

**HAMMOND AREA RECREATION DISTRICT NO. 1  
HAMMOND, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

**Hammond Area Recreation District No. 1**  
**Hammond, Louisiana**  
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As of and for the Year Ended December 31, 2022

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Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA  
J. Bryan Ehricht, CPA  
Megan E. Lynch, CPA  
B. Jacob Steib, CPA



**JAMES  
LAMBERT RIGGS  
& ASSOCIATES, INC.**  
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## Independent Auditor's Report

Mr. Jeff Cooper, Chairman  
and Members of the Board of Directors  
Hammond Area Recreation District No. 1  
Hammond, LA 70404

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the general fund of the Hammond Area Recreation District No. 1 of Tangipahoa Parish (the "District"), a component unit of Tangipahoa Parish 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 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 general fund of the District, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standard 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 Responsibility 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 collusions, 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 judgement 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 judgement 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 25 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 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 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.

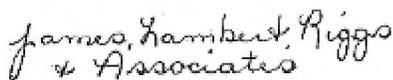
Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Schedule of Compensation, Benefits, and Other Payments to Agency Head 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. 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 Schedule of Compensation, Benefits, and Other Payments to Agency Head 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 May 23, 2023, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

May 23, 2023

## **Basic Financial Statements**

**Hammond Area Recreation District No. 1**  
**Hammond, Louisiana**  
Statement of Net Position  
December 31, 2022

Exhibit A

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 736,832
Accounts Receivable, Net of Allowance for Uncollectibles	3,410,304
Restricted Assets:	
Cash Held in Trust - Revenue Bond Debt Service	228
Capital Assets Not Being Depreciated:	
Land	3,112,682
Capital Assets, Net of Accumulated Depreciation	9,855,156
Right of Use Assets, Net of Accumulated Amortization	232,867
Total Assets	<u>\$ 17,348,069</u>
<i>Liabilities</i>	
Accounts Payable	\$ 160,452
Pension Fund Mandate Payable	109,000
Accrued Interest Payable	17,293
Capital Lease Obligation - Current	31,573
Long-Term Debt - Current	1,475,000
Capital Lease Obligation - Non-Current	172,764
Long-Term Debt - Non-Current	4,540,000
Total Liabilities	<u>\$ 6,506,082</u>
<i>Net Position</i>	
Net Investment in Capital Assets	\$ 12,996,368
Restricted	1,535,691
Unrestricted	<u>(3,690,072)</u>
Total Net Position	<u>\$ 10,841,987</u>

The accompanying notes are an integral part of this statement.

**Hammond Area Recreation District No. 1**  
**Hammond, Louisiana**  
Statement of Activities  
For the Year Ended December 31, 2022

Exhibit B

	<u>Governmental Activities</u>
<b>Expenses:</b>	
Parks and Recreation:	
Salaries and Related Benefits	\$ 857,544
Ground Maintenance Service	569,415
Legal & Professional	25,995
Repairs & Maintenance	317,051
Telephone & Utilities	160,100
Office Expenses	33,669
Insurance	65,033
Pension Mandate Deduction	109,000
Bad Debt Expense	34,448
Depreciation Expense	611,803
Amortization Expense	16,633
Other	84,723
Interest on Debt Service	81,024
Total Expenses	<u>2,966,438</u>
 <b>Program Revenues:</b>	
Charges for Services - Program and User Fees	<u>467,400</u>
Total Program Revenues	<u>467,400</u>
Net Program (Expense) / Revenue	(2,499,038)
 <b>General Revenues:</b>	
Ad Valorem Taxes	3,422,408
PILOT Revenue	58,426
Concessions Income	64,626
Sponsorships	118,572
Interest Income	452
Other Income	32,707
Total General Revenues	<u>3,697,191</u>
Change in Net Position	1,198,153
 <b>Net Position:</b>	
Beginning of the Year	<u>9,643,834</u>
End of the Year	<u>\$ 10,841,987</u>

The accompanying notes are an integral part of this statement.

**Hammond Area Recreation District No. 1**  
**Hammond, Louisiana**  
Governmental Funds Balance Sheet  
December 31, 2022

Exhibit C

	<u>General Fund</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 736,832
Accounts Receivable, Net of Allowance for Uncollectibles	3,410,304
Restricted Assets:	
Cash Held in Trust	228
Total Assets	<u>\$ 4,147,364</u>
<i>Liabilities and Fund Balances</i>	
Liabilities:	
Accounts Payable	\$ 160,452
Pension Fund Mandate Payable	109,000
Total Liabilities	<u>269,452</u>
Fund Balances:	
Restricted for Debt Service	1,535,691
Unassigned	2,342,221
Total Fund Balances	<u>3,877,912</u>
Total Liabilities and Fund Balances	<u>\$ 4,147,364</u>

The accompanying notes are an integral part of this statement.

