

**Terrebonne Parish Recreation District No. 2/3  
Houma, Louisiana**

Annual Financial Report  
As of and for the  
Year Ended December 31, 2022

**Terrebonne Parish Recreation District No. 2/3**

Annual Financial Report  
Year Ended December 31, 2022

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Terrebonne Parish Recreation District No. 2/3  
Houma, Louisiana

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

#### ***Opinion***

We have audited the financial statements of the governmental activities and each major fund of the Terrebonne Parish Recreation District No. 2/3 (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major 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 Opinion***

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

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

The District's 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 of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8 and the budgetary comparison schedule on page 25 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

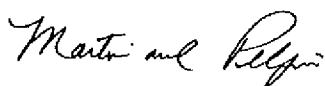
### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Terrebonne Parish Recreation District No. 2/3's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to District Head on page 26 is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule of Compensation, Benefits, and Other Payments to District Head 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. Such 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 District 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 10, 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 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 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.



Houma, Louisiana  
May 10, 2023

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Terrebonne Parish Recreation District No. 2/3**  
Management's Discussion and Analysis  
Year Ended December 31, 2022

As management of the Terrebonne Parish Recreation District No. 2/3 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2022.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

***Government-Wide Financial Statements***

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

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

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

**Terrebonne Parish Recreation District No. 2/3**  
Management's Discussion and Analysis  
Year Ended December 31, 2022

***Fund Financial Statements***

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

The District utilizes mainly the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations on pages 13 and 14.

**FINANCIAL HIGHLIGHTS**

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

- Terrebonne Parish Recreation District No. 2/3's assets exceeded its liabilities by \$3,861,318 (net position) as of December 31, 2022.
- Revenues exceeded expenditures by \$929,672 during the year.

The Statement of Net Position and the Statement of Activities reports all transactions as governmental activities. All of the basic governmental services are reported as this type. Property taxes finance most of these activities.



**Terrebonne Parish Recreation District No. 2/3**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2022**

**BASIC FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of an entity's financial position. The District's net position was \$3,861,318 as of December 31, 2022. The largest portion of the District's net position, \$2,364,476 or 61%, reflects its net investment in capital assets.

**The District's Net Position**

	December 31,	
	2022	2021
<b>ASSETS</b>		
Cash	\$ 1,566,436	\$ 1,146,438
Taxes receivable	1,362,114	1,401,803
Due from other governmental units	155,024	116,640
Other	2,185	2,185
Capital assets	4,928,202	4,286,363
Accumulated depreciation	<u>(2,563,726)</u>	<u>(2,385,562)</u>
Total assets	<u>5,450,235</u>	<u>4,567,867</u>
<b>LIABILITIES</b>		
Accounts payable	16,172	146,114
Payroll tax liabilities	<u>4,771</u>	<u>4,572</u>
Total liabilities	<u>20,943</u>	<u>150,686</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred ad valorem taxes revenue	<u>1,567,974</u>	<u>1,485,535</u>
<b>NET POSITION</b>		
Net investment in capital assets	2,364,476	1,900,801
Unrestricted	<u>1,496,842</u>	<u>1,030,845</u>
Total net position	<u>\$ 3,861,318</u>	<u>\$ 2,931,646</u>

The District's net position increased as a result of this year's operations. Unrestricted net position (the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) increased by \$463,675 during the year. The increase in net investment in capital assets is primarily the result of the Lisa Park Improvement and Summerfield Restroom Project. The balance in net position represents the accumulated results of all past years' operations.

**Terrebonne Parish Recreation District No. 2/3**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2022**

During the year, the District's net position increased by \$929,672. The elements of the increase are as follows:

**The District's Change in Net Position**

	For the Year Ended December 31,	
	2022	2021
<b>REVENUES</b>		
Ad valorem taxes	\$ 1,568,492	\$ 1,646,371
Intergovernmental:		
State of Louisiana revenue sharing	20,641	32,919
Grant	207,023	42,978
Other	6,615	52,975
Total revenues	1,802,771	1,775,243
<b>EXPENDITURES</b>		
Depreciation	178,165	157,272
General operating	481,771	508,159
Personnel services	213,163	260,481
Total expenditures	873,099	925,912
	929,672	849,331
<b>OTHER FINANCING USES</b>		
Transfer to TPCG	-	(655,764)
<b>CHANGE IN NET POSITION</b>	<b>\$ 929,672</b>	<b>\$ 193,567</b>

As indicated above, net position increased by \$929,672. The increase in the change in net position, before other financing uses, from 2021 to 2022 is mainly attributed to the increase in grant revenue.

