricted net assets are the part of net assets that can be used to finance day-to-day operations without constraints. The balance in net assets represents the accumulated results of all past years' operations.

TERREBONNE PARISH RECREATION DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

| Condensed Statement of Activities | 2022 | 2023 | Dollar Variance |
|--|--------------------|--------------------|--------------------|
| Total program expenses | \$ (949,303) | \$ (718,135) | \$ (231,168) |
| Total program revenues | 59,370 | - | (59,370) |
| Net program income | (889,933) | (718,135) | 171,798 |
| General revenues | 1,601,426 | 1,821,381 | 219,955 |
| Change in Net Position | 711,493 | 1,103,246 | 391,753 |
| Net Position: | | | |
| Beginning of the year | 3,872,092 | 4,583,585 | 711,493 |
| End of the year | <u>\$4,583,585</u> | <u>\$5,686,831</u> | <u>\$1,103,246</u> |

Program expenses for recreational programs and maintenance decreased by \$(231,168) or about 24% due to decreased costs for Hurricane Ida repairs. General revenues increased significantly for the FEMA reimbursements and insurance proceeds received.

FINANCIAL ANALYSIS OF MAJOR FUNDS (FFS)

The District uses funds to help it control and manage money for recreational purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The General Fund reported an ending fund balance of \$1,333,366. This reflects a decrease of \$391,493 from the prior year. Of the ending fund balance, \$39,000 is non-spendable for prepaid insurance. The Board has committed in the 2024 Adopted Budget - \$191,323 for capital purchases and \$435,000 for contingencies. The remaining \$688,043 is unassigned. The revenues for the General Fund were \$727,464, an increase of 4% from the prior year. Current expenditures for recreational activities were 472,979 a decrease of 32% from the prior year. Capital outlay equaled \$1,481,666, for purchases of machinery and equipment and building improvements.

A Debt Service Fund was established as per the bond indenture to account for the collection of property taxes and the payment of debt service for two General Obligation Bond issues – Series 2008 and Series 2015. During the current year the debt service fund recorded \$226,195 of property taxes, and \$3,461 in interest revenue. \$164,700 was paid on principal and interest expense on the bonds. The ending fund balance – restricted for Debt Service was \$68,794.

TERREBONNE PARISH RECREATION DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the year. All variances were in compliance with the Local Government Budget Act (R.S. 39:1301-15) R.S. 39:33, or R.S. 39:1331-1342, as applicable.

Authorized budget amendments were approved as follows:

| | |
|--|---------------|
| Original Budgeted Revenues | \$695,450 |
| Amendments were made for: | |
| Increased Property taxes based on actual collections | 48,000 |
| Decreased State Revenue Sharing | (388) |
| Decreased fees & charges | (7,900) |
| Increased Miscellaneous and Interest | 34,650 |
| Total revenue amendments | 24,362 |
| Amended Budgeted Revenues | \$719,812 |

| | |
|---|------------------|
| Original Budgeted Expenditures | \$1,020,700 |
| Amendments were made for: | |
| Decreased general government deductions | (3,410) |
| Increased current expenditures | 1,071,900 |
| Increase capital outlay | 508,323 |
| Total expenditure amendments | 1,580,223 |
| Amended Budgeted Expenditures | \$2,600,923 |

TERREBONNE PARISH RECREATION DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

CAPITAL ASSETS

A summary of capital assets is as follows:

| | Balance 12/31/2022 | Balance 12/31/2023 |
|--------------------------------|-------------------------------------|-------------------------------------|
| Land | \$ 310,877 | \$ 310,877 |
| Construction in progress | 1,654,603 | 205,369 |
| Buildings and Improvements | 3,627,964 | 6,538,245 |
| Software | 11,186 | 11,186 |
| Machinery & Equipment | 487,488 | 508,107 |
| Total cost of assets | 6,092,118 | 7,573,784 |
| Total accumulated depreciation | 2,463,842 | 2,649,683 |
| Net capital assets | <u>\$ 3,628,276</u> | <u>\$ 4,924,101</u> |

This year there was \$4,361,567 in additions to capital assets, including \$2,879,901 transferred from construction in progress and no disposals. Depreciation of \$185,840 was recorded on capital assets in the governmental activities.

More detailed information about the capital assets is presented in Note 4 to the financial statements.

LONG-TERM DEBT

The voters approved a proposition on October 20, 2007 to incur debt and to issue \$1,400,000 of 20-year General Obligation Bonds, Series 2008 with varying interest rates between 4.6%-6% for purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities to be payable from property taxes. At December 31, 2023 \$535,000 of these bonds were outstanding and \$90,000 of principal and \$22,201 of interest and fees were paid.