**Hammond Area Recreation District No. 1  
Hammond, Louisiana**

Exhibit D

Reconciliation of the Governmental Funds Balance Sheet to the  
Government-Wide Statement of Net Position  
For the Year Ended December 31, 2022

**Total Fund Balances, Governmental Funds (Exhibit C)** \$ 3,877,912

Amounts reported for governmental activities in the statement of net position are different because:

Governmental Capital Assets, Net of Depreciation at December 31, 2022	12,967,838
Governmental Right of Use Assets, Net of Amortization at December 31, 2022	232,867

In the statement of net position, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditures is reported when due.	(17,293)
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Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:

Current (Short-Term) Obligations:

Lease Obligations	(31,573)
Revenue Bonds	(1,475,000)

Non-Current (Long-Term) Obligations:

Lease Obligations	(172,764)
Revenue Bonds	<u>(4,540,000)</u>

**Net Position of Governmental Activities (Exhibit A)** \$ 10,841,987

The accompanying notes are an integral part of this statement.

**Hammond Area Recreation District No. 1  
Hammond, Louisiana**

Exhibit E

Statement of Governmental Fund Revenues, Expenditures, and  
Changes in Fund Balances  
For the Year Ended December 31, 2022

	<u>General Fund</u>
<b>Revenues:</b>	
Ad Valorem Taxes	\$ 3,422,408
PILOT Revenue	58,426
Program and User Fees	467,400
Concessions Income	64,626
Sponsorships	118,572
Interest Income	452
Other Income	32,707
Total Revenues	4,164,591
<b>Expenditures:</b>	
Parks and Recreation:	
Salaries and Related Benefits	857,544
Ground Maintenance Service	569,415
Legal & Professional	25,995
Repairs & Maintenance	317,051
Telephone & Utilities	160,100
Office Expenses	33,669
Insurance	65,033
Pension Mandate Deduction	109,000
Bad Debt Expense	34,448
Other	84,723
Capital Outlay	232,739
Debt Service:	
Principal	1,490,070
Interest	85,222
Total Expenditures	4,065,009
Excess of Revenues over Expenditures	99,582
<b>Fund Balance - Beginning of the Year</b>	<b>3,778,330</b>
<b>Fund Balance - End of the Year</b>	<b>\$ 3,877,912</b>

The accompanying notes are an integral part of this statement.

**Hammond Area Recreation District No. 1  
Hammond, Louisiana**

Exhibit F

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and  
Changes in Fund Balance to the Government-Wide Statement of Activities  
For the Year Ended December 31, 2022

**Net Change in Fund Balances, Governmental Funds (Exhibit E)** \$ 99,582

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital Outlay	232,739
Depreciation Expense	(611,803)
Amortization Expense	(16,633)

In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due. This is the change in accrued interest from the prior year:

Prior Year Accrued Interest	21,491
Current Year Accrued Interest	(17,293)

The issuance of long-term debt (e.g. bonds) 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. Also, governmental funds report the effect of issuance costs, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Lease Payments	30,070
Repayments of Long-Term Debt	<u>1,460,000</u>

**Change in Net Position of Governmental Activities (Exhibit B)** \$ 1,198,153

The accompanying notes are an integral part of this statement.

## **Notes to the Financial Statements**

## Hammond Area Recreation District No. 1

### Hammond, Louisiana

Notes to Financial Statements

For the Year Ended December 31, 2022

#### **Narrative Profile**

The Hammond Area Recreation District No. 1, Hammond, Louisiana, was created by an ordinance of the Tangipahoa Parish Council on May 28, 1996, *“as a recreation district to consist of territorial lands and property, both real and personal, in the parish, in accordance with Louisiana Revised Statute (LRS) 33:4562 et seq., and Article 6, Section 19 of the Louisiana Constitution of 1974 and other constitutional and statutory authority supplemental thereto, to be a body corporate in law and a subdivision of the State, known as “Hammond Area Recreation District No. 1” (the “District”).*

The District contains within its limits one municipality, the City of Hammond, Louisiana. The governing body of this municipality has given consent to the inclusion of such municipality in the District. The District shall be and is a political subdivision of the State, within the meaning of the constitution and statutes of the State relating to incurring debt and issuing bonds therefore.

The objectives and purposes of the District are to own and operate playgrounds and other facilities and to engage in activities that would promote recreation and any related activity designed to encourage recreation and promote the general health and well-being of youths and all of the goals and purposes as authorized by law. Revenues for the District include property taxes. Major expenditures of the District include ground maintenance, capital outlay, and debt service.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of LRS 24:513 and to the guidance set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

#### **1. Summary of Significant Accounting Policies**

##### **A. Financial Reporting Entity**

All board members of the District are appointed by the Tangipahoa Parish Council (hereinafter referred to as the “Council”). As the governing authority of the parish, for reporting purposes, the Council is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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 board members of the District are appointed by the Council, the District was determined to be a component unit of the 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 government, the general governmental services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

##### **B. Basic Financial Statements – Government-Wide Financial Statements**

The District's basic financial statements include both government-wide (reporting on the District as a whole) and fund financial statements (reporting the District's major fund). Both the government-wide

## Hammond Area Recreation District No. 1

### Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2022

and fund financial statements categorize primary activities as either governmental or business-type. All District activities are classified as governmental activities. The District has no business-type activities.

