

*Financial Report*

*Terrebonne Parish Recreation District No. 1  
Schriever, Louisiana*

*December 31, 2021*

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## TABLE OF CONTENTS

### **Terrebonne Parish Recreation District No. 1**

December 31, 2021

	<u>Page Numbers</u>
<b>Financial Section</b>	
Independent Auditor's Report	1 - 4
Management's Discussion and Analysis	5 - 11
<b>Exhibits</b>	
Financial Statements:	
Government-Wide and Fund Financial Statements:	
A - Statement of Net Position and Governmental Fund Balance Sheet	12
B - Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	13
C - Statement of Activities and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance	14 - 15
D - Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	16
E - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	17 - 18
F - Notes to Financial Statements	19 - 39

**TABLE OF CONTENTS**  
**(Continued)**

	<u>Page Numbers</u>
<b>Supplementary Information Section</b>	
<b>Schedules</b>	
1 - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	40
<b>Special Reports of Certified Public Accountants</b>	
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 <i>Government Auditing Standards</i>	41 - 42
Schedule of Findings and Responses	43 - 44
<b>Reports by Management</b>	
Schedule of Prior Year Findings and Responses	45
Management's Corrective Action Plan	46
<b>Statewide Agreed-Upon Procedures</b>	
Independent Accountant's Report on Applying Agreed-Upon Procedures	47 - 48
2 - Schedules of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures	49 - 66



**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 1,  
Schriever, Louisiana.

### **Opinion**

We have audited the accompanying financial statements of the governmental activities and governmental funds of Terrebonne Parish Recreation District No. 1 (the "District"), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the governmental funds of the District as of December 31, 2021 and the respective changes in net position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 5 through 11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information on page 40 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2022 on our consideration of Terrebonne Parish Recreation District No. 1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
June 15, 2022.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Terrebonne Parish Recreation District No. 1**

December 31, 2021

The Management's Discussion and Analysis of the Terrebonne Parish Recreation District No. 1's (the "District") financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows at the close of fiscal year 2021 by \$3,936,015 (net position), which represents a 13.00% increase from last fiscal year.

The District's revenue increased \$62,947 (4.74%) primarily due to the increase in ad valorem tax revenue and insurance proceeds.

The District's expenses increased by \$93,465 (11.39%) due to increases in all categories of expenses, including issuance costs for Tax Limited Bonds.

Capital assets additions amounted to \$309,994. These additions included the implementation of the District's five year capital project budget, including restrooms at the Andrew Price Gym and initial architectural designs for the Coteau-Bayou Blue Park.

The District did not have any funds with deficit fund balances.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's annual report consists of three parts: (1) management's discussion and analysis (this section) (2) financial statements; and (3) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the District:

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The statement of activities presents information showing how the District's net position changed during each 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. The governmental activity of the District is culture and recreation.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the District are governmental funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

### **Governmental Funds**

The District maintains three governmental fund. Information is presented separately for the General Fund, Capital Projects Fund and the Debt Service Fund in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance. The District adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 12 through 18 of this report.

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)****Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2021, assets exceeded liabilities and deferred inflow of resources by \$3,936,015 (net position). A large portion of the District's net position (64.60%) reflects its net investment in capital assets (e.g., land; buildings; improvements other than buildings; office furniture, fixtures and equipment; machinery and equipment). Consequently, these assets are not available for future spending.

**Condensed Statements of Net Position**

	<u>December 31,</u>		<u>Dollar</u>
	<u>2021</u>	<u>2020</u>	<u>Change</u>
Current and other assets	\$ 6,536,532	\$ 2,170,344	\$ 4,366,188
Capital assets	<u>2,637,090</u>	<u>2,663,827</u>	<u>(26,737)</u>
Total assets	<u>9,173,622</u>	<u>4,834,171</u>	<u>4,339,451</u>
Liabilities	4,034,533	13,369	4,021,164
Deferred inflows of resources	<u>1,203,074</u>	<u>1,337,548</u>	<u>(134,474)</u>
Total liabilities and deferred inflows of resources	<u>5,237,607</u>	<u>1,350,917</u>	<u>3,886,690</u>
Net position:			
Net investment in capital assets	2,542,850	2,663,827	(120,977)
Unrestricted	<u>1,393,165</u>	<u>819,427</u>	<u>573,738</u>
Total net position	<u>\$ 3,936,015</u>	<u>\$ 3,483,254</u>	<u>\$ 452,761</u>

Capital assets increased due to the construction of restrooms at the Schriever Gym, initial architectural designs for the Coteau/Bayou Blue Park and purchases of a tractor and trailer. Also, synthetic turf was purchased and installed at Schriever and Oakshire in the year ended December 31, 2021.



**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)****Governmental Activities**

Governmental activities increased the District's net position by \$452,761. Key elements of this increase are as presented as follows:

**Condensed Statements of Activities**

	<u>December 31,</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>Change</u>
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 7,853	\$ 2,188	\$ 5,665	258.91%
General revenues:				
Taxes	1,349,466	1,278,324	71,142	5.57%
Intergovernmental	35,843	32,447	3,396	10.47%
Miscellaneous	(3,247)	14,009	(17,256)	-123.18%
Total revenues	<u>1,389,915</u>	<u>1,326,968</u>	<u>62,947</u>	4.74%
<b>Expenses:</b>				
General government	65,752	48,890	16,862	34.49%
Culture and recreation	784,964	771,503	13,461	1.74%
Debt service	63,142	-	63,142	100.00%
Total expenses	<u>913,858</u>	<u>820,393</u>	<u>93,465</u>	11.39%
Change in net position	452,761	506,575	(53,814)	-10.62%
Net position, beginning of year	<u>3,483,254</u>	<u>2,976,679</u>	<u>506,575</u>	17.02%
Net position, end of year	<u>\$3,936,015</u>	<u>\$3,483,254</u>	<u>\$ 452,761</u>	13.00%

The Statement of Activities provides answers to the nature and source of changes in net position. The District's tax revenues increased in the current year by \$71,142 or 5.57%, primarily due to increased assessments on property within the District. Miscellaneous revenues decreased primarily due to impairment losses from Hurricane Ida insurance claims. General government expenses increased due to increases in uncollected property taxes. Culture and recreation expenses increased primarily due to repairs of property damages incurred during Hurricane Ida. Debt service expenses were incurred in connection with the issuance of \$4,000,000 of Limited Tax Bonds during the year ended December 31, 2021.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

As previously noted, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds' ending fund balance is \$5,317,832, an increase of \$4,503,554 in comparison with the prior year. The fund balance increase is primarily due to issuance of \$4,000,000 Limited Tax Bonds during the year. Accordingly the District's fund balance in its Capital Project Fund amounted to \$3,905,760 and is restricted by the bonds to capital projects. The District's ending fund balance in the General Fund amounted to \$1,412,072 is unassigned and available for spending at the District's discretion.

### **General Fund Budgetary Highlights**

The budget was amended once during the year. The primary reason for amending the budget was to align budgeted expenditures with actual. The major differences between the original General Fund budget and the final amended budget were as follows:

#### Revenues

- Ad valorem tax revenue was decreased by \$31,665 due to an expected decrease in ad valorem tax revenue that did not occur.
- Charges for services was reduced by \$29,335 due to the cancellation of summer camp.