In accordance with a special election held on December 6, 2014, the voters approved the issuance of \$400,000 of General Obligation Bonds, Series 2015, for the purpose of purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities to be payable from property taxes. The interest rate is 2.36%, interest payment dates are March 1st and September 1st mature in the year 2025. At December 31, 2023 \$90,000 of these bonds were outstanding and \$45,000 of principal and \$2,655 of interest was paid.

More detailed information about the long-term debt is presented in Note 7 to the financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Highlights of next year's General Fund budget that was approved by the Board on December 5, 2023 include:

| 2024 | |
|-----------------------------------|------------|
| Anticipated revenues | \$ 937,450 |
| Expenditures: | |
| General Government | 31,600 |
| Current | 974,400 |
| Capital outlay | 280,000 |
| Anticipated expenditures | 1,286,000 |
| Net change in Fund Balance | (348,550) |
| Fund Balance: | |
| Beginning of the year | 1,143,163 |
| End of the year | \$794,613 |

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Terrebonne Parish Recreation District No. 6's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Carlos Alario, Chairman
107 Recreation Dr.
Montegut, LA
Phone number 985-594-3174



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Terrebonne Parish Recreation District No. 6
Montegut, LA

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Terrebonne Parish Recreation District No. 6 (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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

Basis for Opinions

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management's for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free of 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 ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

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 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, 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 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 ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such 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, economic, or historical context.



We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Compensation of Payments to the Agency Heads but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2024, on our consideration of the 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control over financial reporting and compliance.

Stagni & Company

May 13, 2024
Thibodaux, Louisiana



STAGNI & COMPANY, LLC

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Statement of Net Position

December 31, 2023

ASSETS

| | |
|---|------------------|
| Cash and cash equivalents | \$ 183,243 |
| Investments | 1,191,727 |
| Receivables: | |
| Property taxes receivable | 49,864 |
| Due from tax collector | 723,364 |
| Prepaid Insurance | 43,189 |
| Deposits | 6,516 |
| Capital Assets, net of accumulated depreciation | |
| Non-Depreciable | 516,246 |
| Depreciable | 4,407,855 |
| TOTAL ASSETS | <u>7,122,004</u> |

LIABILITIES

| | |
|--|----------------|
| Accounts payable and accrued liabilities | 3,273 |
| Long-term liabilities: | |
| Due in one year: | |
| Compensated absences payable | 11,370 |
| Accrued Interest on Bonds | 1,315 |
| Bonds Payable | 135,000 |
| Due in more than one year: | |
| Compensated absences payable | 3,745 |
| Bonds Payable | 490,000 |
| TOTAL LIABILITIES | <u>644,703</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|--|---------|
| Property taxes levied for the next fiscal year | 792,470 |
|--|---------|

NET POSITION

| | |
|--------------------------------|---------------------|
| Net Invested in capital assets | 4,299,101 |
| Restricted for Debt | 68,794 |
| Unrestricted | 1,316,936 |
| TOTAL NET POSITION | <u>\$ 5,684,831</u> |

See notes to financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2023

| | Expenses | Program Revenue | | Net Revenue |
|--------------------------------------|-------------------|-----------------|-------------|---------------------|
| | | Charges for | Operating | (Expense) |
| | | Services | Grants | |
| GOVERNMENTAL ACTIVITIES: | | | | |
| Recreation | \$ 718,135 | \$ - | \$ - | \$ (718,135) |
| Total governmental activities | \$ 718,135 | \$ - | \$ - | (718,135) |
| GENERAL REVENUES: | | | | |
| Property taxes levied for recreation | | | | 866,481 |
| State revenue sharing | | | | 9,612 |
| Compensation for property damages | | | | 864,261 |
| Miscellaneous | | | | 6,719 |
| Interest earned | | | | 74,308 |
| TOTAL GENERAL REVENUES | | | | 1,821,381 |
| CHANGE IN NET POSITION | | | | |
| Beginning of year | | | | 1,103,246 |
| End of year | | | | 4,581,585 |
| | | | | \$ 5,684,831 |