**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)**

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

The General Fund includes revenue and expenditures necessary to the operation of the District's office such as personnel, benefits, and operation and maintenance of facilities and vehicles. The General Fund reflected \$1,834,246 in total revenues, including \$1,568,492 in property taxes. Total current expenditures were \$1,368,249. Capital outlay was \$641,840. After a \$465,997 excess of revenues over expenditures and other financing uses for the year, the ending fund balance was \$1,496,842, all in the unassigned category.

**Terrebonne Parish Recreation District No. 2/3**  
Management's Discussion and Analysis  
Year Ended December 31, 2022

**CAPITAL ASSETS**

As of December 31, 2022, the District had \$2,364,476 invested in capital assets.

	<u>2022</u>	<u>2021</u>
Capital assets	\$ 4,928,203	\$ 4,286,363
Less accumulated depreciation	<u>(2,563,727)</u>	<u>(2,385,562)</u>
	<u>\$ 2,364,476</u>	<u>\$ 1,900,801</u>

Depreciation expense for the year is \$178,165. The District spent \$641,840 in capital asset additions during the year.

**BUDGETARY HIGHLIGHTS**

The District amended its budget once during the fiscal year. The budget for revenues was \$1,732,908, and the budget for expenditures was \$1,420,207.

The District's actual revenues were greater than the budgeted revenues by \$69,863, a favorable variance of 4.03%. The District's actual expenditures were less than the budgeted expenditures by \$83,433, a favorable variance of 5.87%.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances and to show accountability for the money it received. If you have any questions concerning any of the information provided in this report or have a request for additional financial information, contact:

Board of Commissioners  
412 Westview Drive  
Houma, LA 70364  
(985) 868-7321

## **FINANCIAL STATEMENTS**

**Terrebonne Parish Recreation District No. 2/3**  
Statement of Net Position  
December 31, 2022

<b>Assets</b>	
Cash	\$ 1,566,436
Taxes receivable	1,362,114
Due from other governmental units	155,024
Other	<u>2,185</u>
<b>Total Current Assets</b>	<u>3,085,759</u>
Capital assets	4,928,202
Accumulated depreciation	<u>(2,563,726)</u>
<b>Net Capital Assets</b>	<u>2,364,476</u>
<b>Total Assets</b>	<u>5,450,235</u>
<b>Liabilities</b>	
Accounts payable	16,172
Payroll tax liabilities	<u>4,771</u>
<b>Total Current Liabilities</b>	<u>20,943</u>
<b>Deferred Inflows of Resources</b>	
Deferred ad valorem taxes revenue	<u>1,567,974</u>
<b>Net Position</b>	
Net investment in capital assets	2,364,476
Unrestricted	<u>1,496,842</u>
<b>Total Net Position</b>	<u><u>\$ 3,861,318</u></u>

See accompanying notes.

**Terrebonne Parish Recreation District No. 2/3**  
**Statement of Activities**  
**Year Ended December 31, 2022**

	Expenses	Program Revenues	Net (Expense) Revenue and Change in Net Position Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>			
Culture and recreation	\$ 873,099	\$ 2,629	\$ (870,470)
Total governmental activities	\$ 873,099	\$ 2,629	\$ (870,470)
<b>GENERAL REVENUES</b>			
Ad valorem taxes			1,568,492
State revenue sharing			20,641
Grant			207,023
Other			2,676
Interest Income			1,310
Total general revenues			1,800,142
<b>CHANGE IN NET POSITION</b>			929,672
<b>NET POSITION, BEGINNING</b>			2,931,646
<b>NET POSITION, ENDING</b>			\$ 3,861,318

See accompanying notes.

**Terrebonne Parish Recreation District No. 2/3**  
**Balance Sheet**  
**Governmental Fund Type – General Fund**  
**December 31, 2022**

**Assets**

Cash	\$ 1,566,436
Taxes receivable	1,362,114
Due from other governmental units	155,024
Other	2,185

<b>Total Current Assets</b>	<b>\$ 3,085,759</b>
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**Liabilities**

Accounts payable	\$ 16,172
Payroll tax liabilities	4,771

<b>Total Current Liabilities</b>	<b>20,943</b>
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**Deferred Inflows of Resources**

Deferred ad valorem taxes revenue	1,567,974
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**Fund Balance**

Unassigned	1,496,842
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<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 3,085,759</b>
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See accompanying notes.

