

LAFOURCHE PARISH RECREATION DISTRICT #11

COMPONENT UNIT OF THE
LAFOURCHE PARISH GOVERNMENT

Bayou Blue, Louisiana

Financial Report

Year Ended December 31, 2022



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LAFOURCHE PARISH RECREATION DISTRICT #11
Component Unit of the Lafourche Parish Government
Bayou Blue, Louisiana

Financial Report
Year Ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lafourche Parish Recreation District #11
Bayou Blue, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lafourche Parish Recreation District #11 (the District) as of and for the year ended December 31, 2022, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lafourche Parish Recreation District #11 as of December 31, 2022 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our Responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government*

Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the budgetary comparison information on page 20 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 Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information on page 21 is presented for the purpose 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 other supplementary 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 09, 2023 on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



Thibodaux, Louisiana
June 09, 2023

FINANCIAL STATEMENTS

Government-Wide
Financial Statements (GWFS)

LAFOURCHE PARISH RECREATION DISTRICT #11
Component Unit of the Lafourche Parish Government
Bayou Blue, Louisiana

Statement of Net Position
December 31, 2022

Assets

| | |
|-------------------------------------|------------------|
| Cash and cash equivalents | \$ 285,450 |
| Receivables - ad valorem tax | 451,052 |
| Capital assets, net of depreciation | 477,682 |
| Total assets | 1,214,183 |

Liabilities

| | |
|--------------------------|----------------|
| Accounts payable | 104,490 |
| Total liabilities | 104,490 |

Deferred inflows of resources

| | |
|--|---------------|
| Ad valorem taxes revenue | 96,170 |
| Total deferred inflows of resources | 96,170 |

Net position

| | |
|---|---------------------|
| Invested in capital assets, net of related debt | 477,682 |
| Restricted for debt service | - |
| Unrestricted | 535,841 |
| Total net position | \$ 1,013,523 |

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH RECREATION DISTRICT #11
Component Unit of the Lafourche Parish Government
Bayou Blue, Louisiana

Statement of Activities
For the Year Ended December 31, 2022

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Increase (Decrease) in Net Position | |
|---------------------------------------|---------------------|----------------------------|--|---|--------------------------------------|
| | Expenses | Charges for Services | Operating Grants & Contributions | | Capital Grants & Contributions |
| Governmental activities: | | | | | |
| Recreational programs - current: | | | | | |
| Repairs & maintenance | \$ (62,008) | \$ - | \$ - | \$ - | \$ (62,008) |
| Recreation & summer programs | (26,345) | 84,230 | - | - | 57,884 |
| Concession purchases | (14,437) | - | - | - | (14,437) |
| Advertising | (92) | - | - | - | (92) |
| Insurance | (12,134) | - | - | - | (12,134) |
| Office expense | (6,725) | - | - | - | (6,725) |
| Payroll & related benefits | (180,775) | - | - | - | (180,775) |
| Professional fees | (9,200) | - | - | - | (9,200) |
| Rent expense | (8,275) | - | - | - | (8,275) |
| Utilities | (18,329) | - | - | - | (18,329) |
| Depreciation | (51,625) | - | - | - | (51,625) |
| Total governmental activities: | \$ (389,945) | \$ 84,230 | \$ - | \$ - | \$ (305,715) |
| General revenues: | | | | | |
| Ad valorem taxes | | | | 341,406 | |
| Support - Lafourche Parish Gov't | | | | 89,399 | |
| Total general revenues | | | | 430,805 | |
| Increase (decrease) in net position | | | | | 125,090 |
| Net position - beginning of the year | | | | | 888,433 |
| Net position - end of the year | | | | | \$ 1,013,523 |

The accompanying notes are an integral part of this statement.