*Statement of Net Position* – In the government-wide Statement of Net Position, the governmental activities (a) are presented on a consolidated basis, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

*Statement of Activities* – The government-wide Statement of Activities reports both the gross and net cost of the District's functions. The functions are also supported by general revenues (property taxes, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. Program revenues must be directly associated with the ongoing operations of the District. Operating grants include operating-specific and discretionary (either operating or capital) grants, while capital grants report capital-specific grants and contributions. The net costs (by function) are normally covered by general revenues.

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

#### C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

The emphasis in fund financial statements is on the major funds. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures / expenses of either fund category or the governmental and business-type combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The District has no business-type funds.

**Governmental Funds** – The focus of the governmental funds' measurement (in the fund statements) is the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The District reports the following governmental fund:

General Fund – the primary operating fund of the District, which accounts for the operations of the District, except those operations required to be handled in a separate fund. The General Fund is available for any purpose provided it is expended or transferred in accordance with State and Federal laws and according to District policy.

The activities reported in this fund are reported as governmental activities in the government-wide financial statements.

**Hammond Area Recreation District No. 1**

**Hammond, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2022

**D. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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 in the funds statements. Capital assets and long-term liabilities are included in the government-wide statements. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net fund balances.

The government-wide Statement of Net Position and Statement of Activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the Statement of Net Position.

The fund financial statements of the governmental funds are maintained and reported on the modified accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. The District considers all revenues available if they are collected within 60 days after year-end. Interest income is recorded as earned. Federal and state reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures are recorded when the fund liability is incurred.

The Statement of Net Position and the Statement of Activities are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

**E. Budgets and Budgetary Accounting**

Budgetary procedures applicable to the District are defined in LRS 39:1301-15. The major requirements of the Local Government Budget Act are summarized as follows:

1. The District adopts a budget each year for the general fund and special revenue funds, if applicable.
2. The Chairman prepares a proposed budget and submits it to the Board of Directors for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal.
3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. A hearing on the proposed budget was held on November 30, 2021. The budget was adopted on December 16, 2021.
4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board. The budget was amended on December 22, 2022.
5. The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund presents actual expenditures in accordance with the accounting principles generally accepted in

**Hammond Area Recreation District No. 1**

**Hammond, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2022

the United States of America on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

F. Cash, Cash Equivalents, and Investments

The District's cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under State law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with State banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under State law, the District may also invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at fair value using published market values.

Certain proceeds of the District's 2021 Revenue Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue bond debt service" accounts are used to segregate resources accumulated for debt service payments over the next twelve months.

G. Allowance for Uncollectible Accounts

The District calculates its allowance for uncollectible property taxes using historical collection data and, in certain cases, specific account analysis.

H. Inventory

The District utilizes the "purchase method" of accounting for supplies, whereby expendable operating supplies are recognized as expenditures when purchased. The District did not record any inventory at December 31, 2022, as the amount is immaterial.

I. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements, to the extent the District's capitalization threshold of \$1,000 is met. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated.

Interest incurred during construction is capitalized on a government-wide basis. Interest attributable to capitalized assets as of December 31, 2022, was immaterial.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts, and any resulting gain or loss is included in the results of operations.

**Hammond Area Recreation District No. 1**

**Hammond, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2022

J. Long-Term Obligations

In the government-wide financial statements, debt principal payments of governmental activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Compensated Absences

The District has the following policies related to sick and vacation leave:

*Sick Leave*

Full-time employees will accumulate sick leave at the rate of 96 hours per year. During the first pay period of each year and the first pay period of employment, an employee will earn 3.50 hours of sick leave. The employee will earn 3.70 hours of leave per pay period from the second pay period through the remainder of the year. An employee is eligible to utilize sick leave time after 45 days of continuous employment.

*Annual Leave*

Full-time employees will earn annual leave at the rate of 80 hours per year. During the first pay period of each year and the first pay period of employment, an employee will earn 3.075 hours of annual leave. The employee will earn 3.077 hours per pay period from the second pay period through the end of the year. An employee is eligible to utilize leave after 90 days of continuous employment.

The Director of the District will earn annual leave at the rate of 120 hours per year. During the first pay period of each year and the first pay period of employment, the Director will earn 4.5 hours of annual leave. The Director will earn 4.62 hours per pay period from the second pay period through the end of the year. The Director is eligible to utilize leave after 90 days of continuous employment.

L. Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

**Hammond Area Recreation District No. 1**

**Hammond, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2022

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

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.