**Terrebonne Parish Recreation District No. 2/3**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance –**  
**Governmental Fund Type – General Fund**  
**Year Ended December 31, 2022**

**Revenues**

Ad valorem taxes	\$ 1,568,492
Intergovernmental:	
State of Louisiana revenue sharing	20,641
Concession sales	2,629
Grant	207,023
Other	2,676
Interest income	<u>1,310</u>
<b>Total Revenues</b>	<u><u>1,802,771</u></u>

**Expenditures**

Current:	
General government:	
Ad valorem tax deductions	<u>52,339</u>
Culture and recreation:	
Personnel services and benefits	213,163
Supplies and materials	13,834
Professional fees	157,133
Other services and charges	61,771
Repairs and maintenance	<u>196,694</u>
Total culture and recreation	<u>642,595</u>
Capital outlay	<u>641,840</u>
<b>Total Expenditures</b>	<u><u>1,336,774</u></u>
<b>Change in Fund Balance</b>	465,997
<b>Fund Balance</b>	
Beginning of year	<u>1,030,845</u>
End of year	<u><u>\$ 1,496,842</u></u>

See accompanying notes.



**Terrebonne Parish Recreation District No. 2/3**  
Reconciliation of the Balance Sheet of the Governmental Fund  
to the Statement of Net Position  
December 31, 2022

<b>Fund balance - governmental fund</b>	\$ 1,496,842
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets of \$4,928,203 net of accumulated depreciation of \$2,563,727, are not financial resources and, therefore, are not reported in the governmental fund.	<u>2,364,476</u>
<b>Net position of governmental activities</b>	<u><u>\$ 3,861,318</u></u>

See accompanying notes.

**Terrebonne Parish Recreation District No. 2/3**  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balance – Governmental Fund to the  
 Statement of Activities  
 Year Ended December 31, 2022

**Change in fund balance - governmental fund** \$ 465,997

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

Governmental fund reports capital outlays as expenditures  
 whereas in the statement of activities these costs are  
 depreciated over their useful lives.

Depreciation expense	(178,165)	
Capital outlay	641,840	463,675
<b>Change in net position</b>		<b>\$ 929,672</b>

See accompanying notes.

## **Terrebonne Parish Recreation District No. 2/3**

Notes to the Financial Statements

Year Ended December 31, 2022

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Terrebonne Parish Recreation District No. 2/3 (the District), governed by a Board of Commissioners appointed by the Terrebonne Parish Consolidated Government, was organized under Louisiana Revised Statute 33:4562(A). The District provides for the construction, improvement, maintenance, and operations of recreation facilities within the boundaries of Recreation District No. 2/3, including the purchase of equipment.

Because the Terrebonne Parish Consolidated Government appoints the governing board and thusly can impose its will, the Terrebonne Parish Recreation District No. 2/3 was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the parish and the governmental body with financial accountability. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

#### **A. REPORTING ENTITY**

The District is a component unit of Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2022. The District has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

#### **B. BASIS OF PRESENTATION**

GASB Statements establish standards for external financial reporting for all state and local governmental entities which includes a statement of net position and a statement of activities. It requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that

**Terrebonne Parish Recreation District No. 2/3**  
Notes to the Financial Statements  
Year Ended December 31, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. It establishes fund balance classifications that comprise hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are defined as follows:

Nonspendable – This component of fund balance includes amounts that cannot be spent due to form, including inventories and prepaid amounts. Also included are amounts that must be maintained intact legally or contractually.

Restricted – This component of fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – This component of fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Commissioners must vote on commitments.

Assigned – This component of fund balance is intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Commissioners can vote on applicable assigned amounts.

Unassigned – This component of fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Stabilization Funds – This component of fund balance covers such things as revenue shortfalls, emergencies, or other purposes. The authority to set aside resources often comes from a statute, ordinance, or constitution.

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

**Terrebonne Parish Recreation District No. 2/3**  
Notes to the Financial Statements  
Year Ended December 31, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

*Government-wide Financial Statements:*

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

*Fund Financial Statements:*

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

**General Fund** – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

*Government-wide Financial Statements:*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

**Terrebonne Parish Recreation District No. 2/3**

Notes to the Financial Statements

Year Ended December 31, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

*Fund Financial Statements:*

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

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2022 property taxes which are being levied to finance the 2023 budget will be recognized as revenue in 2023. The 2022 tax levy is recorded as deferred inflows of resources in the District's 2022 financial statements.

Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

**D. CASH AND CASH EQUIVALENTS**

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

Terrebonne Parish Recreation District No. 2/3

Notes to the Financial Statements

Year Ended December 31, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**E. ACCOUNTS RECEIVABLE**

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

**F. CAPITAL ASSETS**

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

*Government-wide Financial Statements:*

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$1,000 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Facilities and improvements	10 - 40 years
Equipment and furniture	5 - 20 years
Automobiles	5 years

*Fund Financial Statements:*

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

**G. OPERATING BUDGETARY DATA**

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. Any amendment involving

**Terrebonne Parish Recreation District No. 2/3**  
Notes to the Financial Statements  
Year Ended December 31, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

**H. VACATION AND SICK LEAVE**

Accumulated vacation and sick leave are recorded as expenditures of the period in which paid. Employees earn between 96 to 136 hours of vacation leave, depending on the length of employment. Accumulated vacation leave is due to the employee at the time of termination or death. The vacation policy provides that employees are to take vacation within one year of being earned, with no carry forward provisions.

Employees earn 56 hours sick leave per year. Unused sick leave cannot be carried forward to future years. There is no material unpaid vacation and sick leave at year-end.

**I. USE OF ESTIMATES**

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

**J. RECENT PRONOUNCEMENT**

Statement No. 87, "Leases", increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has determined that the implementation of this pronouncement has no effect on the financial statements.



**Terrebonne Parish Recreation District No. 2/3**  
Notes to the Financial Statements  
Year Ended December 31, 2022

**NOTE 2 – DEPOSITS**

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

State law requires deposits (cash and certificates of deposit) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. The year end balances of deposits are as follows:

	Bank Balance	Reported Amount
Cash and cash equivalents	\$ 1,569,319	\$ 1,566,436

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk. As of December 31, 2022, \$1,319,319 of the District's bank balance was exposed to credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Cash was adequately collateralized in accordance with state law by securities held by an unaffiliated bank for the accounts of the District. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 3 – DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units as of December 31, 2022 consists of the following:

Terrebonne Parish Tax Collector - December 2022/ Collections remitted to the District in January 2023	\$ 144,486
Ad valorem taxes	10,538
State of Louisiana - State revenue sharing	\$ <u>155,024</u>

**Terrebonne Parish Recreation District No. 2/3**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2022**

**NOTE 4 – CHANGES IN CAPITAL ASSETS**

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

	January 1, 2022	Additions	Deletions/ Reclassifications	December 31, 2022
Capital assets, not being depreciated:				
Land	\$ 285,555	\$ -	\$ -	\$ 285,555
Capital assets, being depreciated:				
Facilities and improvements	3,290,047	631,070	-	3,921,117
Equipment and furniture	677,915	10,770	-	688,685
Automobiles	32,846	-	-	32,846
Total assets being depreciated	4,000,808	641,840	-	4,642,648
Less: Accumulated depreciation				
Facilities and improvements	1,881,111	131,974	-	2,013,085
Equipment and furniture	471,605	46,191	-	517,796
Automobiles	32,846	-	-	32,846
Total accumulated depreciation	2,385,562	178,165	-	2,563,727
	1,615,246	463,675	-	2,078,921
Total capital assets, net	\$ 1,900,801	\$ 463,675	\$ -	\$ 2,364,476

Capital asset additions during the year ended December 31, 2022 primarily relate to the Lisa Park Improvement and Summerfield Restroom Project.

**NOTE 5 – PROPERTY TAXES**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. A reevaluation was completed for the list as of January 1, 2020. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2022 was \$5.00 per \$1,000 of assessed valuation on property within Recreation District No. 2/3 for the purpose of constructing, maintaining, and operating recreational facilities within the District. Taxes levied November 1, 2022 are for budgeted expenditures in 2023 and will be recognized as revenues in 2023.

**Terrebonne Parish Recreation District No. 2/3**  
Notes to the Financial Statements  
Year Ended December 31, 2022

**NOTE 6 – COMPENSATION OF BOARD MEMBERS**

The Board serves without compensation.