#### Expenditures

- Personal services, supplies and materials and other charges and services were decreased by \$164,107, \$22,568 and \$39,965, respectively, to reflect the decreases in the activities due to COVID-19 and Hurricane Ida. Repairs and maintenance expenditures were increased by \$81,718 for repairs to property damages incurred during Hurricane Ida.
- Capital outlay expenditures were increased by \$40,000 to reflect the design phase of Coteau/Bayou Blue Park.

**CAPITAL ASSETS AND DEBT ADMINISTRATION****Capital Assets**

The District's net investment in capital assets for its governmental activities as of December 31, 2021, amounts to \$2,637,090 (net of accumulated depreciation). This net investment in capital assets includes land; buildings; improvements other than buildings; office furniture, fixtures and equipment; machinery and equipment.

	<u>2021</u>	<u>2020</u>
Land	\$ 370,632	\$ 370,632
Construction in progress	181,439	221,039
Buildings and improvements	3,484,020	3,356,082
Office furniture, fixtures, and equipment	31,073	49,468
Machinery and equipment	<u>943,206</u>	<u>911,029</u>
Totals	<u>\$ 5,010,370</u>	<u>\$ 4,908,250</u>

The major capital asset events for the current year consisted of:

- Completed renovation of tennis courts and construction of restrooms at Schriever.
- Started construction of restrooms at the Andrew Price Gym.
- Began the architectural design of the Coteau/Bayou Blue Park.
- Purchased and installed synthetic turf at Schriever and Oakshire.
- Purchased a tractor and trailer.

Additional information on the District's capital assets can be found in Note 5, Exhibit F of this report.

**Debt Administration**

On August 13, 2021 the District issued \$4,000,000 of Limited Tax Bonds Series 2021. As of December 31, 2021, the balance of bonds outstanding remains at \$4,000,000 and bears interest at rates ranging from .85% to 2.50%. The bonds are payable from the annual levy and collection of the 7 mill ad valorem tax on all the taxable property within the boundaries of the District. The tax is considered sufficient to pay the principal and interest of the bonds as they mature. The bonds have a maturity date of March 1, 2028 with principal due March 1<sup>st</sup> and interest due March 1<sup>st</sup> and September 1<sup>st</sup> of each year.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The ad valorem tax revenue budgeted represents the estimated amount of the November 2021 assessment, which the District will receive, for the most part, in January 2022.
- Additional increases in revenue include a return to year round use for rental of the facilities, summer camp and aftercare programs along with increased interest from income as interest rates rise. Other miscellaneous income item will decrease because of non-reoccurring insurance from hurricane damages.
- Items for further consideration in the current and upcoming five years include the purchase of industrial machinery to reduce operating rental costs, additions of a Coteau/Bayou Blue Park, soccer fields, tennis courts, bathrooms at all gyms and other continued improvements to existing facilities. Attempts will be made to decrease operating expenditures to offset these purchases where possible.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Parish Recreation District No. 1, P.O. Box 1853, Gray, Louisiana 70359.

**STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET**

**Terrebonne Parish Recreation District No. 1**

December 31, 2021

	General Fund	Capital Projects Fund	Debt Service Fund	Totals	Adjustments (Exhibit B)	Statement of Net Position
<b>Assets</b>						
Cash and cash equivalents	\$ 5,296,765	\$ -	\$ -	\$ 5,296,765	\$ -	\$ 5,296,765
Receivables:						
Taxes	1,120,190	-	-	1,120,190	-	1,120,190
Other	30,108	-	-	30,108	-	30,108
Due from other governmental units	82,884	-	-	82,884	-	82,884
Due from other funds	-	3,905,760	-	3,905,760	(3,905,760)	-
Prepaid insurance	-	-	-	-	6,585	6,585
Capital assets:						
Non-depreciable	-	-	-	-	552,071	552,071
Depreciable, net of accumulated depreciation	-	-	-	-	2,085,019	2,085,019
Total assets	<u>\$ 6,529,947</u>	<u>\$ 3,905,760</u>	<u>\$ -</u>	<u>\$ 10,435,707</u>	<u>(1,262,085)</u>	<u>9,173,622</u>
<b>Liabilities</b>						
Accounts payable and accrued expenditures	\$ 9,041	\$ -	\$ -	\$ 9,041	22,371	31,412
Due to other funds	3,905,760	-	-	3,905,760	(3,905,760)	-
Long-term liabilities - due within one year	-	-	-	-	545,000	545,000
Long-term liabilities - due after one year	-	-	-	-	3,458,121	3,458,121
Total liabilities	3,914,801	-	-	3,914,801	119,732	4,034,533
Deferred inflows of resources unavailable revenue - property taxes	1,203,074	-	-	1,203,074	-	1,203,074
Total liabilities and deferred inflows of resources	<u>5,117,875</u>	<u>-</u>	<u>-</u>	<u>5,117,875</u>	<u>119,732</u>	<u>5,237,607</u>
<b>Fund Balance/Net Position</b>						
Fund balance:						
Restricted-capital projects	-	3,905,760	-	3,905,760	(3,905,760)	-
Unassigned	1,412,072	-	-	1,412,072	(1,412,072)	-
Total fund balance	1,412,072	3,905,760	-	5,317,832	(5,317,832)	-
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 6,529,947</u>	<u>\$ 3,905,760</u>	<u>\$ -</u>	<u>\$ 10,435,707</u>	<u>(5,198,100)</u>	<u>5,237,607</u>
Net position:						
Net investment in capital assets					2,542,850	2,542,850
Unrestricted					1,393,165	1,393,165
Total net position					<u>\$ 3,936,015</u>	<u>\$ 3,936,015</u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**Terrebonne Parish Recreation District No. 1**

December 31, 2021

**Fund Balances - Governmental Fund** \$ 5,317,832

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

Capital assets used in governmental activities are not  
financial resources and, therefore, are not reported  
in the governmental fund.

Governmental capital assets	\$ 5,010,370	
Less accumulated depreciation	<u>(2,373,280)</u>	2,637,090

Other assets and liabilities used in governmental  
activities are not financial resources and are  
not reported in the governmental funds.

Prepaid insurance	6,585	
Accrued interest payable	(22,371)	

Long-term liabilities are not due and payable in the  
current period and therefore are not reported in the  
governmental funds.