**M. Fund Balance**

In the governmental fund financial statements, fund balance is classified as follows:

1. Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for specific purposes because of enabling legislation, State or Federal laws, or externally imposed by grantors, creditors, or citizens. Proceeds of the sale of bonds and ad valorem tax receivables are considered restricted due to the funds being restricted for construction and debt service, respectively.
3. Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the Board of Directors (the District's highest level of decision-making authority).
4. Assigned Fund Balance – amounts that are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned Fund Balance – all amounts not included in other spendable classifications.

The District considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available.

As of December 31, 2022, the District did not have any nonspendable, committed, or assigned fund balances.

**N. Adopted Accounting Pronouncements**

The GASB issued Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. 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. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of GASB 87 to reporting periods beginning after June 15, 2021. The District adopted the provisions of GASB Statement No. 87, *Leases* during 2022.

**O. 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.

**Hammond Area Recreation District No. 1**  
**Hammond, Louisiana**  
Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2022

**2. Stewardship, Compliance, and Accountability**

A. Budgetary Information

An annual budget is adopted on a basis consistent with generally accepted accounting principles for the General Fund. All annual appropriations lapse at year-end. See Note 1-E for the procedures the District follows regarding budgetary accounting. The District complied with the Local Government Budget Act in adopting and amending its budget for the year ended December 31, 2022.

B. Deposits, Investment Laws, and Regulations

In accordance with State law, all uninsured deposits in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3, regarding cash, cash equivalents, and investments, the District was in compliance with the deposit and investment laws and regulations.

**3. Cash, Cash Equivalents, and Investments**

As reflected on Exhibit A, the District has cash totaling \$737,060 (of which \$228 is restricted) at December 31, 2022.

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 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The following is a summary of cash and investments (bank balances) at December 31, 2022, with the related federal deposit insurance and pledged securities:

Bank Balances:	
Insured (FDIC Insurance)	\$ 250,228
Uninsured and Collateralized:	
Collateral held by pledging bank's trust department not in the District's name	498,590
Uninsured and Uncollateralized	<u>          -</u>
Total Deposits	<u><u>\$ 748,818</u></u>

Even though the pledged securities are not held in the entity's name, LRS 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 District that the fiscal agent has failed to pay deposited funds upon demand. Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3) under the provisions of GASB Statement 40. 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 does not have a deposit policy for custodial risk. As of December 31, 2022, the District was in compliance with State law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

**Hammond Area Recreation District No. 1**  
**Hammond, Louisiana**  
Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2022

**4. Receivables**

Receivables represent revenues earned in 2022 and received in 2023 as follows:

Tangipahoa Parish Sheriff - Ad Valorem Taxes	\$ 3,444,752
Other Receivables	-
Less: Allowance for Uncollectibles	<u>(34,448)</u>
Accounts Receivable, Net of Allowance for Uncollectibles	<u>\$ 3,410,304</u>

**5. Capital Assets**

Capital assets and depreciation activity as of and for the year ended December 31, 2022, are as follows:

	Balance 01/01/22	Increases	Decreases	Balance 12/31/22
Capital Assets not Depreciated:				
Land	\$ 3,112,682	\$ -	\$ -	\$ 3,112,682
Total Capital Assets not Depreciated	3,112,682	-	-	3,112,682
Other Capital Assets:				
Buildings	4,998,394	184,388	-	5,182,782
Equipment	462,091	18,051	-	480,142
Furniture & Fixtures	11,997	-	-	11,997
Land Improvements	9,950,107	30,300	-	9,980,407
Total Other Capital Assets	15,422,589	232,739	-	15,655,328
Less Accumulated Depreciation:				
Buildings	991,336	124,960	-	1,116,296
Equipment	319,505	37,198	-	356,703
Furniture & Fixtures	10,165	316	-	10,481
Land Improvements	3,867,363	449,329	-	4,316,692
Total Accumulated Depreciation	5,188,369	611,803	-	5,800,172
Other Capital Assets, Net	10,234,220	(379,064)	-	9,855,156
Totals	<u>\$ 13,346,902</u>	<u>\$ (379,064)</u>	<u>\$ -</u>	<u>\$ 12,967,838</u>

Capital assets are stated at cost, less an allowance for accumulated depreciation. Depreciation expense is computed using the straight-line method of the estimated useful lives as follows:

Land	N/A
Buildings	40 Years
Land Improvements	20 - 30 Years
Equipment	15 Years

**Hammond Area Recreation District No. 1**  
**Hammond, Louisiana**  
Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2022

**6. Leases**

On October 21, 2021, the District entered into a lease purchase agreement with Government Capital Corporation for the purchase of a lighting system for two existing fields. The lease is for 84 months with seven (7) annual payments of \$37,724.78 at an interest rate of 2.97%. The lease contains a bargain purchase agreement at the end of the lease. At December 31, 2022, the District recorded an asset of \$249,500 with accumulated amortization of \$16,633. The balance of the lease is \$204,337 with a current portion of \$31,573 as of December 31, 2022. Total payments during 2022 totaled \$30,070 of principal and \$7,655 of interest.