**NOTE 7 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omission; and natural disasters and group health benefits for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability, workers' compensation, group insurance, property insurance, and automobile liability. No settlements were made during the year that exceeded the District's insurance coverage. The District pays monthly premiums to the Parish for workers' compensation based on a fixed percentage of payroll. The District's premiums for general liability are based on various factors such as its operations and maintenance budget, exposure, and claims experience. The premium for group health insurance is based on a fixed rate per employee. The premium for automobile liability is based on claims experience, vehicle type, and mileage. The premiums for property are based on the District's property value to the total of all the property value covered. The Parish handles all claims filed against the District. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

<u>Policy</u>	<u>Coverage Limits</u>
General liability	\$ 10,000,000
Workers' compensation	\$ 25,000,000
Employer's liability	\$ 6,000,000
Auto liability	\$ 10,000,000

Coverage for general liability, workers' compensation, and auto claims in excess of the stated limits above are to be funded first by assets of the Parish's risk management internal service fund, then secondly by the District. The Parish is self-insured for the first \$175,000 of each claim relating to group health. Insurance contracts cover excess liability. As of December 31, 2022, the District had no claims in excess of the above coverage limits.

**NOTE 8 – GRANT INCOME**

The Terrebonne Parish Consolidated Government received funding from The Land and Water Conservation Fund (LWCF), representing federal monies passed through the State of Louisiana Department of Culture, Recreation, and Tourism. On January 3, 2022 the District was allocated \$207,023 of such funding which is presented as Grant Income in the Statement of Activities.

**Terrebonne Parish Recreation District No. 2/3**

**Notes to the Financial Statements**

**Year Ended December 31, 2022**

**NOTE 9 – HURRICANE IDA**

On August 29, 2021 Hurricane Ida made landfall near Port Fourchon, Louisiana as a Category 4 storm, with winds travelling in excess of 150 miles per hour. The natural disaster caused significant wind-related and water-related damage to homes and businesses throughout Terrebonne Parish, to which property owned and operated by the District was no exception.

During the year ended December 31, 2022, related repairs of \$187,357 were made and \$31,475 of Federal Emergency Management Agency (FEMA) recovery assistance funds were received. Repairs made in excess of such proceeds received, \$155,882 are included in Repairs and Maintenance in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund Type – General Fund.

**NOTE 10 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through May 10, 2023, which is the date the financial statements were available to be issued and it was determined that the following events occurred that require disclosure. No events after that date have been evaluated for inclusion in the financial statements.

Since year-end, the District has expended \$9,800 on Hurricane Ida related repairs and received \$61,686 of FEMA recovery assistance funds.

On May 3, 2023 the Board passed a resolution authorizing the issuance of \$4,500,000 of limited tax revenue bonds, the proceeds of which will be utilized for the repair and renovation of certain District property.

**REQUIRED SUPPLEMENTAL INFORMATION**

**Terrebonne Parish Recreation District No. 2/3**  
**Budgetary Comparison Schedule - General Fund**  
**Year Ended December 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,491,006	\$ 1,491,006	\$ 1,568,492	\$ 77,486
Intergovernmental:				
State of Louisiana				
revenue sharing	34,479	34,479	20,641	(13,838)
Concession sales	-	-	2,629	2,629
Grants	-	207,023	207,023	-
Other income	-	-	2,676	2,676
Interest income	400	400	1,310	910
<b>Total Revenues</b>	<u>1,525,885</u>	<u>1,732,908</u>	<u>1,802,771</u>	<u>69,863</u>
<b>Expenditures</b>				
Current:				
General government:				
Ad valorem tax deductions	-	-	52,339	(52,339)
				-
Culture and recreation:				
Personnel services	350,000	250,000	213,163	36,837
Supplies and materials	24,000	24,000	13,834	10,166
Professional fees	138,600	138,600	157,133	(18,533)
Other services and charges	81,500	81,500	61,771	19,729
Repairs and maintenance	416,000	136,000	196,694	(60,694)
Total culture and recreation	<u>1,010,100</u>	<u>630,100</u>	<u>642,595</u>	<u>(12,495)</u>
Capital outlay	-	790,107	641,840	148,267
<b>Total Expenditures</b>	<u>1,010,100</u>	<u>1,420,207</u>	<u>1,336,774</u>	<u>83,433</u>
<b>Revenues Over Expenditures</b>	<u>\$ 515,785</u>	<u>\$ 312,701</u>	<u>\$ 465,997</u>	<u>\$ 153,296</u>

See Independent Auditor's Report.