See notes to the financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Balance Sheet - Governmental Fund - General Fund
December 31, 2023

| | General Fund | Debt Service Fund | Total Governmental Funds |
|--|---------------------|----------------------|--------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 182,240 | \$ 1,003 | \$ 183,243 |
| Investments | 1,123,936 | 67,791 | 1,191,727 |
| Receivables: | | | |
| Property taxes receivable | 36,845 | 13,019 | 49,864 |
| Due from tax collector | 535,274 | 188,090 | 723,364 |
| Due from State of La | 5,886 | | |
| Due to/from other funds | (3,487) | 3,487 | - |
| Prepaid Insurance | 43,189 | - | 43,189 |
| Deposits | 630 | - | 630 |
| TOTAL ASSETS | <u>\$ 1,924,513</u> | <u>\$ 273,390</u> | <u>\$ 2,192,017</u> |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 3,273 | \$ - | \$ 3,273 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property taxes levied for the next fiscal year | 587,874 | 204,596 | 792,470 |
| FUND BALANCES: | | | |
| Non-spendable - Reserved for Prepaid Insurance | 39,000 | - | 39,000 |
| Committed for: | | | |
| Capital purchases | 191,323 | - | 191,323 |
| Contingencies | 435,000 | - | 435,000 |
| Restricted for: | | | |
| Debt Service | - | 68,794 | 68,794 |
| Unassigned | 668,043 | - | 668,043 |
| TOTAL FUND BALANCES | <u>1,333,366</u> | <u>68,794</u> | <u>1,402,160</u> |
| RECONCILIATION TO STATEMENT OF NET POSITION: | | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | | |
| Non-Depreciable Assets | | 516,246 | |
| Depreciable Assets | | 7,057,538 | |
| Accumulated Depreciation | | <u>(2,649,683)</u> | |
| | | | 4,924,101 |
| Certain liabilities are not due and payable in the current period and therefore are not reported in the funds. | | | |
| Compensated absences payable-current | | (11,370) | |
| Compensated absences payable-noncurrent | | <u>(3,745)</u> | |
| | | | (15,115) |
| Bonds payable due within one year | | (135,000) | |
| Bonds payable due in more than one year | | <u>(490,000)</u> | |
| | | | (625,000) |
| Accrued interest payable | | | <u>(1,315)</u> |
| Net position of governmental activities | | | <u>\$ 5,684,831</u> |

See notes to financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Fund - General Fund
For the Year Ended December 31, 2023

| | General Fund | Debt Service Fund | Total Governmental Funds |
|---|---------------------|----------------------|--------------------------------|
| REVENUES | | | |
| Property Taxes | \$ 640,286 | \$ 226,195 | \$ 866,481 |
| State Revenue Sharing | 9,612 | - | 9,612 |
| Miscellaneous | 6,719 | - | 6,719 |
| Interest | 70,847 | 3,461 | 74,308 |
| TOTAL REVENUES | <u>727,464</u> | <u>229,656</u> | <u>957,120</u> |
| EXPENDITURES | | | |
| General government - current: | | | |
| Ad valorem tax deductions | 21,296 | 9,570 | 30,866 |
| Ad valorem tax adjustments | 7,277 | 526 | 7,803 |
| Total general government - current | <u>28,573</u> | <u>10,096</u> | <u>38,669</u> |
| Recreational - current: | | | |
| Salaries | 162,361 | - | 162,361 |
| Payroll Taxes & Retirement | 15,909 | - | 15,909 |
| Insurance-Group Health | 21,129 | - | 21,129 |
| Insurance-Workers' Compensation | 591 | - | 591 |
| Advertising & Publishing | 2,363 | - | 2,363 |
| Gasoline, Oil & Diesel | 5,794 | - | 5,794 |
| Insurance | 70,527 | - | 70,527 |
| Legal & Professional Fees | 10,299 | - | 10,299 |
| Office Operations | 4,490 | - | 4,490 |
| Supplies-Operating | 6,152 | - | 6,152 |
| Utilities | 41,658 | - | 41,658 |
| Travel & training | 369 | - | 369 |
| Repairs & Maintenance-Equipment | 37,740 | - | 37,740 |
| Repairs & Maintenance-Building/Grounds | 25,106 | - | 25,106 |
| Hurricane expense | 68,491 | - | 68,491 |
| Total recreational - current | <u>472,979</u> | <u>-</u> | <u>472,979</u> |
| Capital Outlay | 1,481,666 | - | 1,481,666 |
| Debt Service: | | | |
| Principal payments | - | 135,000 | 135,000 |
| Interest and fees | - | 29,700 | 29,700 |
| Total Debt Service | <u>-</u> | <u>164,700</u> | <u>164,700</u> |
| TOTAL EXPENDITURES | <u>1,983,218</u> | <u>174,796</u> | <u>2,158,014</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Compensation for property damages | 864,261 | - | 864,261 |
| Net change in fund balance | (391,493) | 54,860 | (336,633) |
| FUND BALANCES | | | |
| Beginning of year | 1,724,859 | 13,934 | 1,738,793 |
| End of year | <u>\$ 1,333,366</u> | <u>\$ 68,794</u> | <u>\$ 1,402,160</u> |