Fund Financial Statements (FFS)

LAFOURCHE PARISH RECREATION DISTRICT #11
Component Unit of the Lafourche Parish Government
Bayou Blue, Louisiana

Fund Balance Sheet - General Fund

December 31, 2022

ASSETS

| | |
|------------------------------|--------------------------|
| Cash and cash equivalents | \$ 285,450 |
| Receivables - ad valorem tax | 354,881 |
| Total assets | <u><u>\$ 640,331</u></u> |

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

Liabilities

| | |
|--------------------------|----------------|
| Accounts payable | \$ 104,490 |
| Total liabilities | <u>104,490</u> |

Deferred inflows of resources

| | |
|--|---------------|
| Ad valorem taxes | 96,170 |
| Total deferred inflows of resources | <u>96,170</u> |

Fund balance

| | |
|---------------------------|----------------|
| Unassigned | 439,671 |
| Total fund balance | <u>439,671</u> |

| | |
|--|--------------------------|
| Total liabilities, deferred inflows of resources and fund balance | <u><u>\$ 640,331</u></u> |
|--|--------------------------|

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH RECREATION DISTRICT #11
Component Unit of the Lafourche Parish Government
Bayou Blue, Louisiana

Statement of Revenues, Expenditures, and
Changes in Fund Balances - General Fund

For the Year Ended December 31, 2022

REVENUES

| | |
|---------------------------------------|----------------|
| Ad valorem tax | \$ 532,137 |
| Recreational & summer programs | 84,230 |
| Support - Lafourche Parish Government | 89,399 |
| Total revenues | <u>705,766</u> |

EXPENDITURES

| | |
|----------------------------------|----------------|
| Recreational programs - current: | |
| Repairs & maintenance | 62,008 |
| Recreation & summer programs | 26,345 |
| Concession purchases | 14,437 |
| Advertising | 92 |
| Insurance | 12,134 |
| Office expense | 6,725 |
| Payroll & related benefits | 180,775 |
| Professional fees | 9,200 |
| Rent expense | 8,275 |
| Utilities | 18,329 |
| Capital outlay | 21,523 |
| Total expenditures | <u>359,843</u> |

| | |
|---|----------------|
| Excess of revenues over/(under) expenditures | 345,923 |
|---|----------------|

FUND BALANCE

| | |
|-------------------|-------------------|
| Beginning of year | 93,748 |
| End of year | <u>\$ 439,671</u> |

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH RECREATION DISTRICT #11
Component Unit of the Lafourche Parish Government
Bayou Blue, Louisiana

Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
December 31, 2022

| | | |
|---|----|-------------------------|
| Total Fund Balances - Governmental Funds | \$ | 439,671 |
| Total net position reported for governmental activities in the statement of net positions is different because: | | |
| <p style="margin-left: 40px;">Capital assets used in governmental activities are not current financial resources and therefore not reported in the Governmental Funds Balance Sheet, those assets consist of:</p> | | |
| Capital assets, net of accumulated depreciation | | 477,682 |
| Revenues that have been deferred are unearned in the governmental funds but are recognized as revenue in the government wide financial statements | | 96,170 |
| Total Net Position - Governmental activities | \$ | <u><u>1,013,523</u></u> |

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH RECREATION DISTRICT #11
Component Unit of the Lafourche Parish Government
Bayou Blue, Louisiana

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities**

For the year ended December 31, 2022

| | | |
|---|-----------------|-------------------|
| Total net changes in fund balances per Statement of Revenues, Expenditures, and Changes in Fund Balances | | \$ 345,923 |
| 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 | 21,523 | |
| Depreciation expense for the current year | <u>(51,625)</u> | (30,102) |
| Ad valorem tax revenue reported in the Statement of Activities does not provide current financial resources and are not reported as revenues in governmental funds. | | |
| | | <u>(190,732)</u> |
| Change in Net Position - Governmental activities | | <u>\$ 125,090</u> |

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH RECREATION DISTRICT #11
Component Unit of the Lafourche Parish Government
Bayou Blue, Louisiana

Notes to the Financial Statements
December 31, 2022

INTRODUCTION

The Lafourche Parish Recreation District No. 11, (the District) State of Louisiana was created by the Lafourche Parish Council, by virtue of authority conferred by Part I, Chapter 7, Title 40 of the Louisiana Revised Statute of 1950. A board of directors, appointed by the Lafourche Parish Council, governs the District. The District's finances are primarily ad valorem taxes on property located within the District's boundaries. The District provides facilities, equipment, programs, and finances to conduct recreational activities throughout the year. The District has all the rights and powers and privileges granted by and conferred by the Constitution and Statutes of the State of Louisiana, including the right to incur debt, issue bonds, and levy taxes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting entity