**OTHER INFORMATION**

**Terrebonne Parish Recreation District No. 2/3**  
Schedule of Compensation, Benefits, and Other Payments  
to District Head  
Year Ended December 31, 2022

**Agency Head Name: Brock Landry, Executive Director**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 62,500
Benefits - insurance	1,781
Benefits - retirement	-
Dues	-
Special meals	-
Vehicle provided by government	-
Registration fees	-
Conference travel	-
Other - engineering license renewal	-
Reimbursements	67
Car allowance/automobile expense	-
Membership fees	-
Deferred compensation	-
Per diem	-
Service fees	-
Travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-

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



**REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS**

**Martin  
and  
Pellegrin**

103 Ramey Road  
Houma, Louisiana 70360

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(A Professional Corporation)*

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

To the Board of Commissioners  
Terrebonne Parish Recreation District No. 2/3  
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Terrebonne Parish Recreation District No. 2/3 (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 10, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control

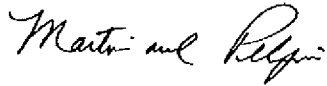
that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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



Houma, Louisiana  
May 10, 2023

**Terrebonne Parish Recreation District No. 2/3**  
Schedule of Findings and Responses  
Year Ended December 31, 2022

**Section I – Summary of Auditor’s Results**

1. The auditor's report expresses an unmodified opinion on the financial statements of Terrebonne Parish Recreation District No. 2/3.
2. No significant internal control deficiencies were noted during the audit of the financial statements.
3. No instances of noncompliance or other matters required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.
4. No instances of noncompliance under the provisions of the Louisiana Governmental Audit Guide were noted during the audit of the financial statements.
5. A management letter was not issued.

**Section II – Financial Statement Findings**

No findings material to the basic financial statements of Terrebonne Parish Recreation District No. 2/3, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.

**Section III – Federal Awards**

Federal awards of \$207,023 were received during the year.

**Terrebonne Parish Recreation District No. 2/3**  
Schedule of Findings and Responses  
Year Ended December 31, 2022

Note: The prior finding relates to the December 31, 2021 audit engagement.

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

This section is not applicable.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

**STATEWIDE AGREED-UPON PROCEDURES**

**Martin  
and  
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Houma, Louisiana 70360

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(A Professional Corporation)*

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

To the Board of Commissioners  
Terrebonne Parish Recreation District No. 2/3  
Houma, 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. Terrebonne Parish Recreation District No. 2/3's management is responsible for those C/C areas identified in the SAUPs.

Terrebonne Parish Recreation District No. 2/3 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 described on pages 33-51.

We were engaged by Terrebonne Parish Recreation District No. 2/3 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 Terrebonne Parish Recreation District No. 2/3 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

A handwritten signature in black ink, appearing to read "Matthew Lopez". The signature is written in a cursive, flowing style.

Houma, Louisiana  
May 10, 2023



**Terrebonne Parish Recreation District No. 2/3**  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2022

The required procedures and our findings are as follows:

Procedures performed on the District's written policies and procedures:

**Written Policies and Procedures**

1. Obtain and inspect the District's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

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

Performance: Obtained and read the written policy for budgeting and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy for purchasing and found it to contain all requirements above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Obtained and read the written policy for receipts and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Terrebonne Parish Recreation District No. 2/3**  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2022

- e. Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Performance: Obtained and read the written policy for payroll and personnel and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- f. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Performance: Obtained and read the written policy related to contracting and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- g. Credit Cards, 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.

Performance: Obtained and read the written policy related to credit cards and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- h. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Performance: Obtained and read the travel and expense reimbursement policy and found it contained all requirements listed above.

Exceptions: The policy did not include dollar thresholds for all categories.

Management's response: Management will consider including dollar thresholds for all travel categories.

- i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Performance: Obtained and read the written policy related to ethics and found it to contain the requirements listed above.

**Terrebonne Parish Recreation District No. 2/3**  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2022

Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

- j. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Performance: Determined that this policy is not applicable as the District has no debt service.

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

Performance: Determined that the District does not have a written policy for information technology disaster recovery/business continuity.

Exceptions: While the District has such policies in place, these policies are not written.

Management's response: Management will consider adopting a written policy for information technology disaster recovery/business continuity.

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

Performance: Requested a copy of the District's sexual harassment policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Board or Finance Committee**

- 2. Obtain and inspect the board 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 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.