Limited Tax Bonds	(4,000,000)	
Compensated absences	<u>(3,121)</u>	

**Net Position of Governmental Activities** \$ 3,936,015

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF  
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES**

**Terrebonne Parish Recreation District No. 1**

For the year ended December 31, 2021

	General Fund	Capital Projects Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
<b>Revenues</b>						
Taxes	\$ 1,349,466	\$ -	\$ -	\$ 1,349,466	\$ -	\$ 1,349,466
Intergovernmental:						
State of Louisiana:						
State revenue sharing	35,843	-	-	35,843	-	35,843
Charges for services	7,853	-	-	7,853	-	7,853
Miscellaneous:						
Investment earnings	1,351	-	-	1,351	-	1,351
Impairment loss	-	-	-	-	(23,296)	(23,296)
Other	(4,598)	-	-	(4,598)	-	(4,598)
Total revenues	<u>1,389,915</u>	<u>-</u>	<u>-</u>	<u>1,389,915</u>	<u>(23,296)</u>	<u>1,366,619</u>
<b>Expenditures/Expenses</b>						
Current:						
General government:						
Ad valorem tax adjustment	19,944	-	-	19,944	-	19,944
Ad valorem tax deductions	45,808	-	-	45,808	-	45,808
Total general government	<u>65,752</u>	<u>-</u>	<u>-</u>	<u>65,752</u>	<u>-</u>	<u>65,752</u>
Culture and recreation:						
Personal services	221,226	-	-	221,226	1,752	222,978
Supplies and materials	24,435	-	-	24,435	-	24,435
Other services and charges	200,561	-	-	200,561	(67)	200,494
Repairs and maintenance	120,734	-	-	120,734	-	120,734
Depreciation and amortization	-	-	-	-	216,323	216,323
Total culture and recreation	<u>566,956</u>	<u>-</u>	<u>-</u>	<u>566,956</u>	<u>218,008</u>	<u>784,964</u>
Debt service:						
Bond issuance costs	-	-	-	-	37,415	37,415
Interest	-	-	3,356	3,356	22,371	25,727
Total debt service	<u>-</u>	<u>-</u>	<u>3,356</u>	<u>3,356</u>	<u>59,786</u>	<u>63,142</u>
Capital outlay	253,169	56,825	-	309,994	(309,994)	-
Total expenditures/expenses	<u>885,877</u>	<u>56,825</u>	<u>3,356</u>	<u>946,058</u>	<u>(32,200)</u>	<u>913,858</u>
<b>Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)</b>	<u>504,038</u>	<u>(56,825)</u>	<u>(3,356)</u>	<u>443,857</u>	<u>8,904</u>	<u>452,761</u>

	General Fund	Capital Projects Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
<b>Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)</b>	504,038	(56,825)	(3,356)	443,857	8,904	452,761
<b>Other Financing Sources (Uses)</b>						
Insurance proceeds	97,112	-	-	97,112	(97,112)	-
Issuance of bonds	4,000,000	-	-	4,000,000	(4,000,000)	-
Bond issuance costs	-	(37,415)	-	(37,415)	37,415	-
Transfers-in	-	4,000,000	3,356	4,003,356	(4,003,356)	-
Transfers-out	(4,003,356)	-	-	(4,003,356)	4,003,356	-
Total other financing sources (uses)	93,756	3,962,585	3,356	4,059,697	(4,059,697)	-
<b>Excess of Revenues Over Expenditures</b>	597,794	3,905,760	-	4,503,554	(4,503,554)	-
<b>Change in Net Position</b>	-	-	-	-	452,761	452,761
<b>Fund Balance/Net Position</b>						
Beginning of year	814,278	-	-	814,278	2,668,976	3,483,254
End of year	<u>\$ 1,412,072</u>	<u>\$ 3,905,760</u>	<u>\$ -</u>	<u>\$ 5,317,832</u>	<u>\$ (1,381,817)</u>	<u>\$ 3,936,015</u>

See notes to financial statements.



**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL  
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES TO THE STATEMENT OF ACTIVITIES**

**Terrebonne Parish Recreation District No. 1**

For the year ended December 31, 2021

<b>Net Change in Fund Balances - Governmental Fund</b>	<b>\$ 4,503,554</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	\$ 309,994
Depreciation expense	<u>(216,323)</u> 93,671
The net effect of miscellaneous transactions involving capital assets, such as dispositions, impairments and donations, is to decrease net position.	(120,408)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Issuance of bonds	(4,000,000)
Some revenues and expenses reported in the Statement of Activities do not provide or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.	
Increase in accrued interest payable	(22,371)
Some expenditures reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Increase in prepaid insurance	67
Increase in compensated absences payable	<u>(1,752)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 452,761</u></b>

See notes to financial statements.

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

**Terrebonne Parish Recreation District No. 1**

For the year ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,290,260	\$ 1,258,595	\$ 1,349,466	\$ 90,871
Intergovernmental:				
State of Louisiana:				
State revenue sharing	32,268	35,843	35,843	-
Terrebonne Parish Consolidated				
Government	28,000	-	-	-
Charges for services	37,000	7,665	7,853	188
Miscellaneous:				
Investment earnings	4,100	775	1,351	576
Other	1,000	458	(4,598)	(5,056)
Total revenues	<u>1,392,628</u>	<u>1,303,336</u>	<u>1,389,915</u>	<u>86,579</u>
<b>Expenditures</b>				
Current:				
General government:				
Ad valorem tax adjustment	6,500	6,500	19,944	(13,444)
Ad valorem tax deductions	39,620	39,620	45,808	(6,188)
Total general government	<u>46,120</u>	<u>46,120</u>	<u>65,752</u>	<u>(19,632)</u>
Culture and recreation:				
Personal services	395,000	230,893	221,226	9,667
Supplies and materials	64,790	42,222	24,435	17,787
Other services and charges	245,885	205,920	200,561	5,359
Repairs and maintenance	46,440	128,158	120,734	7,424
Total culture and recreation	<u>752,115</u>	<u>607,193</u>	<u>566,956</u>	<u>40,237</u>
Capital outlay	<u>440,000</u>	<u>480,000</u>	<u>253,169</u>	<u>226,831</u>
Total expenditures	<u>1,238,235</u>	<u>1,133,313</u>	<u>885,877</u>	<u>247,436</u>

**Exhibit E  
(Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Excess of Revenues Over Expenditures Before Other Financing Sources (Uses)</b>	154,393	170,023	504,038	334,015
<b>Other Financing Sources (Uses)</b>				
Insurance proceeds	-	67,004	97,112	30,108
Issuance of bonds	-	-	4,000,000	4,000,000
Transfers-out	-	-	(4,003,356)	(4,003,356)
Total other financing sources (uses)	-	67,004	93,756	26,752
<b>Excess of Revenues Over Expenditures</b>	154,393	237,027	597,794	360,767
<b>Fund Balance/Net Position</b>				
Beginning of year	543,835	814,278	814,278	-
End of year	<u>\$ 698,228</u>	<u>\$ 1,051,305</u>	<u>\$ 1,412,072</u>	<u>\$ 360,767</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Terrebonne Parish Recreation District No. 1**

December 31, 2021

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Terrebonne Parish Recreation District No. 1 (the "District") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

**a) Reporting Entity**

The District is a component unit of the Terrebonne Parish Consolidated Government (the "Parish") and as such, these financial statements will be included in the annual comprehensive financial report (ACFR) of the Parish for the year ended December 31, 2021.

GASB Statement No. 14, *"The Financial Reporting Entity"*, GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14"* and GASB No. 61, *"The Financial Reporting Entity: Omnibus and Amendment of GASB Statement No. 14 and No. 34"* established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the District and the potential component unit.
4. Imposition of will by the District on the potential component unit.
5. Financial benefit/burden relationship between the District and the potential component unit.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a. Reporting Entity (Continued)**

The District has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

**b. Basis of Presentation**

The District's financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the District. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

**Fund Financial Statements**

The daily accounts and operations of the District are organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental funds of the District:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for and report all financial resources not accounted for and reported in another fund.