The following is a summary of the changes in the capital lease payable for the year ended December 31, 2022:

	Balance at 01/01/22	Debt Issued	Debt Retired	Balance at 01/01/22
Capital Lease - Lighting System	\$ 234,407	\$ -	\$ 30,070	\$ 204,337

The annual requirements to amortize outstanding debt at December 31, 2022, are as follows:

Year Ended December 31,	Lease Payments
2023	\$ 37,725
2024	37,725
2025	37,725
2026	37,725
2027	37,725
Thereafter	37,725
	226,350
Less: Interest Portion	22,013
	\$ 204,337

**7. Changes in Long-Term Debt**

The following is a summary of debt transactions for the District for the year ended December 31, 2022:

Type of Debt	Balance at 01/01/22	Debt Issued	Debt Retired	Balance at 12/31/22	Due Within One Year
Series 2021 \$7,635,000 Refunding Bonds	\$ 6,015,000	\$ -	\$ 1,475,000	\$ 4,540,000	\$ 1,475,000
	\$ 6,015,000	\$ -	\$ 1,475,000	\$ 4,540,000	\$ 1,475,000

**Hammond Area Recreation District No. 1**  
**Hammond, Louisiana**  
Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2022

Long-term debt at December 31, 2022, is comprised of the following:

\$7,635,000 Refunding Bonds, Series 2021 dated January 7, 2021; Due in annual installments of \$160,000 - \$1,535,000 through April 1, 2026; With interest at 1.15% (Payable from a pledge and dedication of the proceeds of a 15-year, 10 mill ad valorem tax). \$ 6,015,000

Payments of principal and interest on the Revenue Bonds are secured by a pledge and dedication of the proceeds of the ten (10.00) mills, fifteen (15) year property tax approved by the District voters on November 2, 2010.

The annual requirements to amortize all debt outstanding at December 31, 2022, including interest payments of \$139,466 are as follows:

Year Ended December 31,	\$7,635,000 Bonds
2023	\$ 1,535,691
2024	1,538,614
2025	1,536,335
2026	1,543,826
	6,154,466
Less: Interest Portion	139,466
	\$ 6,015,000

On January 7, 2021, the District issued \$7,635,000 Series 2021 Revenue Refunding Bonds for the purpose of refunding \$6,990,000 of the outstanding balance of the Series 2015 Revenue Bonds and interest associated with the Series 2015 Revenue Bonds. The net proceeds of \$7,458,461 (after payment of \$176,539 in cost of issuance) were used to pay in full (plus interest of \$3,290) the remaining \$375,000 balance of the Series 2011 \$760,000 Bonds with the remaining \$7,080,171 being used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2015 Series bonds. This advance refunding was undertaken to decrease total debt service payments over the next 5 years by \$128,584.

The advance refunding of the Series 2015 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$4,980.

**8. Ad Valorem Taxes**

The following is a summary of authorized and levied ad valorem taxes:

General Fund	10.00 Mills
--------------	-------------

Ad valorem taxes attach as an enforceable lien on property on January 1 each year. Taxes are levied by the District during the year, are billed to taxpayers, and become due in November. Billed taxes become delinquent on December 31. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed.

**Hammond Area Recreation District No. 1**  
**Hammond, Louisiana**  
Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2022

The Tangipahoa Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the Tax Assessor of Tangipahoa Parish. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2022, the District levied 10.00 mills for a total tax levy of \$3,444,752 on taxable property valuation totaling \$408,876,022.

**9. Dedication of Proceeds and Flow of Funds – Ad Valorem Tax**

Proceeds of the 15-year special tax of 10 mills on the dollar of assessed valuation on all property subject to taxation in the District (2022 collections of \$3,444,752) are dedicated for the purpose of construction, acquisition, operation and maintenance of parks, playgrounds, recreation centers and other recreational facilities within the District, including, but not limited to, new soccer, football, baseball and softball playing fields, a gymnasium and property, furnishings and equipment therefore.

The District, through its governing authority, adopted a resolution on June 25, 2020, authorizing the issuance of \$7,635,000 Refunding Bonds, Series 2021, for the purpose of refunding \$6,990,000 of the Series 2015 revenue bonds. In that resolution, the proceeds of the ten (10.00) mills, ten (15) year property tax were pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes.

After funds have been set aside out of the revenues of the taxes for each tax roll year sufficient to pay the principal and interest on the bonds for the ensuing calendar year, then any excess of annual revenues of the taxes remaining for that tax roll year shall be free for expenditure by the District for the purposes for which the taxes were authorized by the voters.

Various bond covenants related to annual audits, establishing special funds, record keeping, and the flow of funds have been included in the bond resolution adopted June 25, 2020. As of December 31, 2022, the District was in compliance with these various bond covenants.

**10. Tax Abatement**

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers attractive tax incentive for manufacturers within the state. The program abates, for up to ten years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. This exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and / or personal property items covered by the exemption. There are currently 25 tax abatements in Tangipahoa Parish, related to 12 companies, under the Louisiana ITEP. For the 2022 calendar year, estimated forgone ad valorem taxes due to this abatement program was \$13,681.