**Terrebonne Parish Recreation District No. 2/3**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2022

Performance: Determined that the board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document except for the below.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund.

Performance: Determined whether the minutes referenced or included monthly budget-to-actual comparisons.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the unassigned fund balance in the general fund did not have a negative balance.

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

Performance: Determined that the District has no outstanding audit findings.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Bank Reconciliations**

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 four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date;

Performance: Determined that randomly selected bank statements were reconciled within two months of the related statement closing date.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation;

Performance: Inspected documentation for management approvals of each randomly selected bank reconciliation.

Exceptions: There was no evidence of management's review of the bank reconciliations.

Management's response: The Executive Director will review the bank reconciliation each month and give evidence that he has done so.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than twelve months from the statement closing date.

Performance: Determined that reconciling items outstanding for more than twelve months at the end of the statement closing date had been researched.

Exceptions: There is no evidence that seven items outstanding over twelve months had been researched.

Management's response: All outstanding items more that twelve months old will be researched as to proper disposition.

### **Collections**

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

Performance: Observed the listing of deposit sites from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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, obtain and inspect written policies and

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procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Observed the listing of collection locations from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Performance: Determined that no cash drawers/registers are shared by employees.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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 to the deposit.

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees preparing/making bank deposits.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees posting collection entries to the general ledger or subsidiary ledgers.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees

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reconciling cash collections to the general ledger and/or subsidiary ledgers.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined whether employees who have access to cash are covered by a bond or insurance policy for theft.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

7. Randomly select two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the deposits and:

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

Performance: Determined that sequentially pre-numbered receipts are not required for the type of deposits that are received at the District.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected deposits from two random deposit dates to determine if they had collection documentation that agreed to the respective deposit slips. Noted that collections were supported by adequate documentation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected deposits from two random deposit dates to determine if the deposit slips agreed to the actual deposits per the bank statements.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d) Observe that the deposit was made within one business day of receipt at the collection location.

Performance: Determined if deposits from two random dates were deposited within one business day of receipt.

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Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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

Performance: Inspected deposits from two random deposit dates to determine if the deposits per the bank statements agree to the general ledger.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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

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

Performance: Obtained a listing of locations that processed payments for the fiscal period from management and received management's representation in a separate letter. Determined that only one location processed payments.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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, 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/making the purchase.

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for initiating, approving, and making purchases.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

- b) At least two employees are involved in processing and approving payments to vendors.

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for processing and approving payments to vendors.



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Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected policy manual and inquired of management as to separation of duties related to vendor files.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inquired of management to determine if the employee responsible for processing payments mails those respective payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Inquired of management to determine whether release of electronic disbursements are appropriately authorized.

Exceptions: No exceptions were noted.

Management's response: Not applicable.

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 five disbursements for each location, obtain supporting documentation for each transaction and:

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representations in a separate letter. Randomly selected five disbursements using a random number generator for check numbers to test the requirements below.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Observe that the disbursement matched the related original itemized invoice and

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that supporting documentation indicates that deliverables included on the invoice were received by the entity.

Performance: Determined that the five random disbursements matched their respective original invoices and that the invoices indicate that deliverables were received by the entity.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that the disbursement documentation included evidence of segregation of duties tested under #9, as applicable.

Performance: Determined whether the documentation for the five random disbursements gave evidence of the segregation of duties tested under #9 above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

11. Using the entity's main operating accounts and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursement (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.

Performance: Determined whether the documentation for the five random disbursements gave evidence of the disbursements being appropriately approved.

Exceptions: There were no exceptions noted.

Management's Response: Not applicable.

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

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards (including the card numbers and the person in possession of the card) and management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

Management's Response: Not applicable.

13. Using the listing prepared by management, randomly select five cards (or all cards if

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less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card, obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Performance: Randomly selected five credit cards for testing; randomly selected one month for each credit card and determined that supporting documentation was properly reviewed and approved in writing by someone other than the authorized user and that no finance charges or late fees were assessed.

Exceptions: There were no exceptions noted.

Management's Response: Not applicable.

14. Using the monthly statements or combined statements selected under #13 above, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.

Performance: For the statements selected for testing in #13, randomly selected ten transactions from each and determined that the charges were supported by an original, detailed, itemized receipt which included written documentation of business purpose and individuals participating in the meals, if applicable.