As the governing authority of the parish, the Lafourche Parish Council is the financial reporting entity for Lafourche Parish. The financial reporting entity consists of (a) the primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Because the parish council appoints the governing board and because of the potential for the organization to impose specific financial burdens on the council, the district was determined to be a component unit of the Lafourche Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The Governmental Accounting Standards Board (GASB) statements provide guidelines in determining whether certain organizations are component units. An objective of Statement No. 14, The Financial Reporting Entity, is that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. Statement 39 amends Statement 14 to provide additional

LAFOURCHE PARISH RECREATION DISTRICT #11
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Notes to the Financial Statements
December 31, 2022

guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based upon the nature and significance of their relationship with the primary government. Generally, it requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. Organizations that are legally separate, tax-exempt entities and that meet all of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents.
2. The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

Based on the previous criteria, the District has determined that it has no component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual

LAFOURCHE PARISH RECREATION DISTRICT #11
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Notes to the Financial Statements
December 31, 2022

provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the District is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b) Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the District is described below:

Governmental Fund - General Fund

The General Fund is the principal fund of the District and is used to account for the operations of the District's office. General revenues are accounted for in this fund. General operating expenditures are paid from this fund.

C. Measurement Focus / 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 (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements (FFS)

The amounts reflected in the Governmental Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets

LAFOURCHE PARISH RECREATION DISTRICT #11
Component Unit of the Lafourche Parish Government
Bayou Blue, Louisiana

Notes to the Financial Statements
December 31, 2022

and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District wide operations.

The amounts reflected in the Governmental Funds, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues –

Revenues are generally recognized when they become measurable and available as net current assets.

Expenditures –

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

D. Budgets and Budgetary Accounting

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners is required to adopt a budget for the District's general fund. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

It is the District's policy to prepare the budgets on the cash basis of accounting which is a non-GAAP basis of accounting. The difference between modified cash basis (non-GAAP) and accrual basis (GAAP) is the accounting for the Ad Valorem tax receivables, accounts payables, and the support from the Parish. An adjustment is made to convert the actual financial information from GAAP basis to non-GAAP basis for comparison purposes.

LAFOURCHE PARISH RECREATION DISTRICT #11
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Bayou Blue, Louisiana

Notes to the Financial Statements
December 31, 2022

E. Encumbrances

The district does not use encumbrance accounting.

F. Cash and cash equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents also include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Inventories

Physical inventories consist of expendable supplies held for consumption. Because inventories are expended within one operating cycle they are recorded as expenditures when paid for and are not recorded as an inventory asset.

H. Capital assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net positions and Statement of Activities. Since surplus assets are disposed of or sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

| Description | |
|-------------------------|-------------|
| Building & improvements | 20-40 years |
| Park facilities | 5-20 years |
| Equipment | 5-20 years |

I. Equity Classifications

In the Government-Wide statements, equity is classified as Net Position and displayed in three components:

LAFOURCHE PARISH RECREATION DISTRICT #11
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Notes to the Financial Statements
December 31, 2022

- a. Invested in capital assets — Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position — Consists of Net Position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, 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 "invested in capital assets, net of related debt."

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions 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 decision through approval in minutes of the Board, which is the highest level of decision-making authority.
- d. Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned - all other spendable amounts.

When an expenditure is incurred for the purpose for which both restricted and unrestricted fund balance is available, the Board considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

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Notes to the Financial Statements
December 31, 2022

J. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

K. Use of Estimates

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

L. Subsequent Events

The subsequent events of the organization were evaluated through the date of the financial statements were available to be issued (June 09, 2023).

NOTE 2. SUPPORT FROM LAFOURCHE PARISH GOVERNMENT

The Lafourche Parish Government has an agreement with the District to pay certain expenses on behalf of the District up to a budgeted amount. Amounts paid by the Parish over this amount are billed directly to the District for reimbursement to the Parish. For the current year, the Parish paid \$89,399 in salaries and related benefits and liability insurance. This amount was not reimbursed by the District. As required, this support is reported as revenues and expenditures in the accompanying financial statements. Any payments reimbursed to the Parish for overages, are reported as expenditures in the accompanying financial statements.