**Hammond Area Recreation District No. 1**  
**Hammond, Louisiana**  
Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2022

**11. Compensation Paid to the Board of Directors**

The Schedule of Compensation Paid to the Board of Directors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Compensation paid to the Board of Directors for the year ended December 31, 2022, is as follows:

Jeff Cooper, Chairman	\$	-
Guy Recotta		-
Rob Carlise		-
Robert Williams		-
Scott Eyster		-
	<u>\$</u>	<u>-</u>

**12. Subsequent Event**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 23, 2023, and determined that no events occurred that required disclosure.

**Required Supplemental Information**

**Hammond Area Recreation District No. 1  
Hammond, Louisiana**

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual – General Fund  
For the Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Final Budget Variance - Favorable / (Unfavorable)
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 3,140,000	\$ 3,100,000	\$ 3,422,408	\$ 322,408
PILOT Revenue	-	-	58,426	58,426
Program and User Fees	418,960	462,775	467,400	4,625
Concessions Income	40,000	64,000	64,626	626
Sponsorships	103,000	111,700	118,572	6,872
Interest Income	20,000	400	452	52
Other Income	55,000	90,000	32,707	(57,293)
<b>Total Revenues</b>	<u>3,776,960</u>	<u>3,828,875</u>	<u>4,164,591</u>	<u>335,716</u>
<b>Expenditures:</b>				
Parks and Recreation:				
Salaries and Related Benefits	763,500	866,600	857,544	9,056
Ground Maintenance Service	548,000	571,500	569,415	2,085
Legal & Professional	20,000	26,000	25,995	5
Repairs & Maintenance	275,000	328,000	317,051	10,949
Telephone & Utilities	113,000	159,000	160,100	(1,100)
Office Expenses	30,000	36,650	33,669	2,981
Insurance	50,000	66,000	65,033	967
Pension Mandate Deduction	109,000	109,000	109,000	-
Bad Debt Expense	15,000	15,000	34,448	(19,448)
Other	75,500	86,400	84,723	1,677
Capital Outlay	201,000	204,500	270,464	(65,964)
Debt Service	1,575,292	1,575,292	1,537,567	37,725
<b>Total Expenditures</b>	<u>3,775,292</u>	<u>4,043,942</u>	<u>4,065,009</u>	<u>(21,067)</u>
Excess (Deficiency) of Revenues over Expenditures	1,668	(215,067)	99,582	314,649
<b>Fund Balance - Beginning of the Year</b>	<u>3,984,870</u>	<u>3,778,330</u>	<u>3,778,330</u>	<u>-</u>
<b>Fund Balance - End of the Year</b>	<u>\$ 3,986,538</u>	<u>\$ 3,563,263</u>	<u>\$ 3,877,912</u>	<u>\$ 314,649</u>

See auditor's report.

## **Other Supplemental Information**

**Hammond Area Recreation District No. 1**

Schedule 2

**Hammond, Louisiana**

Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2022

**Agency Head: Ryan Barker, Director**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 95,522
Benefits - Insurance	14,286
Benefits - Retirement	10,985
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 120,793</u>

See auditor's report.

**Other Independent Auditor's Reports and  
Findings, Recommendations, and Responses**



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*

Mr. Jeff Cooper, Chairman  
and Members of the Board of Directors  
Hammond Area Recreation District No. 1  
Hammond, LA 70404

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 the Hammond Area Recreation District No. 1 of Tangipahoa Parish (the "District"), a component unit of Tangipahoa Parish 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 May 23, 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 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 weaknesses, yet important enough to merit attention by those charged with governance.

Our consideration of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

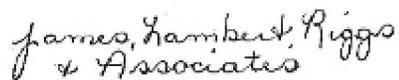
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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

Hammond Area Recreation District No. 1  
May 23, 2023

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*.

**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.

Handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

May 23, 2023

**Hammond Area Recreation District No. 1**  
**Hammond, Louisiana**  
 Schedule of Findings, Recommendations, and Responses  
 For the Year Ended December 31, 2022

We have audited, 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, the financial statements of the governmental activities and the general fund of the Hammond Area Recreation District No. 1 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 May 23, 2023. Our audit of the basic financial statements resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weakness	___	Yes	_X_	No
Significant Deficiencies	___	Yes	_X_	No

Compliance:

Compliance Material to the Financial Statements	___	Yes	_X_	No
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2. Management Letter

Was a management letter issued?	___	Yes	_X_	No
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Section II Financial Statement Findings

**Internal Control over Financial Reporting**

None

**Compliance and Other Matters**

None

**Hammond Area Recreation District No. 1**  
**Hammond, Louisiana**  
 Summary Schedule of Prior Audit Findings  
 For the Year Ended December 31, 2022