Exceptions: There were no exceptions noted.

Management's Response: Not applicable.

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

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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

Performance: Requested a listing of travel and related expense reimbursements for the year. Management indicated there was none and

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confirmed this is a separate letter. We reviewed the general ledger for the year and determined that this representation was accurate.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: As there were no travel reimbursements during the year, this procedure is not applicable.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: As there were no travel reimbursements during the year, this procedure is not applicable.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy.

Performance: As there were no travel reimbursements during the year, this procedure is not applicable.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: As there were no travel reimbursements during the year, this procedure is not applicable.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

## **Contracts**

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. Obtain management's representation that the

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listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.

Performance: Determined that the District complied with the Public Bid Law for the contracts selected for testing.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law.

Performance: Determined that the selected contracts were approved by the board.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

Performance: Determined that selected contracts did not include amendments to the original contracts.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected the randomly selected invoice and compared to the written contract information to determine that the invoice and related payment complied with the terms of the contract.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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**Payroll and Personnel**

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

Performance: Observed the listing of employees and received management's representation of completeness in a separate letter. Randomly selected five employees, obtained personnel files, and agreed pay rates to personnel files.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

18. Randomly select one pay period during the fiscal period. For the five employees selected under #17 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.

Performance: Determined that all selected employees documented their daily attendance and leave for the selected pay period.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the attendance and leave of each employee for the selected pay period was approved by each employee's respective supervisor.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: For the five employees selected, determined that accrued and/or paid leave in the pay period was properly reflected in the District's cumulative leave records.

Exceptions: There were no exceptions noted.

Management's Response: Not applicable.

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

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Performance: For the five employees selected, determined that the pay rate as per the payroll check computation agreed to the pay rate in the personnel file.  
Exceptions: There were no exceptions noted.  
Management's Response: Not applicable

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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Performance – Obtained a listing of the employees receiving termination payments and management's written representation that the list is complete. For the four such payments during the year, agreed the hours to the employees' cumulative leave records, agreed the pay rates to the employees' personnel files, and determined that the termination payments agreed to the District's policy.  
Exceptions: There were no exceptions noted.  
Management's Response: Not applicable.

20. Obtain management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any associated forms have been filed, by required deadlines.

Performance – Obtained management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any related forms have been timely filed.  
Exceptions: There were no exceptions noted.  
Management's Response: Not applicable.

**Ethics**

21. Using the five randomly selected directors/employees from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each director/employee selected had completed one hour of ethics training during the fiscal period.

Performance: Requested and reviewed the ethics course completion certificates for the directors/employees tested.  
Exceptions: There were no exceptions noted.

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Management's response: Not applicable.

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

Performance: Determined that the District made no changes to its ethics policy during.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inquired as to whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Debt Service**

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 bond/note issued.

Performance: Determined that no debt had been issued during the fiscal period and received management's representation of such in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Determined that the District has no debt and, as such, these procedures are not applicable.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Fraud Notice**

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period



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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.

Performance: Inquired of management of any misappropriations of public funds or assets and determined that none were noted.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inquired and observed such notice posted on the premises and website.

Exceptions: Determined that the fraud notice is not posted to the District's website.

Management's response: The fraud notice will be posted to the District's website.

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

27. Perform the following procedures and verbally discuss the results with management.

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (1) occurred within the past week, (2) was not stored on the entity's local server or network, and (3) was encrypted.
- 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, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three months.
- 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 five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting software in use are currently supported by the vendor.

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Performance: We performed the procedures 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 #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: We selected the only terminated employee to observe whether he had been removed/disabled from the network.

Exceptions: No exceptions were noted.

Management's response: Not applicable.

**Prevention of Sexual Harassment**

29. Using the five randomly selected directors/employees from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Performance – Observed that the documentation demonstrates each employee tested completed one hour of sexual harassment training during the calendar year.

Exceptions: There were no exceptions noted.

Management's Response: Not applicable.

30. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website.

Performance – Review the District's website to determine if its sexual harassment policy is posted.

Exceptions – Determined that the District's website does not include a sexual harassment policy.

Management's Response – A sexual harassment policy will be posted to the District's website.

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 it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the District who have completed the training requirements;
- b) Number of sexual harassment complaints received by the District;

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- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Performance – Requested a copy of the District's annual sexual harassment report.

Exceptions – There were no exceptions noted.

Management's Response – Not applicable.