See notes to financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

| | | |
|--|------------------|---------------------|
| Net change in fund balances-governmental funds | | \$ (336,633) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | |
| Capital asset additions | 1,481,666 | |
| Current year depreciation | <u>(185,840)</u> | 1,295,826 |
| Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due. | | |
| Accrued interest on Bonds | 327 | |
| Principal payments on bonds | <u>135,000</u> | 135,327 |
| Some expenses reported in the statement of activities to not require the use of current resources and, therefore, are not reported as expenditures in governmental funds. | | |
| Compensated absences | | 8,726 |
| Change in net position of governmental activities | | <u>\$ 1,103,246</u> |

See notes to financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2023

The Terrebonne Parish Recreation District No. 6 (the District) is governed by a Board of Commissioners appointed by the Terrebonne Parish Consolidated Government organized under La. Revised Statute 33:4562(A). The District provides for the maintenance and operations of recreation facilities and equipment for the residents of Ward 6 of the Parish of Terrebonne, State of Louisiana.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

As the governing authority, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. Because the Terrebonne Parish Consolidated Government could by definition in statute be financially burdened by the Terrebonne Parish Recreation District No. 6, the District was determined to be a component unit of the Terrebonne Parish Consolidated Government. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental reporting entity.

The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ending December 31, 2023.

C. Basis of Accounting

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. Basis of Accounting (continued)

Governmental Fund Type

Governmental funds account for all of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid.

The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

General Fund – was established to account for all financial resources and expenditures except those required to be accounted for in other funds.

Debt Service Fund – was established to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and related costs.

D. Measurement Focus

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Measurement Focus (continued)

Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2022 property taxes which were levied to finance the 2023 budget are recognized as revenue in 2023. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

Expenditures – The major expenditures for recreational programs and maintenance are recorded when payable or when the fees are incurred.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Measurement Focus (continued)

Program Revenues - Program revenues included in the Statement of Activities column labeled Charges for Services are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

General Revenues - Taxes and other items not properly included among program revenues are reported instead as general revenues.

E. Use of Estimates

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

F. Operating Budgets

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District's General Fund, Debt Service Fund. The budgetary practices include public notice of the proposed budget and a public inspection prior to adoption. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. The district amended its budget as required during the year. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The budgets are adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

G. Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. State law allows all political subdivisions to invest excess funds in

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

H. Cash and Investments (continued)

Investments are reported at fair value except for: (1) short-term and money market investments, consisting primarily of U.S. Treasury obligations with a maturity of one year or less at time of purchase, which are reported at cost, which approximates fair value, and (2) the Louisiana Asset Management Pool (LAMP) investment which is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law, which is permitted to be carried at amortized cost. Investments policies are governed by state statutes.

I. Receivables

The financial statements contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

J. Capital Assets

In the government-wide financial statements, additions, improvements and other capital outlays that significantly extend the useful life of an asset are recorded and depreciated (capitalized). Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Other costs incurred for repairs and maintenance are expensed as incurred.

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

| CATEGORY | LIFE |
|----------------------------|-------------|
| BUILDINGS AND IMPROVEMENTS | 5-40 YEARS |
| MACHINERY & EQUIPMENT | 5-20 YEARS |

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

In the fund financial statements, capital assets purchased in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

K. Fund Equity

For government-wide financial statements net assets are classified and displayed in three components:

1. Net Invested in capital assets – Consists of capital assets including 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 acquisition, construction or improvement of those assets, if any.
2. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the entity's board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the entity's board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

L. Long-term Liabilities

All long-term debt is reported as liabilities in the government-wide statements. The long-term debt consists primarily of serial bonds payable, capital leases, compensated absences and post-employment benefits.

Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal, interest and other long-term benefits are reported as expenditures.

M. Compensated Leave

Accumulated vacation and sick leave are recorded as expenditures of the period in which paid. All annual leave must be taken within one year of the employee's anniversary date. Any unused annual leave in excess of 1 year of leave remaining on the anniversary date will be transferred to sick leave. Employees earn between 96 to 136 hours of vacation leave, depending on the length of employment. Accumulated vacation leave is due to the employee at the time of termination or death.

Eligible employees earn 56 hours sick leave per year. Unused sick leave can be carried forward to future years. Upon retirement or termination payment is limited to half of sick time up to 240 hours.

Note 2 DEPOSITS AND INVESTMENTS

Deposits -

The recorded balance and bank balance of deposits consisted of checking and certificate of deposit accounts are \$183,243 and \$186,174 respectively.

