

**RECREATION DISTRICT NO.3 OF
TANGIPAHOA PARISH
(A Component Unit of the Tangipahoa Parish Government)**

ANNUAL FINANCIAL REPORT

**As of and for the Year Ended
December 31, 2021**

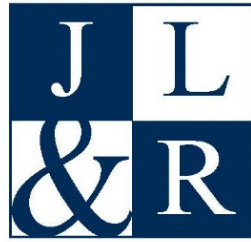
**RECREATION DISTRICT NO. 3 OF TANGIPAOA PARISH
(A Component Unit of the Tangipahoa Parish Government)**

Annual Financial Report
As of and for the Year Ended December 31, 2021

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Independent Auditor's Report

John Smith, Board President
and Members of the Board
Tangipahoa Parish Recreation District No. 3
Amite, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of Tangipahoa Parish Recreation District No. 3, a component unit of Tangipahoa Parish Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Tangipahoa Parish Recreation District No. 3's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of Tangipahoa Parish Recreation District No. 3, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tangipahoa Parish Recreation District No. 3 and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tangipahoa Parish Recreation District No. 3's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tangipahoa Parish Recreation District No. 3'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tangipahoa Parish Recreation District No. 3's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

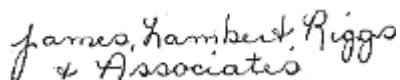
Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Tangipahoa Parish Recreation District No. 3’s basic financial statements. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Compensation Paid to Board Members are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Compensation Paid to Board Members are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2022, on our consideration of Tangipahoa Parish Recreation District No. 3’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tangipahoa Parish Recreation District No. 3’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tangipahoa Parish Recreation District No. 3’s internal control over financial reporting and compliance.



James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 13, 2022

BASIC FINANCIAL STATEMENTS

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government)

Statement A

Statement of Net Position
December 31, 2021

Governmental
Activities

Assets

Current Assets:		
Cash and Cash Equivalents	\$	410,887
Restricted Assets:		
Cash and Cash Equivalents		266,965
Accounts Receivable, Net		524,821
Capital Assets:		
Land and Construction in Progress		564,552
Other Capital Assets, net of depreciation		2,815,023
Total Assets		4,582,248

Deferred Outflow of Resources

Deferred charge on refunding		554,756
Total Deferred Outflow of Resources		554,756

Liabilities

Accounts Payable		10,411
Accrued Interest - Payable from restricted assets		39,320
Pension Fund Mandate Payable - Payable from restricted assets		17,980
Long - Term Debt - Current		91,475
Long - Term Debt - Non Current		3,575,754
Total Liabilities		3,734,940

Net Position

Net Investment in Capital Assets		458,850
Restricted for Debt Service and Capital Projects		542,738
Unrestricted		400,476
Total Net Position	\$	1,402,064

The accompanying notes are an integral part of this statement.

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government)

Statement B

STATEMENT OF ACTIVITIES
For the year ended December 31, 2021

Governmental Activities

Expenses

Parks and Recreation services:

Salaries	\$	15,000
Payroll Taxes		1,260
Auditing		6,000
Accounting		16,219
Legal		11,138
Insurance		3,466
Contract Labor		44,552
Concession Stand Supplies		727
Supplies		7,709
Office Expense		717
Miscellaneous		495
Official Journal		652
Per Diem - Board		1,125
Telephone		250
Website Design		1,532
Utilities		14,244
Pension Fund Mandate		17,980
Interest Expense		183,338
Depreciation Expense		24,740
Total Expense		351,144

Program Revenues

Parks and Recreation services:

Capital Grant	47,348
Total Program Revenues	47,348
Net Program (Expenses)	(303,796)

General Revenues

Ad Valorem Taxes	454,653
State Revenue Sharing	17,891
Interest Earnings	2,588

Total General Revenues 475,132

Change in Net Position 171,336

Net Position - Beginning of year 1,230,728

Net Position - End of year \$ 1,402,064

The accompanying notes are an integral part of this statement.