Ref #	Fiscal Year Findings Initially Occurred	Description of Findings	Corrective Action Taken
<u>Internal Control over Financial Reporting</u>			
	None		
<u>Compliance and Other Matters</u>			
2021-001	2021	Local Government Budget Act	Resolved

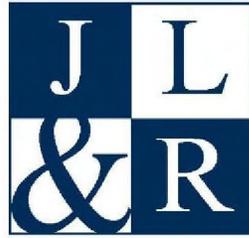
*Note: This schedule has been prepared by the management of the Hammond Area Recreation District No. 1.*

**HAMMOND AREA RECREATION DISTRICT NO. 1**

**STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA  
J. Bryan Ehricht, CPA  
Megan E. Lynch, CPA  
B. Jacob Steib, CPA



**JAMES  
LAMBERT RIGGS  
& ASSOCIATES, INC.**  
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Member of  
American Institute of CPAs  
Society of Louisiana CPAs

## Independent Accountants' Report on Applying Agreed-Upon Procedures

Mr. Jeff Cooper, Chairman and  
Members of the Board of Directors  
Hammond Area Recreation District No. 1  
Post Office Box 1305  
Hammond, Louisiana

Louisiana Legislative Auditor  
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Hammond Area Recreation District No. 1 (the "District")'s management is responsible for those C/C areas identified in the SAUPs.

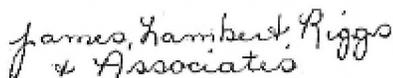
The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, 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 detailed in Schedule "A."

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

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

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



James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

May 23, 2023

Written Policies and Procedures

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1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
    - **Results:** No exceptions were noted as a result for the above listed procedures.
  - 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.
    - **Results:** The District has written policies for Purchasing, however the policy does not include language on (2) how vendors are added to the vendor list and (3) the preparation and approval process of purchase requisitions and purchase orders.
  - c. **Disbursements**, including processing, reviewing, and approving.
    - **Results:** No exceptions were noted as a result for the above listed procedures.
  - 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).
    - **Results:** No exceptions were noted as a result for the above listed procedures.
  - 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 rates of pay or approval and maintenance of pay rate schedules.
    - **Results:** No exceptions were noted as a result for the above listed procedures.
  - 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.
    - **Results:** The District has written policies for Contracting, however the policy does not include language on if a contract would be subject to (3) legal review.
  - g. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
    - **Results:** No exceptions were noted as a result for the above listed procedures.

- h. ***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).
- **Results:** No exceptions were noted as a result for the above listed procedures.
- i. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- **Results:** The District has written policies for Ethics, however the policy does not include language on (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Results:** The District has written policies for Debt Service, however the policy does not include language on (1) debt issuance approval, (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k. ***Information Technology Disaster Recovery / Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing / verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches / updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- **Results:** The District has written policies for Information Technology Disaster Recovery/ Business Continuity, however the policy does not include language on (1) identification of critical data and frequency of data backups and (5) timely application of all available system and software patches / updates.
- l. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- **Results:** The District has written policies for Prevention of Sexual Harassment, however the policy does not include language on (3) annual reporting requirements.

***Board or Finance Committee***

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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.
- **Results:** No exceptions were noted as a result for the above listed procedures.

- b. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- **Results:** No exceptions were noted as a result for the above listed procedures.
- 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- d. Observe whether the board / finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
- **Results:** No exceptions were noted as a result for the above listed procedures.

### ***Bank Reconciliations***

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
- **Results:** No exceptions were noted as a result for the above listed procedures.
- b. Bank reconciliations include written evidence that a member of management or a 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
- **Results:** No exceptions were noted as a result for the above listed procedures.
- c. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
- **Results:** No exceptions were noted as a result for the above listed procedures.

Collections (excluding electronic funds transfers)

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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 5 deposit sites (or all deposit sites if less than 5).
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., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a. Employees responsible for cash collections do not share cash drawers / registers.
    - **Results:** No exceptions were noted as a result for the above listed procedures.
  - 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.
    - **Results:** No exceptions were noted as a result for the above listed procedures.
  - c. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit.
    - **Results:** No exceptions were noted as a result for the above listed procedures.
  - 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.
    - **Results:** No exceptions were noted as a result for the above listed procedures.
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 in force during the fiscal period.
  - **Results:** No exceptions were noted as a result for the above listed procedures.
7. 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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a. Observe that receipts are sequentially pre-numbered.
    - **Results:** No exceptions were noted as a result for the above listed procedures.

- b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - **Results:** No exceptions were noted as a result for the above listed procedures.
- c. Trace the deposit slip total to the actual deposit per the bank statement.
  - **Results:** No exceptions were noted as a result for the above listed procedures.
- d. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - **Results:** No exceptions were noted as a result for the above listed procedures.
- e. Trace the actual deposit per the bank statement to the general ledger.
  - **Results:** No exceptions were noted as a result for the above listed procedures.