NOTE 3. LEVIED TAXES

Ad valorem taxes are levied on November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and moveable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax District at percentages of actual value as specified by Louisiana law. A reevaluation of all real property is required to be completed no less than every four years. Taxes are typically due and payable December 31st with interest being charged on payments after January 1st. However, because of mandatory reassessment due to Hurricane Ida, the

LAFOURCHE PARISH RECREATION DISTRICT #11
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Notes to the Financial Statements
December 31, 2022

2021 tax roll was considered due and payable March 2022 with interest being charged on payments after May 31st. Taxes can be paid through the tax sale date, which is usually the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The District is authorized levy a maximum of 15 mills for ad valorem tax. The tax rate for the year ended December 31, 2022, which is the 2022 tax roll, was 9.25 mills per \$1,000 of assessed valuation on property within the District's area for the purpose of maintaining and operating the District.

NOTE 4. CASH AND CASH EQUIVALENTS

At December 31, 2022, the District has cash (book balances) totaling \$285,450 as follows:

| | |
|------------------------|------------------|
| Checking - Operating | \$272,950 |
| Checking – Maintenance | <u>12,500</u> |
| Total Cash | <u>\$285,450</u> |

NOTE 5. CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution the District's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at December 31, 2022 in the amount of \$287,304 were secured with \$250,000 of federal deposit insurance and pledged securities of \$98,777, respectively. Deposits secured by pledged securities were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name (category 3 deposits). Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds on demand. The District does not have a policy for custodial credit risk.

LAFOURCHE PARISH RECREATION DISTRICT #11
Component Unit of the Lafourche Parish Government
Bayou Blue, Louisiana

Notes to the Financial Statements
December 31, 2022

NOTE 6. CHANGES IN CAPITAL ASSETS

A summary of changes in general capital assets follows:

| | <u>12/31/2021</u> | <u>Additions</u> | <u>Deletions</u> | <u>12/31/2022</u> |
|---|-------------------|--------------------|------------------|-------------------|
| Governmental Activities: | | | | |
| Capital assets being depreciated | | | | |
| Buildings | \$ 812,523 | \$ - | \$ - | \$812,523 |
| Equipment | 260,775 | 21,523 | - | 282,298 |
| Park | 406,338 | - | - | 406,338 |
| | <hr/> | | | |
| Total depreciable capital assets | 1,479,637 | 21,523 | - | 1,501,160 |
| Total accumulated depreciation | (971,853) | (51,625) | - | (1,023,478) |
| | <hr/> | | | |
| Total capital assets, net of depreciation | <u>\$ 507,784</u> | <u>\$ (30,102)</u> | <u>\$ -</u> | <u>\$ 477,682</u> |

Depreciation expense for the current year is \$51,625.

NOTE 7. COMPENSATION OF BOARD MEMBERS

The District did not pay per diem or compensation to any of its board members during the year ended December 31, 2022.

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; illnesses or injuries to its volunteers; and natural disasters. The District has commercial insurance to cover or reduce the risk of loss. No settlements were made during the current that exceeded the District's insurance coverage.

NOTE 9. LITIGATION AND CLAIMS

At December 31, 2022, the District had no litigation or claims pending.

Required Supplemental Information

LAFOURCHE PARISH RECREATION DISTRICT #11
Component Unit of the Lafourche Parish Government
Bayou Blue, Louisiana

Budgetary Comparison Schedule
General Fund - Non-GAAP Basis
For the Year ended December 31, 2022

| | Original Budget | Amended / Final Budget | Actual (See Note 1) | Variance - favorable (unfavorable) |
|--|---------------------|---------------------------|------------------------|--|
| Revenues: | | | | |
| Ad valorem taxes | \$ - | \$ 287,000 | \$ 273,426 | \$ (13,574) |
| Charges for services | - | 10,000 | 30,133 | 20,133 |
| Baseball program | - | 9,000 | 9,305 | 305 |
| Summer program | - | 42,000 | 44,792 | 2,792 |
| Total revenues | <u>\$ -</u> | <u>\$ 348,000</u> | <u>\$ 357,656</u> | <u>\$ 9,656</u> |
| Expenditures: | | | | |
| Concession purchases | \$ - | \$ - | \$ 14,437 | \$ (14,437) |
| Advertising | 2,460 | 2,460 | 92 | 2,368 |
| Payroll and employee benefits | 24,600 | 24,600 | 95,394 | (70,794) |
| Repairs and maintenance | 24,600 | 24,600 | 51,864 | (27,264) |
| Insurance | 16,400 | 16,400 | 8,115 | 8,285 |
| Recreation programs | 12,300 | 73,300 | 26,345 | 46,955 |
| Office expenses | 3,280 | 3,280 | 6,725 | (3,445) |
| Professional fees | 10,660 | 10,660 | 9,200 | 1,460 |
| Utilities | 49,200 | 49,200 | 18,329 | 30,871 |
| Rent | 32,800 | 32,800 | 8,275 | 24,525 |
| Capital outlay | 65,600 | 65,600 | 31,668 | 33,932 |
| Total expenditures | <u>\$ 241,900</u> | <u>\$ 302,900</u> | <u>\$ 270,444</u> | <u>\$ 32,456</u> |
| Excess (deficiency) of revenues over expenditures | \$ (241,900) | \$ 45,100 | \$ 87,212 | \$ 42,112 |
| Fund balance, beginning | <u>not budgeted</u> | <u>not budgeted</u> | <u>\$ 93,748</u> | |
| Fund balance, ending | <u>not budgeted</u> | <u>not budgeted</u> | <u>\$ 180,960</u> | |