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the 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 by the political subdivision or with an unaffiliated bank or trust company for the account of the Terrebonne Parish Recreation District No. 6. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 *DEPOSITS AND INVESTMENTS (continued)*

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. The District has a written policy for custodial credit risk. As of year-end none of the bank balance was exposed to custodial credit risk.

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments –

At year-end the investment balances of \$1,191,727 is invested in the Louisiana Asset management Pool (LAMP).

Interest rate risk inherent in the portfolio is measured by monitoring the segmented time distribution of the investments in the portfolio. Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission. LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. 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 LA-R.S. 33:2955.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 DEPOSITS AND INVESTMENTS (continued)

Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost, which approximates fair value. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

LAMP is rated AAAm by Standard & Poor's. 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 for custodial credit risk. Pooled investments are excluded from the 5 percent disclosure requirement regarding the concentration of credit risk. 2a-7 like investments pools are excluded from the interest rate disclosure requirement, nor is foreign currency risk disclosure applicable.

Note 3 PROPERTY TAX REVENUE

Revenue. Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2020.

Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 *PROPERTY TAXES (continued)*

The tax rate for the year ended December 31, 2022 – for revenue recognized in 2023 was 15 mills of assessed valuation on property within Terrebonne Parish Recreation District No. 6 for the purpose of constructing, maintaining and operating recreation facilities within the District and 5.3 mills for the purpose of repayment of debt principal and interest. The assessed values of real property upon which 2023 property tax were based was \$42,675,965.

Note 4 *DUE FROM TAX COLLECTOR*

The Terrebonne Parish Sheriff collects and remits property taxes on behalf of all taxing districts in Terrebonne Parish. Property taxes receivable represents real property taxes, and outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred revenue since the current taxes were not levied to finance 2023 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a modified accrual basis the revenue is reported as a deferred inflow of resources.

The amount that was collected in December but not yet remitted to the District is considered due from the tax collector; the remaining amount of the total deferred levy is recorded as a property tax receivable.

The tax rate for the year 2023 levy – for revenue to be recognized in 2024 was 15 mills of assessed valuation on property within Terrebonne Parish Recreation District No. 6 for the purpose of constructing, maintaining and operating recreation facilities within the District and 5.3 mills for the purpose of repayment of debt principal and interest. The assessed values of real property upon which the 2023 property tax levy is based on is \$47,981,715.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 5 CAPITAL ASSETS

Information about capital assets and depreciation for the year are summarized as follows:

| | Balance | Additions | Deletions | Balance |
|----------------------------------|-------------------|------------------|------------------|-------------------|
| | 12/31/2022 | | | 12/31/2023 |
| NON-DEPRECIABLE ASSETS | | | | |
| Land | \$ 310,877 | \$ - | \$ - | \$ 310,877 |
| Construction in progress | 1,654,603 | 1,430,667 | (2,879,901) | 205,369 |
| | 1,965,480 | 1,430,667 | (2,879,901) | 516,246 |
| DEPRECIABLE ASSETS: | | | | |
| COST | | | | |
| Buildings and Improvements | 3,627,964 | 2,910,281 | - | 6,538,245 |
| Software | 11,186 | - | - | 11,186 |
| Machinery & Equipment | 487,488 | 20,619 | - | 508,107 |
| Total cost of depreciable assets | 4,126,638 | 2,930,900 | - | 7,057,538 |
| Total cost of all assets | 6,092,118 | 4,361,567 | (2,879,901) | 7,573,784 |
| ACCUMULATED DEPRECIATION | | | | |
| Buildings and Improvements | 2,143,218 | 156,024 | - | 2,299,242 |
| Software | 5,407 | 2,237 | - | 7,644 |
| Machinery & Equipment | 315,218 | 27,579 | - | 342,797 |
| Total accumulated depreciation | 2,463,842 | 185,840 | - | 2,649,683 |
| Net depreciable assets | 1,662,796 | | | 4,407,855 |
| Net capital assets | \$ 3,628,276 | | | \$ 4,924,101 |

Depreciation Expense of \$185,840 was recorded in the governmental activities.

Note 6 RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters and group benefits for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability and workers' compensation and group health. No settlements were made during the year that exceeded the District's insurance coverage.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 LONG-TERM DEBT

The voters approved a proposition on October 20, 2007 to incur debt and to issue \$1,400,000 of 20 year General Obligation Bonds, Series 2008 with varying interest rates between 4.6%-6% for purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities to be payable from ad valorem taxes.

The interest payments are semi-annually on February 1st and August 1st. The bonds mature in the year 2028. Standard & Poor's Public Finance Ratings has assigned it municipal debt rating of A to the Bonds.