**Debt Service Fund** - The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

**Capital Projects Fund** - The Capital Projects Fund accounts for debt proceeds that are legally restricted to expenditures for improvements or maintenance of facilities and equipment used for park and recreation purposes.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

**Fund Financial Statements**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current position. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). 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. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2021 property taxes which are being levied to finance the 2022 budget will be recognized as revenue in 2022. The 2021 tax levy is recorded as deferred inflows of resources (unavailable revenue) in the District's 2021 financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Measurement Focus and Basis of Accounting (Continued)**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

**d. 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.

**e. Operating Budgetary Data**

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the "Board") adopted a budget for the District's governmental funds. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditure must be approved by the Board. The District amended its budget once during the year so actual revenues would not be less than budgeted and actual expenditures would not be greater than budgeted.

All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

The governmental funds' budgets are adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the financial statements.

**f. Accounts Receivable**

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables 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.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g. Investments**

Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net position to compute share prices if certain conditions are met.

Investments during the year consisted of LAMP and are reported as cash equivalents as of December 31, 2021.

**h. Prepaid Insurance**

The District has recorded prepaid insurance in its government-wide financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**i. Capital Assets**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

**Government-Wide Financial Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i. Capital Assets (Continued)**

**Government-Wide Financial Statements (Continued)**

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20 - 40 years
Improvements other than buildings	5 - 25 years
Machinery and equipment	5 - 25 years
Office furniture, fixtures, and equipment	5 years

**Fund Financial Statements**

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

**j. Deferred Inflows of Resources**

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The governmental fund reports unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District reports unavailable revenue when resources associated with imposed non exchange revenue transactions are received or reported as a receivable before (a) the period for which property taxes are levied; or (b) the period when resources are required to be used or when use is first permitted for all other imposed non exchange revenues in which the enabling legislation includes time requirements.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k. Vacation and Sick Leave**

The District provides annual leave for all full time permanent employees. Each employee will earn 80 hours of annual leave per year. These 80 hours will continue to be given to those qualifying employees throughout the entirety of their employment. Annual leave is earned at a rate of 1.539 hours per 40 hours worked. Failure to use leave results in its loss. Annual leave is paid upon separation.

The District provides sick leave for all full time permanent employees. Each employee will earn 40 hours of sick leave per year. These 40 hours will continue to be given to those qualifying employees throughout the entirety of their employment. Sick leave is allocated at the beginning of each fiscal year. Once, the 40 hours of sick leave is exhausted no sick leave can be allocated until the next fiscal year. Sick leave hours shall not contribute to overtime compensation. Sick leave is not paid upon separation.

The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, government funds report only compensated absence liability payable from expendable available financial resources.

**l. Equity**

**Government-wide Statements**

Equity is classified as net position and displayed in three components:

- a. Net investment 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.
- b. Restricted net position - Consists of assets and deferred outflows of resources less liabilities and deferred inflow of resources (net position) 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.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Equity (Continued)**

**Government-Wide Statements (Continued)**

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

**Fund Financial Statements**

Government fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the District's Board of Commissioners. Commitments may be established, modified, or rescinded only through resolutions approved by the District's Board of Commissioners.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Assignments may be established, modified, or rescinded by the President of the District's Board of Directors or his representative.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available. The District's fund balances were classified as restricted and unassigned as of December 31, 2021.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**m. New GASB Statements**

During the year ended December 31, 2021, the District implemented the following GASB Statements:

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement did not affect the financial statements.

Statement No. 90, "*Majority Equity Interest*" the primary objectives of this Statement are to improve the consistency and comparability of reporting government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. It specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as component unit. This Statement did not affect the financial statements.

Statement No. 98, "*The Annual Comprehensive Financial Report*" establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replaces instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement developed in response to concerns raised by stakeholders that the common pronunciation of the acronym sounds like a profoundly objectionable racial slur. This Statement did affect the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**m. New GASB Statements (Continued)**

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**m. New GASB Statements (Continued)**

Statement No. 93, "*Replacement of Interbank Offered Rates*" some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. New GASB Statements (Continued)**

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*" provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the years beginning after June 15, 2021. Management has yet to determine the effect of this Statement on the financial statements.

**Note 2 - DEPOSITS AND INVESTMENTS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

**Note 2 - DEPOSITS AND INVESTMENTS (Continued)**

**Bank Deposits**

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes Federal Deposit Insurance Corporation (FDIC) insurance and the market value of 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 political subdivision.

The year-end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Reported Amounts</u>
Cash	<u>\$ 429,358</u>	<u>\$ 355,583</u>

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk. As of December 31, 2021, \$179,358 of the District's balances of \$429,358 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, and are deemed to be held in the District's name by state statutes.

As of December 31, 2021, cash in excess of FDIC insurance was collateralized by securities held by an unaffiliated bank for the account of the District. The GASB considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39: 1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Investments**

State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and LAMP.

As a means of limiting its exposure to fair value losses arising from interest rates, the District's investment policy emphasized maintaining liquidity to match specific cash flows.



**Note 2 - DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy requires the application of the prudent-person rule. This policy states, investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of principal, secondly to maintain liquidity to meet operating requirements and finally to obtain the most favorable rate of return. The District's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAM.

For an investment, custodial credit risk is that risk that, in the event of 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 2a7, 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 LSA-R.S. 33:2955. 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 a 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 as amortized cost. The fair value of participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP as of December 31, 2021, amounted to \$4,941,152 and are classified on the Statement of Net Position as "Cash and Cash Equivalents".

**Note 2 - DEPOSITS AND INVESTMENTS (Continued)**

**Reconciliation**

A reconciliation of deposits and investments as shown on the Statement of Net Position for the District is as follows:

Cash on hand	\$	30
Bank deposits		355,583
Investment in LAMP		4,941,152
		<u>4,941,152</u>
Total cash and cash equivalents		<u>\$ 5,296,765</u>

**Note 3 - PROPERTY TAXES**

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 statewide reevaluation of all property is required to be completed no less than every four years. The last statewide reevaluation was completed for the list of January 1, 2020. A special reassessment 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. The tax rate for the year ended December 31, 2021 was \$7.00 per \$1,000 of assessed valuation on property within Recreation District No. 1 for the purpose of constructing, maintaining and operating recreational facilities within the District. As indicated in Note 1c, taxes levied November 1, 2021 are for budgeted expenditures in 2022 and will be recognized as revenues in 2022.

**Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units as of December 31, 2021 consisted of the following:

State of Louisiana - State revenue sharing		\$22,806
Terrebonne Parish Tax Collector - December 2021 collections remitted to the District in January 2022:		
Ad valorem taxes		48,675
State revenue sharing		11,403
		<u>11,403</u>
Total		<u>\$ 82,884</u>

**Note 5 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Capital assets not being depreciated:				
Land	\$ 370,632	\$ -	\$ -	\$ 370,632
Construction in progress	221,039	223,609	(263,209)	181,439
	<u>591,671</u>	<u>223,609</u>	<u>(263,209)</u>	<u>552,071</u>
Capital assets being depreciated:				
Buildings	1,472,538	263,209	-	1,735,747
Improvements other than building	1,883,544	54,208	(189,479)	1,748,273
Office furniture, fixtures, and equipment	49,468	-	(18,395)	31,073
Machinery and equipment	911,029	32,177	-	943,206
	<u>4,316,579</u>	<u>349,594</u>	<u>(207,874)</u>	<u>4,458,299</u>
Less accumulated depreciation for:				
Buildings	(1,187,680)	(48,386)	-	(1,236,066)
Improvements other than buildings	(656,820)	(102,907)	72,896	(686,831)
Office furniture, fixtures, and equipment	(40,252)	(4,306)	14,570	(29,988)
Machinery and equipment	(359,671)	(60,724)	-	(420,395)
	<u>(2,244,423)</u>	<u>(216,323)</u>	<u>87,466</u>	<u>(2,373,280)</u>
Total capital assets being depreciated, net	<u>2,072,156</u>	<u>133,271</u>	<u>(120,408)</u>	<u>2,085,019</u>
Total capital assets, net	<u>\$ 2,663,827</u>	<u>\$ 356,880</u>	<u>\$ (383,617)</u>	<u>\$ 2,637,090</u>

During 2021, the District completed renovations of tennis courts and construction of restrooms at the Schriever facility, and purchased a tractor and trailer. In addition, synthetic turf was purchased and installed at the Schriever and Oakshire facilities. As of December 31, 2021, construction in progress consisted of construction of restrooms at the Andrew Price Gym and architectural design of the Coteau/Bayou Blue Park.

District depreciation amounting to \$216,323 was recorded as cultural and recreation expenses for the year ended December 31, 2021.

**Note 5 - CHANGES IN CAPITAL ASSETS (Continued)**

**Construction Commitments**

The District has one active construction contract as of December 31, 2021. As of December 31, 2021, the District's construction commitment is as follows:

Project	Incurred to Date	Remaining Commitment
Andrew Price Gym restrooms	\$ 121,614	\$ 107,386

**Impairments and Insurance Proceeds**

On August 29, 2021, Hurricane Ida severely impacted the District and the financial impact has yet to be determined. Numerous capital assets were damaged and are still being repaired or replaced. In accordance with GASB Statement No. 42, "*Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*", the District has reviewed the various capital assets (a) to determine potential impairments from Hurricane Ida through inspection of physical damage and (b) to test for impairment to determine if the magnitude of the decline in service utility of the capital asset is significant and whether the decline in service utility is not part of the normal life cycle of the capital asset. For those properties that are impaired and will continue to be used by the District, a portion of historical cost of the asset and associated accumulated depreciation, will be written off using the Restoration Cost Approach which states that the amount of impairment is derived from the estimated costs to restore the utility of the capital asset.

Impaired capital assets that will no longer be used by the District will be reported at the lower of carrying value or fair value. The District has incurred roof and soffit damage but not an extensive loss of service utility to its gymnasiums. Accordingly, the District's gymnasiums have not been impaired. Improvements, such as pavilions, aluminum awnings and outdoor coverings, have been impaired. Outdoor and ballfield lights and poles were left leaning and require repair work to be straightened. The District received insurance recoveries for its impaired and unimpaired buildings and improvements.

**Note 5 - CHANGES IN CAPITAL ASSETS (Continued)**

**Impairments and Insurance Proceeds (Continued)**

For the year ended December 31, 2021, the District recognized realized insurance recoveries which are reported net of impairments. The following table identifies resulting impairment gains (losses), which are reported in the Culture and Recreation function.

<u>Culture and Recreation</u>	<u>Insurance Proceeds</u>	<u>Costs</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Impairment Gain (Loss)</u>
Buildings	\$ 30,108	\$ -	\$ -	\$ -	\$ 30,108
Improvements other than building	67,004	189,479	(72,896)	116,583	(49,579)
Office furniture, fixtures and equipment	-	18,395	(14,570)	3,825	(3,825)
	<u>\$97,112</u>	<u>\$207,874</u>	<u>\$ (87,466)</u>	<u>\$ 120,408</u>	<u>\$ (23,296)</u>

**Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenditures as of December 31, 2021 consisted of the following:

	<u>General Fund</u>	<u>Adjustments</u>	<u>Government- Wide</u>
Accrued salaries and related payables	\$ 7,785	\$ -	\$ 7,785
Vendors	1,256	-	1,256
Accrued interest on Limited Tax Bonds	-	22,371	22,371
	<u>\$9,041</u>	<u>\$22,371</u>	<u>\$ 31,412</u>

**Note 7 - LONG-TERM OBLIGATIONS**

Long-term obligations consist of Limited Tax Bonds Series 2021 and accumulated earned and unpaid vacation and sick leave. The following is a summary of changes in the long-term obligations of the District for the year ended December 31, 2021:

	Payable January 1, 2021	Increase	Decrease	Payable December 31, 2021	Due Within One Year
Limited Tax Bonds Series 2021	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000	\$ 545,000
Accumulated unpaid annual leave	1,369	6,791	5,039	3,121	-
	<u>\$ 1,369</u>	<u>\$ 4,006,791</u>	<u>\$ 5,039</u>	<u>\$ 4,003,121</u>	<u>\$ 545,000</u>

On August 13, 2021, the District issued \$4,000,000 of Limited Tax Bonds Series 2021. As of December 31, 2021, the balance of bonds outstanding totaled \$4,000,000 and the bonds bear interest at rates ranging from .85% to 2.50%. The bonds are payable from the annual levy and collection of 7 mill ad valorem tax on all the taxable property within the boundaries of the District. The tax is considered sufficient to pay the principal and interest of the bonds as they mature. Ad valorem tax revenue recognized during the year ended December 31, 2021 amounted to \$1,349,466. The bonds have a maturity date of March 1, 2028 with principal due March 1<sup>st</sup> and interest due March 1<sup>st</sup> and September 1<sup>st</sup> of each year.

Annual debt service requirements through maturity for the bonds as of December 31, 2021 is as follows:

Year Ending December 31,	Principal	Interest	Totals
2022	\$ 545,000	\$ 64,796	\$ 609,796
2023	550,000	59,730	609,730
2024	560,000	53,340	613,340
2025	570,000	44,998	614,998
2026	580,000	34,495	614,495
2027	590,000	21,910	611,910
2028	605,000	7,562	612,562
	<u>\$ 4,000,000</u>	<u>\$ 286,831</u>	<u>\$ 4,286,831</u>

**Note 8 - LEASE COMMITMENTS**

The District has a ten year operating lease for use of land for recreational purposes which terminates September 31, 2026, for annual rent of \$3,000. The parties may extend this lease for an additional ten year term upon mutual written agreement for the same. Rent expense for the year ended December 31, 2021 was \$3,000.

**Note 9 - 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 for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability and workers' compensation. No settlements were made during the year that exceeded the District's insurance coverage. The District pays monthly premiums to the Parish for workers' compensation based on a fixed percentage of payroll. The District's premiums for general liability are based on various factors such as operations and maintenance budget, exposure and claims experience. The Parish handles all claims filed against the District related to workers' compensation and general liability. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

<u>Coverage Policy</u>	<u>Limits</u>
General liability	\$10,000,000
Workers' compensation	Statutory

Coverage for general liability claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, \$2,038,046 as of December 31, 2021, then secondly by the District. Workers' compensation claims in excess of \$600,000 are covered under an insurance contract for claims aggregate up to limits are to be funded first by assets of the Parish's workers' compensation internal service fund. As of December 31, 2021, the District had no claims in excess of the above coverage limits.