See accompanying notes and auditors' report.

Supplementary Information

LAFOURCHE PARISH RECREATION DISTRICT #11
Component of the Lafourche Parish Government
Bayou Blue, Louisiana

For the Year Ended December 31, 2022

Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer

Agency Head Name: Holly Duet, Director

| Purpose | Amount |
|--|---------------|
| Salary | \$29,350 |
| Benefits-insurance | 0 |
| Benefits-retirement | 0 |
| Benefits-other | 2,322 |
| Car allowance | 0 |
| Vehicle provided by government | 0 |
| Per diem | 0 |
| Reimbursements for District expenses | 6,167 |
| Travel | 0 |
| Registration fees | 0 |
| Conference travel | 0 |
| Continuing professional education fees | 0 |
| Housing | 0 |
| Unvouchered expenses* | 0 |
| Special meals | 0 |
| | |

This form is used to satisfy the reporting requirements of R.S. 24:513(A)(3).

See accompanying notes and auditors' report.

**OTHER REPORTS REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS**



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 Lafourche Parish Recreation District #11
Component Unit of Lafourche Parish Government
Bayou Blue, 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 each major fund of the Lafourche Parish Recreation District #11 (the District), a component unit of Lafourche Parish Consolidated Government, as of and for the year ended December 31, 2022, 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 09, 2023.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of current and prior year findings and management's corrective action plan as item 2022-01 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 from material misstatement, we performed tests of its compliance with certain provisions of

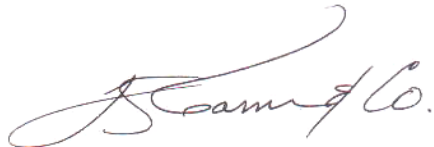
laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The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

Lafourche Parish Recreation District #11's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of audit findings and management's corrective action plan. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Thibodaux, Louisiana
June 09, 2023

LAFOURCHE PARISH RECREATION DISTRICT #11
Component Unit of the Lafourche Parish Government
Bayou Blue, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year Ended December 31, 2022

Section I – Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2022-01 Inadequate Segregation of Accounting Functions over Bank Reconciliation Procedures

CONDITION: The Lafourche Parish Recreation District No. 11 did not have adequate segregation of functions within the accounting system with regards to the bank reconciliation procedures.

CRITERIA: Proper segregation of internal controls requires that a member of management or a board member who does not handle cash, post ledgers or issue checks reviews each bank reconciliation. The bank reconciliation is prepared by an external accountant who also posts transactions to the general ledger. *Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is that the District does not have a member of management or board member review the monthly bank reconciliations, which are prepared by an external accountant who also posts transactions to the general ledger, so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial function increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should assign a board member or member of management who does not handle cash, post ledgers or issue checks to review each bank reconciliation and acknowledge that review by initialing and dating their review.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The District concurs with the audit finding. The board will appoint someone who has no handle cash, post ledgers or issue checks to review the monthly bank reconciliations and document this review.

NAME OF CONTACT PERSON: Albert Martin, Chairman

ANTICIPATED COMPLETION DATE: June 2023

LAFOURCHE PARISH RECREATION DISTRICT #11
Component Unit of the Lafourche Parish Government
Bayou Blue, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year Ended December 31, 2022

Section II: Prior Year Findings

A. Internal Control Over Financial Reporting

There were no findings reported.