In accordance with a special election held on December 6, 2014, the voters approved the issuance of Four Hundred Thousand Dollars (\$400,000) of General Obligation Bonds, Series 2015, for the purpose of purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities to be payable from ad valorem taxes. The interest rate is 2.36%, interest payment dates are March 1st and September 1st. The bonds mature in the year 2025.

A summary of changes in long-term obligations of the District is as follows:

| | Payable December 31, 2022 | Additions | Deletions | Payable December 31, 2023 |
|------------------|---------------------------------|------------|------------------|---------------------------------|
| GOB, Series 2008 | \$625,000 | \$- | \$90,000 | \$535,000 |
| GOB, Series 2015 | 135,000 | - | 45,000 | 90,000 |
| Totals | \$760,000 | \$- | \$135,000 | \$625,000 |

The annual requirements, including interest, to amortize all long-term debt outstanding are as follows:

| MATURITY | PRINCIPAL | INTEREST | TOTAL |
|---------------|------------------|-----------------|------------------|
| 2024 | \$140,000 | \$26,449 | \$166,449 |
| 2025 | 145,000 | 18,369 | 163,369 |
| 2026 | 105,000 | 13,199 | 118,199 |
| 2027 | 115,000 | 8,165 | 123,165 |
| 2028 | 120,000 | 2,760 | 122,760 |
| Totals | \$625,000 | \$68,942 | \$693,942 |

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 8 COMPENSATED ABSENCES

A summary of changes in compensated absences is as follows:

| Governmental Activities: | Balance 12/31/22 | Leave Earned | Leave Used | Balance 12/31/23 | due within one year |
|---------------------------------|-----------------------------|---------------------|-------------------|-----------------------------|--------------------------------|
| Other Liabilities: | | | | | |
| Compensated Absences | \$23,842 | \$11,370 | \$(20,097) | \$15,115 | \$11,370 |

Note 9 COMPENSATION OF BOARD MEMBERS

Total compensation of \$1,750 was paid to the following Board Members:

| | |
|------------------------|-------|
| Carlos J. Alario | \$300 |
| Edward J. Welch | \$250 |
| Sheri Neil | \$275 |
| Wendy A. Cohen | \$300 |
| Wendy Lirette | \$225 |
| Ray Deroche | \$300 |
| Kenneth Pellegrin, Jr. | \$100 |

Note 10 SECTION 457b PLAN

The District has adopted a plan to provide the opportunity to save for retirement on a tax-advantaged basis. This Plan is a type of retirement plan commonly referred to as a Governmental Eligible 457b Plan.

All employees are eligible to participate in the plan on the date of hire, once you reach the entry date. The entry date is the first day of the month coinciding with or next following the date you satisfy the Plan's eligibility requirements. The employer amount paid in 2023 for the plan was \$3,018.

As a participant under the Plan, employees may elect to reduce compensation by a specific percentage or dollar amount and have that amount contributed to the Plan. The Plan refers to this as an "elective deferral". There are two types of elective deferrals, pre-tax deferrals and Roth deferrals. For purposes of this summary "deferrals" or "elective deferrals" and generally means both pre-tax deferrals and Roth deferrals.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 10 SECTION 457b PLAN (continued)

Both the pre-tax and Roth deferrals will be subject to Social Security taxes at the time of the deferral.

The following is a summary of the Board's policy:

1. A full time employee is eligible to participate in the plan immediately upon hiring; however, the Board will match the contributions of an Employee on the following schedule.
 - a. 0 months to 6 months – will be deemed a “probationary period” and no Employer match will be made.
 - b. 6 months to the completion of the second full year of employment, the Board will match 1/3 of the contribution of the Employee up to 6.0% (2.0% Employer).
 - c. 3 years to 4 years of employment, the Board will match 2/3 of the contribution of the Employee up to 6.0% (4.0% Employer).
 - d. Year 5 and beyond, the Board will match 100% of the contribution of the Employee up to 6.0% (6.0% Employer).
2. Should an Employee elect not to contribute the 6.0%, the Board will match 1/3 or 2/3 of the contribution based on the years of service above.
3. The Board will grandfather in all current full-time employees as of 1 April, 2011 and recognizes them eligible for 100% match up to 6.0% of gross payroll.
4. Effective 1 May, 2011, the matching formula outlined above will be honored.
5. The Board reserves the right to recognize previous service credits with other political jurisdictions of Terrebonne Parish, the U.S. Military and/or National Guard. Such recognition will be on a case-by-case basis and at the full discretion of the Board.
6. The Board further reserves the right to amend, change or eliminate the matching contribution at any time should budgetary issues require such a change.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Budget Comparison Schedule - General Fund
For the Year Ended December 31, 2023