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government)

Statement C

Balance Sheet
Government Fund
December 31, 2021

		<u>General Fund</u>
Assets		
Cash and Cash Equivalents	\$	410,887
Accounts Receivable, Net		524,821
Restricted Cash and Cash Equivalents		<u>266,965</u>
Total Assets	\$	<u>1,202,673</u>
Liabilities		
Accounts Payable	\$	10,411
Pension Fund Mandate Payable		<u>17,980</u>
Total Liabilities		<u>28,391</u>
Fund Balance		
Restricted for Debt Service and Capital Projects		773,806
Unassigned		<u>400,476</u>
Total Fund Balances		<u>1,174,282</u>
Total Liabilities, and Fund Balances	\$	<u>1,202,673</u>

The accompanying notes are an integral part of this statement.

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government)

Statement D

Reconciliation of the Governmental Fund Balance Sheet to
the Government - Wide Statement of Net Position
December 31, 2021

Total Fund Balance, Governmental Fund (Statement C) \$ 1,174,282

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. These assets consist of:

Governmental capital assets, net of depreciation 3,379,575

Deferred outflows of resources are not available to pay for current - period expenditures and, therefore are not reported in the governmental funds statements. 554,756

Some liabilities are not due and payable from current resources therefore, are not reported in the governmental funds:

Accrued Interest (39,320)
Limited Tax Revenue and Refunding Bonds payable (3,630,000)
Premium on Bonds payable (37,229)

Net Position of Governmental Activities (Statement A) \$ 1,402,064

The accompanying notes are an integral part of this statement.

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government)

Statement E

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2021

		<u>General Fund</u>
Revenues		
Ad Valorem Taxes	\$	478,286
State Revenue Sharing		17,891
Interest Income		2,588
Grant Revenues		167,993
Total Revenues		666,758
 Expenditures		
Parks and Recreations:		
Salaries		15,000
Payroll Taxes		1,260
Auditing		6,000
Accounting		16,219
Legal		11,138
Insurance		3,466
Contract Labor		44,552
Concession Stand Supplies		727
Supplies		7,709
Office Expense		717
Miscellaneous		495
Official Journal		652
Per Diem - Board		1,125
Telephone		250
Website Design		1,532
Utilities		14,244
Pension Fund Mandate		17,980
Debt Service - Principal		90,000
Debt Service - Interest		163,406
Capital Outlay		309,496
Total Expenditures		705,968
 Net Change in Fund Balance		 (39,210)
 Fund Balance - Beginning of the Year		 1,213,492
 Fund Balance - End of the Year	\$	 1,174,282

The accompanying notes are an integral part of this statement.

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government)

Statement F

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of Governmental Fund
to the Statement of Activities

For the Year Ended December 31, 2021

Net Change in Fund Balance - Total Governmental Funds (Statement E)	\$	(39,210)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	309,496	
Less: Current Year Depreciation	(24,740)	284,756

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(144,278)
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The issuance of long-term debt provides current financial resources to the governmental funds, but issuing debt increases long term liabilities in the statement of net position. Repayment of the principal of long term debt consumes the current financial resources of the governmental fund, but the repayment reduces long term liabilities in the statement on net position. Neither transaction, however, has any effect on net position.

Repayment of bond principal		90,000
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Interest expense differs from the amount reported in governmental funds as follows:

In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		563
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Deferred outflow of resources related to the advance refunding of debt is being amortized (and recorded to interest expense).		(21,970)
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Bond premiums are being amortized (and recorded to interest expense)		1,475
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Change in Net Position of Governmental Activities (Statement B)	\$	<u>171,336</u>
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The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government)

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

Recreation District No. 3 of Tangipahoa Parish (District), was created by ordinance of the Tangipahoa Parish Council on June 9, 1997, "...as a recreation district to consist of territorial lands and property, both real and personal in the parish, under and by virtue of the authority conferred by chapter 11, Title 33 of the Louisiana Revised Statutes of 1950 and other constitutional and statutory authority supplemental thereto, a Recreation District's hereby created within the Parish of Tangipahoa Parish, State of Louisiana."

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

The objectives and purposes of the District are to own and operate playgrounds and other facilities and to engage in activities that would promote recreation and any related activity designed to encourage recreation and promote the general health and well-being of youths and all of the goals and purposes authorized by law. Major revenues for the District include ad valorem taxes and state revenue sharing. Major expenditures of the District include capital outlay and debt service.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

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

This financial report has been prepared in conformity with GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended. However, management has elected to not present the Management's Discussion and Analysis.