Expenditures for premiums to the Parish for insurance coverage during the year ended December 31, 2021 totaled \$29,745.

**Note 10 - COMPENSATION OF BOARD MEMBERS**

The District did not pay per diem to any of its Board Members for the year ended December 31, 2021.

**Note 11 - STATE OF LOUISIANA TAX ABATEMENTS**

The District's ad valorem tax revenues were reduced by \$6,022 under agreements entered into with the State of Louisiana.

**Note 12 - SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 15, 2022, which is the date the financial statements were available to be issued.



**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Terrebonne Parish Recreation District No. 1**

For the year ended December 31, 2021

<b>Agency Head Name:</b>	<u>Kaden Benoit 1/1/2021- 10/6/2021</u>	<u>Mark Amedee 4/1/2021- 10/6/2021</u>	<u>Clarence Francis 10/6/2021- 12/31/2021</u>
<b>Purpose</b>			
Salary	\$ 8,027	\$ -	\$ 9,349
Benefits - insurance	5,551	-	-
Benefits - retirement	-	-	-
Benefits - other	-	-	-
Car allowance	-	-	-
Vehicle provided by government	-	-	-
Per diem	-	-	-
Reimbursements	-	-	-
Travel	-	-	-
Registration fees	-	-	-
Conference travel	-	-	-
Continuing professional education fees	-	-	-
Housing	-	-	-
Unvouchered expenses	-	-	-
Special meals	-	-	-
	<u>\$ 13,578</u>	<u>\$ -</u>	<u>\$ 9,349</u>

Note:

The Manager functions as the Chief Executive Officer of the District.

The position was filled by those individuals named for the dates shown.

Kaden Benoit went on workmen's compensation approximately April 1, 2021.

Mark Amedee, Board Chair, functioned as executive director April 1, 2021 until October 6, 2021.

Clarence Francis was appointed as acting Executive Director on October 6, 2021.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**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 Board of Commissioners,  
Terrebonne Parish Recreation District No. 1,  
Schriever, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Terrebonne Parish Recreation District No. 1 (the "District"), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 15, 2022.

**Report on Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 charges with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2021-001.

## **The District's Response to Findings**

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

## **Purpose of this Report**

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



Certified Public Accountants.

Houma, Louisiana,  
June 15, 2022.

## SCHEDULE OF FINDINGS AND RESPONSES

### Terrebonne Parish Recreation District No. 1

For the year ended December 31, 2021

#### Section I - Summary of Auditor's Results

##### a) Financial Statements

Type of auditor's report issued: unmodified

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be a material weakness?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

##### b) Federal Awards

Terrebonne Parish Recreation District No. 1 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2021 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

#### Section II - Financial Statement Findings

##### Internal Control and Compliance

##### 2021-001 Bond Requirements Compliance

**Criteria and Condition:** During the year ended December 31, 2021 the District issued Limited Tax Bonds for the purpose constructing or improving recreational facilities within the District. The interest paid on the bonds is generally exempt from federal and state income taxes provided the District maintains the bond proceeds and collection of ad valorem taxes in accordance with the bond documents. The District has not complied with this requirement.

**Section II - Financial Statement Findings (Continued)**

**Internal Control and Compliance (Continued)**

**2021-001 Bond Requirements Compliance (Continued)**

**Context:** Section 4 of the Tax Compliance Certificate to the bonds requires the District to establish and maintain separate bank accounts referred to as the "Project Fund" and the "Debt Service Fund". The principal proceeds of the bonds must be deposited into the Project Fund and subsequent fees and construction costs associated with the project(s) paid from this fund. The Debt Service shall receive proceeds of ad valorem tax collections and set aside until there is sufficient proceeds to pay all principal and interest falling due on the bonds in the ensuing year.

**Cause:** The lack of adherence to the District's written debt service policies and procedures caused inappropriate criteria to be applied when depositing the initial bond proceeds and processing payments of principal and interest on the bonds.

**Effect:** Bond proceeds and ad valorem tax receipts were initially deposited into the general operating and maintenance accounts of the District. Such violations of the Tax Compliance Certificate could lead to a loss of the bonds' tax exempt status and increases the likelihood that bond proceeds could be used for operation and maintenance expenses.

**Recommendation:** Adherence to the District's written policies and procedures would ensure proper operations and maintenance of bond proceeds and required ad valorem tax deposits. The procedures should provide for a Capital Projects Fund bank account(s) and Debt Service Fund bank account(s) for which appropriate deposits and payments may be made.

**Views of Responsible Officials and Planned Corrective Actions:** We will consider opening the appropriate bank accounts to ensure compliance with the Tax Compliance Certificate.

**Section - III Federal Award Findings and Questioned Costs**

Not applicable.

**REPORTS BY MANAGEMENT**



## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

### **Terrebonne Parish Recreation District No. 1**

For the year ended December 31, 2021

#### **Section I - Internal Control and Compliance Material to the Financial Statements**

##### **Internal Control**

No material weaknesses were reported during the audit for the year ended December 31, 2020.

No significant deficiencies were reported during the audit for the year ended December 31, 2020.

##### **Compliance**

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2020.

#### **Section II - Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Recreation District No. 1 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2020 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

#### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2020.

# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

## **Terrebonne Parish Recreation District No. 1**

For the year ended December 31, 2021

### **Section I - Internal Control and Compliance Material to the Financial Statements**

#### **Internal Control and Compliance**

##### **2021-001 Bond Requirements Compliance**

**Recommendation:** Adherence to the District's written policies and procedures would ensure proper operations and maintenance of bond proceeds and required ad valorem tax deposits. These procedures should provide for a Capital Projects Fund bank account(s) and Debt Service Fund bank account(s) for which appropriate deposits and payments may be made.

**Management's Response:** The District is currently using a debt service bank account to pay principal and interest. Cash transfers for the annual principal interest installments will be made to this account before the required principal and interest payments are sent out. In addition, capital projects bank accounts shall be opened to receive a transfer of unspent bond proceeds and to make payments of project costs from the capital projects account.

### **Section II - Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Recreation District No. 1 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2021 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2021.

**STATEWIDE AGREED-UPON PROCEDURES**

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

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 1,  
Schriever, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2021 through December 31, 2021. Terrebonne Parish Recreation District No. 1 (the "District") management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these 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.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

Houma, Louisiana,  
June 15, 2022.

**SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS**  
**OF THE STATEWIDE AGREED-UPON PROCEDURES**

**Terrebonne Parish Recreation District No. 1**

For the year ended December 31, 2021

The required procedures and our findings are as follows:

**Procedures Performed on the District's Written Policies and Procedures:**

1. Obtain and inspect the District's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the District's operations:

a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for disbursements, and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

Performance: Obtained and read the written policy for purchasing.

Exceptions: The policy did not contain provisions on how purchases are initiated, how vendors are added to the vendor list, and the preparation and approval process of purchase requisitions and purchase orders.

c) Disbursements, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements, and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Performance: Obtained and read the written policy for receipts.