| | Budgets | | Actual | Variance |
|--|---------------------|--------------------|---------------------|----------------------------|
| | Original | Final Amended | | Favorable (Unfavorable) |
| REVENUES | | | | |
| Property Taxes | \$585,000 | \$633,000 | \$640,286 | \$ 7,286 |
| State Revenue Sharing | 10,000 | 9,612 | 9,612 | - |
| FEMA Hurricane Damages | 50,000 | - | - | - |
| Concession Sales | 4,000 | 100 | - | (100) |
| Fees & Charges for use of facilities | 4,300 | 300 | - | (300) |
| Miscellaneous | 32,150 | 6,800 | 6,719 | (81) |
| Interest | 10,000 | 70,000 | 70,847 | 847 |
| TOTAL REVENUES | <u>695,450</u> | <u>719,812</u> | <u>727,464</u> | <u>7,652</u> |
| EXPENDITURES | | | | |
| General government - current: | | | | |
| Ad valorem tax deductions | 20,100 | 19,910 | 21,296 | (1,386) |
| Ad valorem tax adjustments | 12,000 | 8,780 | 7,277 | 1,503 |
| | <u>32,100</u> | <u>28,690</u> | <u>28,573</u> | <u>117</u> |
| Recreation - current: | | | | |
| Salaries | 197,300 | 157,200 | 162,361 | (5,161) |
| Payroll Taxes & Retirement | 18,300 | 14,220 | 15,909 | (1,689) |
| Insurance-Group Health | 25,000 | 21,300 | 21,129 | 171 |
| Insurance-Workers' Compensation | 5,000 | 200 | 591 | (391) |
| Advertising & Publishing | 2,400 | 2,500 | 1,675 | 825 |
| Community Relations | 1,800 | 800 | 688 | 112 |
| Gasoline, Oil & Diesel | 6,000 | 6,000 | 5,794 | 206 |
| Insurance, Other than Health | 80,000 | 71,000 | 70,527 | 473 |
| Legal & Professional Fees | 30,000 | 20,000 | 10,299 | 9,701 |
| Office Operations | 9,800 | 4,000 | 4,427 | (427) |
| Supplies-Concession | 4,000 | 1,500 | - | 1,500 |
| Supplies-Operating | 21,500 | 7,000 | 6,152 | 848 |
| Uniforms, Employees | 1,000 | 1,000 | 63 | 937 |
| Utilities & Telephone | 52,000 | 45,000 | 41,658 | 3,342 |
| Travel & training | 1,000 | 400 | 369 | 31 |
| Repairs & Maintenance-Equipment | 38,500 | 40,000 | 37,740 | 2,260 |
| Repairs & Maintenance-Building/Grounds | 38,000 | 414,790 | 25,106 | 389,684 |
| Hurricane Expense | 300,000 | 1,100,000 | 68,491 | 1,031,509 |
| Total recreation - current | <u>831,600</u> | <u>1,906,910</u> | <u>472,979</u> | <u>1,433,931</u> |
| Capital outlay | 157,000 | 665,323 | 1,481,666 | (816,343) |
| TOTAL EXPENDITURES | <u>1,020,700</u> | <u>2,600,923</u> | <u>1,983,218</u> | <u>617,705</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Compensation for property damages | 1,000 | 854,673 | 864,261 | 9,588 |
| Net change in fund balance | (324,250) | (1,026,438) | (391,493) | (600,465) |
| FUND BALANCES | | | | |
| Beginning of year | 1,724,859 | 1,724,859 | 1,724,859 | - |
| End of year | <u>\$ 1,400,609</u> | <u>\$ 698,421</u> | <u>\$ 1,333,366</u> | <u>\$ (600,465)</u> |

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Budget Comparison Schedule - Debt Service Fund
For the Year Ended December 31, 2023

| | Budgets | | Actual | Variance |
|------------------------------------|------------------|------------------|------------------|----------------------------|
| | Original | Final Amended | | Favorable (Unfavorable) |
| REVENUES | | | | |
| Property Taxes | \$207,000 | \$223,600 | \$226,195 | \$ 2,595 |
| Interest | 500 | \$3,400 | 3,461 | 61 |
| TOTAL REVENUES | <u>207,500</u> | <u>227,000</u> | <u>229,656</u> | <u>2,656</u> |
| EXPENDITURES | | | | |
| General government - current: | | | | |
| Ad valorem tax deductions | 5,250 | 7,050 | 9,570 | (2,520) |
| Ad valorem tax adjustments | 3,000 | 3,130 | 526 | 2,604 |
| | <u>8,250</u> | <u>10,180</u> | <u>10,096</u> | <u>84</u> |
| Debt Service: | | | | |
| Principal payments | 135,000 | 135,000 | 135,000 | - |
| Interest and fees | 29,750 | 29,850 | 29,700 | 150 |
| | <u>164,750</u> | <u>164,850</u> | <u>164,700</u> | <u>150</u> |
| TOTAL EXPENDITURES | <u>173,000</u> | <u>175,030</u> | <u>174,796</u> | <u>234</u> |
| NET CHANGE IN FUND BALANCES | <u>34,500</u> | <u>51,970</u> | <u>54,860</u> | <u>2,890</u> |
| FUND BALANCES | | | | |
| Beginning of year | 13,934 | 13,934 | 13,934 | - |
| End of year | <u>\$ 48,434</u> | <u>\$ 65,904</u> | <u>\$ 68,794</u> | <u>\$ 2,890</u> |