B. Financial Reporting Entity

All board members of the District are appointed by the Tangipahoa Parish Government. As the governing authority of the parish, for reporting purposes, the Tangipahoa Parish Government is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Because the board members of the District are appointed by the Tangipahoa Parish Government, the District was determined to be a component unit of the Tangipahoa Parish Government, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish government, the general governmental services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government) - continued

Notes to the Financial Statements
As of and for the Year Ended December 31, 2021

Governmental funds

Governmental funds account for all of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets, deferred outflows of resources, liabilities, and deferred inflow of resources is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the District. The District's only fund, the general fund, is classified as a governmental type activity.

D. Measurement Focus / Basis of Accounting

Basic Financial Statements – Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include all the non-fiduciary activities of the District. 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). 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*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grant and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, interest earnings, and other revenues not properly included among program revenues are reported instead as general revenues. The District does not allocate indirect expenses.

The District previously implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net position by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net position by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Note 1K - Net Position*.

The District also previously implemented GASB Statements No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government) - continued

Notes to the Financial Statements
As of and for the Year Ended December 31, 2021

The District had deferred outflows of resources at December 31, 2021, in the amount of \$554,756 reported in governmental activities Statement of Net Position related to the advance refunding of debt in 2017 (See Note 1J and Notes 6 and 8 for further discussion on the refunding).

Basic Financial Statements - Governmental Funds

The amounts reflected in the General Fund, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations.

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

Revenues - Property taxes, state revenue sharing, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

Reconciliation - Explanation of differences between the Governmental Fund Balance Sheet and the government-wide Statement of Net Position is presented in Statement D of the basic financial statements. Explanation of differences between the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities is presented in Statement F of the basic financial statements.

E. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

In accordance with state law, the District limits investments to those allowed under R.S. 33:2955. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The District had no investments at December 31, 2021.

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government) - continued

Notes to the Financial Statements
As of and for the Year Ended December 31, 2021

F. Receivables

Receivables are shown net of an allowance for uncollectible. Uncollectible amounts for property taxes are a reduction to the allowance accounts.

G. Restricted Assets

Certain resources of the District are set aside for the construction of the park and debt service and are classified as restricted assets because their use is limited per the bond covenants or grant agreement.

H. Inventory

The District utilizes the "purchase method" of accounting for supplies, whereby expendable operating supplies are recognized as expenditures when purchased. The District had no inventory at December 31, 2021.

I. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net position and Statement of Activities. All capital assets, other than land, are depreciated using the straight - line method over the following estimated useful life years:

<u>Asset Class</u>	<u>Life Years</u>
Roads and Bridges	20
Building and Building Improvements	40
Equipment	3-10
Furniture and Fixtures	3-12
Motor Vehicles	5-10

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

J. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Paragraph 187 of GASB Statement 62 establishes standards of accounting and financial reporting for debt issuance costs. Paragraph 12 of Statement 7 indicates that debt issuance costs include all costs incurred to issue the bonds, including but not limited to insurance costs (net of rebates from the old debt, if any), financing costs (such as rating agency fees), and other related costs (such as printing, legal, administrative, and trustee expenses).

The District has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, were revised. This standard was intended to complement GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expensed in the period incurred under GASB 65. The District incurred and expensed \$48,597 in bond issuance costs associated with the issuance of Limited Tax Revenue and Refunding Bonds, Series 2017 in the year ending December 31, 2017. See further discussion on the bond issuance in *Note 6 - Long Term Obligations and Note 8 - Dedication of Proceeds and Flow Funds*.