B. Compliance and Other Matters

1221-01 Noncompliance with state budgeting laws

Fiscal year finding initially occurred: 2020

CONDITION: The District did not budget estimated revenues. The adopted budget was for expenditures only.

CURRENT STATUS: Resolved.



LAFOURCHE PARISH RECREATION DISTRICT #11

**COMPONENT UNIT OF THE
LAFOURCHE PARISH GOVERNMENT**

Bayou Blue, Louisiana

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

**Statewide Agreed-Upon Procedures
Year Ended December 31, 2022**

T.S. KEARNS & CO.


(A Professional Corporation)
164 West Main Street, Thibodaux, LA 70301
South end of Canal Boulevard
(985) 447-8507 Fax (985) 447-4833
www.kearnscpa.com



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Lafourche Parish Recreation District #11
Component Unit of Lafourche Parish Government
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 01, 2022 through December 31, 2022. The Lafourche Parish Recreation District #11's (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 01, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

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

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

Exception noted. The District has no written policies and procedures which address the items above.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions. The board met on a frequency in accordance with the board's bylaws. All meetings maintained a quorum.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Exception noted. While management attests that the board receives budget-to-actual comparison reports as part of the monthly financial reports package, the minutes do not reference budget-to-actual comparisons.

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

Not applicable.

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

No exceptions. There were no written updates of the progress of resolving audit findings; however, due to the small size of the organization and the nature of the

prior year finding, it is the board who was responsible for correcting the issue. Therefore, written updates were not necessary.

3) Bank Reconciliations

- A. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Obtained a list of bank accounts from management and management provided representation that the listing is complete.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exception noted.

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

Exception noted. Bank reconciliations were not reviewed by a member of management or board member.

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

No exceptions. There were no items outstanding for more than 12 months of the statement closing date.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained a list of deposit sites from management and management provided representation that the listing is complete.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
- i. Employees responsible for cash collections do not share cash drawers/registers;
No exception noted.
 - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
No exception noted.
 - iii. 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; and
No exception noted.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
No exception noted.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
No exception noted.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
Exception noted. Sequentially numbered receipt book not used.

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

No exception noted.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exception noted.

- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Exception noted. Receipt support not date stamped nor otherwise noted the date of receipt; therefore, I was unable to determine if the receipts were deposited within one business day. Management attested that deposits were generally not made one business day after receipt.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exception noted.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained a list of payment processing locations from management and management provided representation that the listing is complete.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase;

No exception noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exception noted.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

Exception noted. Personnel responsible for processing payments has access to modify vendor files. Vendor file is not reviewed periodically.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exception noted.

- v. Only employee/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Not applicable. Electronic disbursements are not used.

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

Obtained a list of non-payroll disbursements from management and management provided representation that the listing is complete.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exception noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B above, as applicable.

Exception noted. While management attested that duties were properly segregated, there was no evidence of this on the documentation reviewed.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons

authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Not applicable. Electronic disbursements are not used.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported]; and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Not applicable. The District does not utilize credit, debit, fuel or purchase cards.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Not applicable. The District did not have any travel or travel-related reimbursements during the year.

8) Contracts

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

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

Not applicable. The District entered into only one contract during the year which was for the practitioner's services.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Not applicable. The District did not have any employees during the year.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
- ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Exception noted. Of the five selected employees/officials, only one completed the required ethics training during the year. The board does not have a written ethics policy.

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

Exception noted. The agency does not have an appointed ethics designee.

11) Debt Service

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

Management attested that the District has no bonds/notes or other debt instruments.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Management attested that the District has no bonds/notes or other debt instruments.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No exceptions. There were no alleged or actual reports of misappropriations of public funds during the period.

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

No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

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

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

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

14) Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Exceptions noted. None of the board members completed the required sexual harassment training during the year. The board does not have a written sexual harassment policy. Management did not prepare a sexual harassment report for 2022.

Managements Response: The District's Board agrees with all exceptions and will continue to work to improve processes to ensure effective and efficient handling of all transactions and compliance with all requirements.

We were engaged by the Lafourche Parish Recreation District #11 to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or

conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Lafourche Parish Recreation District #11 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.

A handwritten signature in blue ink, appearing to read "T. S. Kearns & Co.", written in a cursive style.

Thibodaux, Louisiana
June 09, 2023