Exceptions: The policy did not contain provisions on management's actions to determine completeness of all collections.

**Procedures Performed on the District's Written Policies and Procedures: (Continued)**

- e) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.  
Performance: Obtained and read the written policy for payroll/personnel, and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
  
- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.  
Performance: Inquired of management regarding the District's contracting policy.  
Exceptions: There were exceptions noted due to the District not having the policy.
  
- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).  
Performance: Obtained and read the written policy for credit cards, and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
  
- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.  
Performance: Obtained and read the written policy for travel and expense reimbursement.  
Exceptions: The policy did not contain provisions on dollar thresholds by category of expense and documentation approvers.
  
- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the District's ethics policy.  
Performance: Obtained and read the written policy for ethics policy.  
Exceptions: The policy did not contain provisions on a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
  
- j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
Performance: Obtained and read the written policy for debt service, and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Written Policies and Procedures: (Continued)**

- k) Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Inquired of management regarding the District's information technology disaster recovery/business continuity policy.

Exceptions: There were exceptions noted due to the District not having the policy.

- l) Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Performance: Inquired of management regarding the District's information technology disaster recovery/business continuity policy.

Exceptions: The policy did not contain provisions on agency responsibilities and prohibitions, annual employee training, and annual reporting.

**Procedures Performed on the District's Board or Finance Committee:**

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

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Performance: Obtained and read the written minutes of the Board meetings. The Board is required to meet every month. All meetings had a quorum.

Exceptions: The District was missing three of their twelve meetings a year.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.

Performance: Obtained and read the written minutes of the Board meetings. Inspected meeting minutes and the included budget-to-actual comparisons for the General Fund presented to the board of directors.

Exceptions: There were no exceptions noted.



**Procedures Performed on the District's Written Policies and Procedures: (Continued)**

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

Performance: Obtained the prior year's audit report and observed the unrestricted fund balance in the General Fund. The General Fund did not have a negative ending unrestricted fund balance.

Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Bank Reconciliations:**

- 3. Obtain a listing of the District's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the District's main operating account. Select the District's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Bank Reconciliations:**

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated or electronically logged);

Performance: Observed that the bank reconciliations were prepared within two months of the related statement closing date.

Exceptions: There were no exceptions noted.

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

Performance: Observed that a member of management or a board member reviewed each bank reconciliation.

Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Bank Reconciliations: (Continued)**

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.  
Performance: Inspected documents for items outstanding for more than 12 months. We noted no checks outstanding for longer than 12 months as of the end of the fiscal period.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers):**

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).  
Performance: Obtained the listing of deposit sites from management, and received management's representation in a separate letter. The District only has one location that prepares deposits.  
Exceptions: There were no exceptions noted.
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five 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:  
Performance: Obtained the listing of collection locations from management, and received management's representation in a separate letter.  
Exceptions: There were no exceptions noted.
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.  
Performance: Inspected policy manuals, inquired of management and observed receipts and general ledger transactions.  
Exceptions: The District does not collect cash.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.  
Performance: Inspected policy manuals, inquired of management and observed employees do not share cash drawers.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers):  
(Continued)**

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

- Performance: Inspected policy manuals, inquired of management and observed employees collecting cash do not make general ledger postings.

- Exceptions: There were no exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

- Performance: Inspected policy manuals, inquired of management and observed employees collecting cash do not make general ledger postings.

- Exceptions: There were no exceptions noted.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

- Performance: Obtained a listing of all employees who have access to cash and observe if these employees are covered by a bond or insurance policy for theft that was enforced during the fiscal year.

- Exceptions: There were no exceptions noted.

- 7. Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the ten deposits and:

- a) Observe that receipts are sequentially pre-numbered.

- Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.

- Exceptions: The receipts are not sequentially pre-numbered.

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

- Performance: Traced supporting documentation to the deposit ticket, deposit receipt, and bank interest receipt.

- Exceptions: We could not obtain the receipts, only the deposit slips.

**Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers):  
(Continued)**

- c) Trace the deposit slip total to the actual deposit per the bank statement.  
Performance: Traced deposit slip total to actual deposit per bank statement.  
Exceptions: There were no exceptions noted.
  
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).  
Performance: Observed that the deposits tested were made within one business day of receipt or within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100.  
Exceptions: There were no exceptions noted.
  
- e) Trace the actual deposit per the bank statement to the general ledger.  
Performance: Traced the actual deposit per the bank statement to the general ledger.  
Exceptions: There was no exception noted.

**Procedures Performed on the District's Collections Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):**

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).  
Performance: Obtained listing of locations that process payments for the fiscal period from management. The District only has one location that processes payments.  
Exceptions: There were no exceptions noted.
  
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:  
Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.  
Exceptions: There were no exceptions noted.
  
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.  
Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Collections Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)**

- b) At least two employees are involved in processing and approving payments to vendors.  
Performance: Obtained a listing of locations that process payments for the fiscal period from management. Noted two employees are involved in processing and approving payments to vendors.  
Exceptions: There were no exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.  
Performance: Obtained a listing of employees involved in processing payments to vendors. Observed if any employee is responsible for periodically reviewing changes to vendor files.  
Exceptions: There were no exceptions noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.  
Performance: Obtained a listing of employees/official involved with signing and mailing checks.  
Exceptions: There were no exceptions noted.

- 10. For each location selected under #8 above, obtain the District's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:  
Performance: Obtained the District's general ledger for the fiscal period, and obtained management's representation in a separate letter.  
Exceptions: There were no exceptions noted.

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the District.  
Performance: Obtained the disbursement and observed that the disbursement and the related original invoice/billing statement were in agreement.  
Exceptions: There were no exceptions noted.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.  
Performance: Obtained the disbursement documentation and observed for proper segregation of duties as listing under #9 above.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Credit Cards/Debit Cards/Fuel Cards/P-Cards:**

11. 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.

Performance: Inquired of management for a listing of all active credit cards, bank debit cards, fuel cards, and P-cards, and management states that the District has no credit cards at this time. Also, received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

12. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Performance: Inquired of management for a listing of all active credit cards, bank debit cards, fuel cards, and P-cards, and management states that the District has no credit cards at this time.

Exception: There were no exceptions noted.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Performance: Inquired of management for a listing of all active credit cards, bank debit cards, fuel cards, and P-cards, and management states that the District has no credit cards at this time.

Exceptions: There were no exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select ten transactions (or all transactions if less than ten) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have ten transactions subject to testing). For each transaction, observe that it is supported by:

- 1) An original itemized receipt that identifies precisely what was purchased.

Performance: Inquired of management for a listing of all active credit cards, bank debit cards, fuel cards, and P-cards, and management states that the District has no credit cards at this time.

Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Credit Cards/Debit Cards/Fuel Cards/P-Cards:  
(Continued)**

- 2) Written documentation of the business/public purpose.  
Performance: Inquired of management for a listing of all active credit cards, bank debit cards, fuel cards, and P-cards, and management states that the District has no credit cards at this time.  
Exceptions: There were no exceptions noted.
  
- 3) Documentation of the individuals participating in meals (for meal charges only).  
Performance: We examined statement details and noted meals were not purchased on the selected statements.  
Exceptions: There were no exceptions noted.