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government) - continued

Notes to the Financial Statements
As of and for the Year Ended December 31, 2021

GASB statement 23, as amended, establishes accounting and financial reporting for current refundings and advance refundings resulting in defeasance of debt. Refundings involve the issuance of new debt whose proceeds are used to repay previously issued ("old") debt. The new debt proceeds may be used to repay the old debt immediately (a current refunding); or the new debt proceeds may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding). As described in paragraphs 3 and 4 of GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*, an advance refunding may result in the in-substance defeasance of the old debt provided that certain criteria are met.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* provides guidance on reporting difference between the reacquisition price and the net carrying amount of the old debt for current and advance refunding resulting in defeasance of debt. The difference is reported as deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

For the year ending December 31, 2017, the District issued \$3,970,000 in Limited Tax Revenue and Refunding Bonds, Series 2017 for the purpose of refunding the District's outstanding bonds, funding a reserve fund, and paying the costs of issuance of the bonds. The District reported \$554,756 in deferred outflows of resources at December 31, 2021, related to the difference between the reacquisition price and the net carrying amount of the old debt for advance refunding resulting in defeasance of debt during the year ending December 31, 2017, less amortization of such amount. See further discussion on the refunding of bonds in *Note 6 - Long Term Obligations and Note 8 - Dedication of Proceeds and Flow of Funds*.

K. Net Position

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

1. Net Investment in Capital Assets Component of Net Position - The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
2. Restricted - this component of net position consists of noncapital assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation reduced by related liabilities and deferred inflow of resources.
3. Unrestricted - all other net position is reported in this category.

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

The District has restricted Net Position related to bond restrictions.

Recreation District No. 3 of Tangipahoa Parish
 (A Component Unit of the Tangipahoa Parish Government) - continued

Notes to the Financial Statements
 As of and for the Year Ended December 31, 2021

L. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

1. **Nonspendable Fund Balance** - amounts that cannot be spent because they are either not spendable form or legally or contractually required to be maintained intact.

The District does not have anything that can be classified as Nonspendable Fund Balance.

2. **Restricted** - amounts in which the use of resources is constrained either by (a) external impositions by creditors, grantors, contributors, or laws or regulations of other governments or (b) impositions by law through constitutional provisions or enabling legislation.

The District has Restricted Fund Balance due to bond restrictions and grant agreement.

3. **Committed Fund Balance** - amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of decision-making authority).

The District does not have anything that can be classified as Committed Fund Balance.

4. **Assigned Fund Balance** - this classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the District's governing body itself or a committee or official to which the governing body delegated the authority to assign amounts to be used for specific purpose.

The District does not have anything that can be classified as Assigned Fund Balance.

5. **Unassigned Fund Balance** - this classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the District will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the District's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

M. Estimates

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

N. Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes were levied by the District in September and billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Tangipahoa Parish Sheriff on behalf of the District bills, collects, and remits the property taxes using the assessed values determined by the tax assessor of Tangipahoa Parish. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date of Millage
General Fund	15.00	15.00	04/09/2045

Recreation District No. 3 of Tangipahoa Parish
 (A Component Unit of the Tangipahoa Parish Government) - continued

Notes to the Financial Statements
 As of and for the Year Ended December 31, 2021

2. Stewardship, Compliance, and Accountability

Budgetary Information

The District uses the following budget practice:

The District adopts a budget for the General fund on the modified accrual basis each year.

The budget for the fiscal year ended December 31, 2021, was originally adopted on December 8, 2020.

The budget was not amended during the fiscal year.

3. DEPOSITS AND INVESTMENTS

Cash and cash equivalents and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and cash equivalents	\$ 410,887
Restricted cash and cash equivalents	266,965
Total cash and cash equivalents and investments	\$ <u>677,852</u>

Deposits and investments as of December 31, 2021, consist of the following:

Interest-bearing deposits	\$ 677,852
Total deposits and investments	\$ <u>677,852</u>

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk as it relates to cash deposit is the risk that in the event of bank failure, the government's deposits may not be returned. The District does not have a formal policy for custodial credit risk. At December 31, 2021, the District has \$677,852 in deposits (collected bank balances). Of these deposits, \$266,965 are related to the issuance and related construction costs of the District's Limited Tax Bonds. Under the terms of the agreement with Whitney Bank, the bank maintains control of the funds and disburses funds in accordance with bond documents and at the District's request. These funds are secured by the Trust Department of Hancock Whitney. Of the remaining deposits of \$410,887, \$250,000 is secured from risk by Federal deposit insurance and the remaining \$160,877 is covered by pledge securities. The \$160,877 is exposed to custodial credit risk because while the amount in secured by pledge securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

4. Receivables

Receivables are all current and represent revenues earned in 2021 and to be received in 2022 as follows:

	<u>Total</u>
Tangipahoa Parish Sheriff:	
Ad Valorem Taxes	\$ 475,532
State Revenue Sharing	11,927
Grant	50,362
Less: Allowance for Uncollectible	<u>(13,000)</u>
Accounts Receivable, Net	\$ <u>524,821</u>

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government) - continued

Notes to the Financial Statements
As of and for the Year Ended December 31, 2021

5. Capital Assets

The following is a summary of changes in capital assets for the ended December 31, 2021:

<u>Governmental Activities</u>	<u>Balance 01/01/21</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/21</u>
Capital assets not depreciated:				
Land and land improvements	\$ 564,552	\$ -	\$ -	\$ 564,552
Construction in progress	2,529,989	292,598	2,822,587	-
Total capital assets, not depreciated	3,094,541	292,598	2,822,587	564,552
Capital assets, being depreciated:				
Buildings	-	249,065	-	249,065
Park	-	2,587,187	-	2,587,187
Equipment	-	3,233	-	3,233
Office Equipment	833	-	-	833
Total capital assets, being depreciated	833	2,839,485	-	2,840,318
Less: Accumulated depreciation:				
Buildings	-	2,987	-	2,987
Park	-	21,560	-	21,560
Equipment	-	27	-	27
Office Equipment	555	166	--	721
Total accumulated depreciation	555	24,740	-	25,295
Total capital assets, being depreciated, net	278	2,814,745	-	2,815,023
Governmental activities capital assets, net	\$ 3,094,819	\$ 3,107,343	\$ 2,822,587	\$ 3,379,575

Depreciation was charged to governmental functions as follows:

Parks and Recreation \$ 24,740

6. Long -Term Obligations

A. The following is a summary of changes in long-term obligations for the year ended December 31, 2021:

<u>Governmental Activities:</u>	<u>Balance 1/1/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/21</u>	<u>Due Within One Year</u>
Series 2017:					
Limited Tax and Refunding Bonds	\$ 3,720,000	\$ -	\$ 90,000	\$ 3,630,000	\$ 90,000
Debt Issuance Premium	38,704	-	1,475	37,229	1,475
	\$ 3,758,704	\$ -	\$ 91,475	\$ 3,667,229	\$ 91,475

B. Bonds:

\$3,970,000 Limited Tax and Refunding bonds (Recreation District No.3 of Tangipahoa Parish Project), Series 2017 dated March 29, 2017, due in semi-annual installments of interest and maturing annually in amounts ranging from \$80,000 - \$235,000 through April 1, 2046; with interest between 2% and 5%.

\$3,630,000

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government) - continued

Notes to the Financial Statements
As of and for the Year Ended December 31, 2021

C. Debt Service Requirements to Maturity

The annual requirements to amortize the Limited Tax and Refunding Bonds debt outstanding as of December 31, 2021, including interest, are as follows:

	BONDS		
	Principal	Interest	Total
2022	90,000	156,156	246,156
2023	90,000	153,681	243,681
2024	95,000	150,906	245,906
2025	100,000	147,881	247,881
2026	100,000	144,681	244,681
2027-2031	560,000	665,094	1,225,094
2032-2036	675,000	541,868	1,216,868
2037-2041	845,000	372,947	1,217,947
2042-2046	1,075,000	139,376	1,214,376
TOTAL	\$ 3,630,000	\$ 2,472,590	\$ 6,102,590

Interest expense of \$163,406 in the general fund for the year consisted of \$163,406 paid on the 2017 bonds. Additionally, interest expense for governmental activities of \$183,338 includes a \$563 change in accrued interest on the 2017 bonds, \$21,970 amortization of deferred outflow, and \$1,475 of amortization of premium

7. Ad Valorem Taxes

For the year ended December 31, 2021, taxes were levied on property with taxable assessed valuations totaling \$31,701,675.

Total taxes levied were \$475,532. At December 31, 2021, the ad valorem tax receivable was \$475,532. The ad valorem taxes receivable at December 31, 2021, is recorded net of a \$13,000 allowance for uncollectible taxes.