*Non-Payroll Disbursements (excluding card purchases, 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 5 locations (or all locations if less than 5).
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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
    - **Results:** No exceptions were noted as a result for the above listed procedures.
  - b. At least two employees are involved in processing and approving payments to vendors.
    - **Results:** No exceptions were noted as a result for the above listed procedures.
  - 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.
    - **Results:** No exceptions were noted as a result for the above listed procedures.
  - 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.
    - **Results:** No exceptions were noted as a result for the above listed procedures.

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

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

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. 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.

- **Results:** No exceptions were noted as a result for the above listed procedures.

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

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12. 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.

- **Results:** No exceptions were noted as a result for the above listed procedures.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

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

authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported.

- **Results:** No exceptions were noted as a result for the above listed procedures.

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

- **Results:** One of the two cards selected for testing did contain a late fee and finance charge for the month sampled.

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business / public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

- **Results:** No exceptions were noted as a result for the above listed procedures.

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

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15. 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 and 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:

a. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

- **Results:** No exceptions were noted as a result for the above listed procedures.

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

c. Observe each reimbursement is supported by documentation of the business / public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1h.

- **Results:** No exceptions were noted as a result for the above listed procedures.

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

***Contracts***

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16. 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:

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

- 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, the documented approval).

- **Results:** No exceptions were noted as a result for the above listed procedures.

- d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

- **Results:** No exceptions were noted as a result for the above listed procedures.

***Payroll and Personnel***

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17. 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.

- **Results:** No exceptions were noted as a result for the above listed procedures.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #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).
    - **Results:** No exceptions were noted as a result for the above listed procedures.
  - b. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
    - **Results:** No exceptions were noted as a result for the above listed procedures.
  - c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
    - **Results:** No exceptions were noted as a result for the above listed procedures.
  - d. Observe the rate paid to the employees or officials agree to the authorized salary / pay rate found within the personnel file.
    - **Results:** No exceptions were noted as a result for the above listed procedures.
19. 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 and 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's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- **Results:** No employees or officials received termination payments during the fiscal period.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.
- **Results:** No exceptions were noted as a result for the above listed procedures.

### Ethics

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21. Using the 5 randomly selected employees / officials from "Payroll and Personnel" procedure #9A obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates that each employee / official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
    - **Results:** One out of the five employees selected did not complete one hour of ethics training.

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

### *Debt Service*

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23. 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.

- **Results:** No exceptions were noted as a result for the above listed procedures.

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

### *Fraud Notice*

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25. 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.

- **Results:** No exceptions were noted as a result for the above listed procedures.

26. 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.

- **Results:** No exceptions were noted as a result for the above listed procedures.

### *Information Technology Disaster Recovery / Business Continuity*

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

- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence

that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

- **Results:** We performed the procedure and discussed the results with management.

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

- **Results:** We performed the procedure and discussed the results with management.

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

- **Results:** We performed the procedure and discussed the results with management.

28. 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.

- **Results:** We performed the procedure and discussed the results with management.

### *Prevention of Sexual Harassment*

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29. 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.

- **Results:** No exceptions were noted as a result for the above listed procedures.

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

31. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report 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;

- **Results:** No exceptions were noted as a result for the above listed procedures.

- b. Number of sexual harassment complaints received by the agency;
  - **Results:** No exceptions were noted as a result for the above listed procedures.
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
  - **Results:** No exceptions were noted as a result for the above listed procedures.
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - **Results:** No exceptions were noted as a result for the above listed procedures.
- e. Amount of time it took to resolve each complaint.
  - **Results:** No exceptions were noted as a result for the above listed procedures.

May 24, 2023

James, Lambert, Riggs and Associates, Inc.  
Post Office Drawer 369  
Hammond, Louisiana 70404

Management of the Hammond Area Recreation District #1, Hammond, Louisiana would like to present the following response to the results of the December 31, 2022, Statewide Agreed-Upon Procedures conducted by James, Lambert, Riggs and Associates, Inc.

#### Written Policies and Procedures

Agency Response: Management of the Hammond Area Recreation District #1 will be adapting their purchasing, contracting, ethics, debt service, informational technology disaster recovery/business continuity, prevention of sexual harassment to include all required verbiage and controls to meet Louisiana Legislative requirements.

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

Agency Response: Management of the Hammond Area Recreation District #1 had a late fee/finance charge occurred on the sampled month. That late fee was charged in error on the part of Office Depot and Hammond Area Recreation District #1 has documentation to prove the statement was paid on time and correspondence with Office Depot was initiated to recover the late fee charge.

#### Ethics

Agency Response: Management of the Hammond Area District #1 failed to provide Ethics Training for its employees as of December 31, 2022. Hammond Area Recreation District #1 employee will work on ensuring all employees that are employed beyond the 60 day probationary period, have their training complete prior to the end of 2023.



Ryan Barker  
Executive Director

Hammond Area Recreation  
District No. 1 Commissioners  
Jeff Cooper, Chairman  
Robert Williams  
Robert Carlisle  
Guy Recotta  
Scott Eyster