**Procedures performed on the District's Travel And Travel-Related Expense Reimbursements  
(Excluding Card Transactions):**

14. 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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:  
Performance: Obtained general ledger for travel and related expense reimbursements. No travel related expense reimbursements were noted.  
Exceptions: There were no exceptions noted.
  - a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).  
Performance: No travel related expense reimbursements were noted.  
Exceptions: There were no exceptions noted.
  
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.  
Performance: No travel related expense reimbursements were noted.  
Exceptions: There were no exceptions noted.
  
  - c) 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).  
Performance: No travel related expense reimbursements were noted.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions): (Continued)**

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.  
Performance: No travel related expense reimbursements were noted.  
Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Contracts:**

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

Performance: Observed the listing of contracts in effect during the fiscal year from management, and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.  
Performance: No bids on contracts exceeding limits in the Public Bid Law were examined.  
Exceptions: There were no exceptions noted.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).  
Performance: All contracts examined were reference in minutes of board meetings.  
Exceptions: There were no exceptions noted.
- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment was approval documented).  
Performance: No agreements/contracts were noted.  
Exceptions: There were no exceptions noted.
- d) Randomly select one payment from the fiscal period for each of the five 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.  
Performance: No agreements/contracts were noted.  
Exceptions: There were no exceptions noted.



**Procedures Performed on the District's Payroll and Personnel:**

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Obtained the listing of employees with their related salaries from management, and received management's representation in a separate letter. Randomly selected five employees and agreed paid salaries and to authorized salaries/pay rates per the personnel files.

Exceptions: There were no exceptions noted.

17. Randomly select one pay period during the fiscal period. For the five employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Performance: Selected one pay period to test leave taken during that period. Inspected all daily attendance and leave record for proper documentation.

Exceptions: There were no exceptions noted.

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

Performance: Inspected the approval of attendance and leave by the supervisors for the selected employee/officials.

Exceptions: A supervisor did not document approval of one employee's attendance/leave.

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

Performance: Inspected any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

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

Performance: Inspected and agreed the rate paid to employees to the pay rate in the personnel files.

Exceptions: The pay rates could not be agreed to the personnel file.

**Procedures Performed on the District's Payroll and Personnel: (Continued)**

18. 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 District policy on termination payments. Agree the hours to the employees' or officials' cumulate leave records, agree the pay rates to the employees' or officials' authorized pay rates in the employees' or officials' personnel files, and agree the termination payment to District policy.

Performance: Inquired of management of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. There were no terminated employees within the current year.

Exceptions: There were no exceptions noted.

19. 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.

Performance: Inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Ethics:**

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

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

Performance: Observed the ethics course completion certificates for the five employees tested.

Exceptions: There were no exceptions noted.

- b) Observe that the District maintains documentation which demonstrates each employee and official were notified of any changes to the District's ethics policy during the fiscal period, as applicable.

Performance: Observed the documentation demonstrating the employees and officials agree to the ethics training and policy. There were no changes to the ethics policy.

Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Debt Service:**

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

Performance: Inquired of management regarding a listing of bonds/notes issued during the fiscal period.

Exceptions: There were no exceptions noted.

22. 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).

Performance: Inquired of management regarding a listing of bonds/notes outstanding at the end of the fiscal period and read the bond covenants.

Exceptions: The District did not open a required capital project bank account.

**Procedures Performed on the District's Fraud Notice:**

23. 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 District reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the District is domiciled.

Performance: Inquired of management of any misappropriations of public funds or assets during the fiscal period, none were noted.

Exceptions: There were no exceptions noted.

24. Observe that the District 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.

Performance: Inspected the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Information Technology Disaster Recovery/Business Continuity:**

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management".

**Procedures Performed on the District's Information Technology Disaster Recovery/Business Continuity: (Continued)**

- a) Obtain and inspect the District'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 that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Performance: We performed the procedures and discussed the results with management.

Exceptions: No exceptions were noted.

- b) Obtain and inspect the District'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 three months.

Performance: We performed the procedures and discussed the results with management.

Exceptions: There were no exceptions noted.

- c) Obtain a listing of the District's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select five 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.

Performance: We performed the procedures and discussed the results with management.

Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Sexual Harassment:**

- 26. Using the five randomly selected employees/officials from procedure #16 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.

Performance: Inquired of sexual harassment training documentation from management.

Exceptions: None of the employees/officials selected completed at least one hour of sexual harassment training during the year.

- 27. Observe that the District has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the District's premises if the District does not have a website).

Performance: Inquired of management regarding the sexual harassment policy and complaint procedure on its website.

Exceptions: There were exceptions noted. Management was not aware of this requirement.

**Procedures Performed on the District's Sexual Harassment: (Continued)**

28. Obtain the District'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:
- a) Number and percentage of public servants in the agency who have completed the training requirements;  
Performance: Inquired of management regarding the District's annual sexual harassment report for the fiscal period.  
Exceptions: The District did not have any reports dated on or before February 1, 2022.
  - b) Number of sexual harassment complaints received by the agency;  
Performance: Inquired of management regarding the District's annual sexual harassment report for the fiscal period.  
Exceptions: The District did not have any reports dated on or before February 1, 2022.
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;  
Performance: Inquired of management regarding the District's annual sexual harassment report for the fiscal period.  
Exceptions: The District did not have any reports dated on or before February 1, 2022.
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and  
Performance: Inquired of management regarding the District's annual sexual harassment report for the fiscal period.  
Exceptions: The District did not have any reports dated on or before February 1, 2022.
  - e) Amount of time it took to resolve each complaint.  
Performance: Inquired of management regarding the District's annual sexual harassment report for the fiscal period.  
Exceptions: The District did not have any reports dated on or before February 1, 2022.

**Management's Overall Response to Exceptions**

- 1a) Management will consider drafting a budgeting policy.
- 1b) Management will consider adding how vendors are added to the vendor list to the purchasing policy.
- 1d) Management will consider adding how deposits are prepared to the receipts/collections policy.

**Management's Overall Response to Exceptions (Continued)**

- 1e) Management will consider drafting a payroll/personnel policy.
- 1f) Management will consider drafting a contracting policy.
- 1g) Management will consider drafting a credit cards policy.
- 1h) Management will consider adding the dollar thresholds by category of expense and documentation requirements to the travel and expense reimbursement policy.
- 1i) Management will consider drafting an ethics policy.
- 1j) Management will consider drafting a debt service policy.
- 1k) Management will consider drafting an information technology disaster recovery/business continuity policy.
- 1l) Management will consider adding annual employee training and annual reporting to the sexual harassment policy.
- 2a) Management will put procedures in place to ensure all meetings are held monthly in the future.
- 7a) Management will try to keep the receipts sequentially pre-numbered.
- 7b) Management will put procedures in place to retain the proper documentation.
- 17b) Management will consider procedures which will ensure supervisor review of time and attendance records are documented.
- 17d) Management will consider putting agreed upon pay rates in personnel files or another secured location.
- 22) Management will consider opening the bank accounts and reporting required funds in its financial statements.
- 26) Management will consider implementing on hour of sexual harassment training.
- 27) Management was not aware of this requirement but will consider adding the sexual harassment policy on the website and on the premise.
- 28a-e) Management will consider preparing and submitting the annual sexual harassment report next year.