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2023

Agency Head Name: Carlos J. Alario, Chairman of the Board

| Purpose | Amount |
|---|---------------|
| Salary | \$0 |
| Benefits-insurance | \$0 |
| Benefits-retirement | \$0 |
| Deferred compensation (contributions made by the agency) | \$0 |
| Benefits-other (describe) | \$0 |
| Car allowance | \$0 |
| Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years) | \$0 |
| Cell phone | \$0 |
| Dues | \$0 |
| Vehicle rental | \$0 |
| Per diem | \$300 |
| Reimbursements | \$0 |
| Travel | \$0 |
| Registration fees | \$0 |
| Conference travel | \$0 |
| Housing | \$0 |
| Unvouchered expenses (example: travel advances, etc) | \$0 |
| Special meals | \$0 |
| Other (including payments made by other parties on behalf of the agency head) | \$0 |

This form is prepared to satisfy the reporting requirement under R.S. 24:513(A)(3).



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

To the Commissioners of
Terrebonne Parish Recreation District No. 6
Montegut, LA

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 governmental activities and each major fund of the Terrebonne Parish Recreation District No. 6, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated May 13, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the 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 the internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 misstatements on a timely basis. A *material weakness* is a deficiency or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

May 13, 2024
Thibodaux, Louisiana



STAGNI & COMPANY, LLC

***TERREBONNE PARISH RECREATION
DISTRICT NO. 6***

**Statewide Agreed Upon
Procedures Report
With Schedule of Findings
and Management's Responses**

***As of and for the Year Ending
December 31, 2023***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

STATEWIDE AGREED-UPON PROCEDURES REPORT

Terrebonne Parish Recreation District No. 6

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2023 – December 31, 2023

To the Commissioners of
Terrebonne Parish Recreation District No. 6
And 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 January 1, 2023 through December 31, 2023. Terrebonne Parish Recreation District #6's (District's) management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 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 results are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **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).
- viii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that documentation is maintained to demonstrate that all employees, including elected officials, were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: *There are no findings for these procedures tested.*



2) **Board or Finance Committee**

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe that 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.

Results: *There are no findings for these procedures tested.*

3) **Bank Reconciliations**

- A. Obtain a listing of client 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 selected each account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: *There are no findings for these procedures tested.*



4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 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:
 - i. Employees that are responsible for cash collections do not share cash drawers/registers.
 - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - iii. Each employee responsible for collecting cash is not also 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.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not also responsible for collecting cash, unless another employee verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations". Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Results: *There are no findings for these procedures tested.*



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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 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:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- 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:
 - i. Observe that the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
- D. Using the entity's main operating account and the month selected in "Bank Reconciliations" procedure #3, 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

Results: *There are no findings for these procedures tested.*



6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 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.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
 - i. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing, by someone other than the authorized card holder.
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: *There are no findings for these procedures tested.*

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).



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

Results: *These procedures are not applicable.*

8) Contracts

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

Results: *There are no findings for these procedures tested.*

9) Payroll and Personnel

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - ii. Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.



- 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 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.
- 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.

Results: *There are no findings for these procedures tested.*

10) Ethics

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

Results: *There are no findings for these procedures tested.*

11) Debt Service

- A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- 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).

Results: *There are no findings for these procedures tested.*



12) Fraud Notice

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 as required by R.S. 24:523.

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: *There are no findings for these procedures tested.*

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe 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.
 - ii. 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.
 - iii. 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.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19 under "Payroll and Personnel" above. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 – completed the training; and
 - Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

Results: *We performed these procedures and discussed the results with management.*



STAGNI & COMPANY, LLC

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
- 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 that 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.

Results: *There are no findings for these procedures tested.*

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 SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Stagni & Company

Thibodaux, LA
June 10, 2024



STAGNI & COMPANY, LLC