8. Dedication of Proceeds and Flow of Funds

Proceeds of the 30 year special tax 15 mills on the dollar of assessed valuation on all property on the dollar of assessed valuation on all property subject to taxation in the District are dedicated for the purpose of constructing, improving, maintaining, and operating recreational facilities for the District.

The District, through its governing authority, adopted a resolution on August 9, 2016, authorizing the issuance of \$10,935,000 of Limited Tax Bonds of Recreation District No. 3 of Tangipahoa Parish Series 2016, for the purpose of construction, and improving recreational facilities, and secured by and payable from an irrevocable pledge and dedication of the revenue derived from the levy and collection of ad valorem tax of 15 mills.

On March 29, 2017, the District issued \$3,970,000 in Limited Tax and refunding Bonds, Series 2017 (\$2,785,000 new money bonds (limited tax revenue) and \$1,185,000 refunding bonds), at a premium of \$44,235 for the purpose of refunding the Series 2016 outstanding bonds, funding a reserve fund, and paying the costs of issuance of the bonds. The bonds issued with premium included \$1,189,676 in refunding bonds and premium and \$2,842,559 in new money bonds (limited tax revenue bonds) and premium. \$1,096,407.50 of the total Series 2017 bond proceeds plus \$10,107,266.06 of reserve and construction funds of the Series 2016 bonds were used to purchase US government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for the 2017 to 2046 debt service payments on the Series 2016 bonds. These bonds maturing April 1, 2027, and thereafter will be called for redemption on April 1, 2026 at a price equal to the principal amount thereof plus accrued interest from the most recent interest payment date to which interest has been paid or duly

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government) - concluded

Notes to the Financial Statements
As of and for the Year Ended December 31, 2021

called for. As a result, the \$9,405,000 outstanding 2016 Series bonds were considered in-substance defeased and the liability for those bonds was removed from the District's books at December 31, 2017. The District reported \$659,114 in deferred outflows of resources related to the difference between the reacquisition price and the net carrying amount of the old debt for current and advance refunding resulting in defeasance of debt. At December 31, 2021, the District had \$554,756 of unamortized deferred outflow of resources

As of December 31, 2021, the District was in compliance with all bond covenants.

9. Litigation

There is no litigation pending against the District at December 31, 2021.

10. Commitments

As of December 31, 2021 there is a disputed invoice between the District and the engineering firm in the amount of \$11,426. The attorney for the District is in contact with the engineering firm to resolve this matter. A payable has been accrued as of December 31, 2021 in the amount of \$5,713 which represents 50% of the disputed invoice.

11. Tax Abatements

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers attractive tax incentive for manufacturers within the state. The program abates, for up to ten years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. The exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and / or personal property items covered by the exemption. There are currently thirty five tax abatements in Tangipahoa Parish, related to fourteen companies, under the Louisiana ITEP. For the 2021 calendar year, the estimated forgone ad valorem taxes due to the District due to this abatement program was \$11,031.60

12. Subsequent events

Subsequent events have been evaluated by management through June 13, 2022, the date the financial statements were available for issuance. No other events were noted requiring recording or additional disclosure in the financial statements for the year ending December 31, 2021.

REQUIRED SUPPLEMENTARY INFORMATION
(Part II)

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government)

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Governmental Fund Type-General Fund
For the year ending December 31, 2021

Schedule 1

Revenues	Original & Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Favorable (Unfavorable)
Ad Valorem Taxes	\$ 435,000	\$ 478,286	\$ 43,286
State Revenue Sharing	18,000	17,891	(109)
Interest and Investment Earnings	6,000	2,588	(3,412)
Grant Revenues	80,000	167,993	87,993
Rental Fees	7,500	-	(7,500)
Concession Sales	2,500	-	(2,500)
Total Revenues	<u>549,000</u>	<u>666,758</u>	<u>117,758</u>
Expenditures			
Parks and Recreations:			
Salaries	48,667	15,000	33,667
Employee Benefits- Health Insurance	4,600	-	4,600
Payroll Taxes	1,500	1,260	240
Retirement	4,500	-	4,500
Auditing	6,500	6,000	500
Accounting	18,000	16,219	1,781
Legal	15,000	11,138	3,862
Contract Labor	-	44,552	(44,552)
Concession stand supplies	1,000	727	273
Supplies	3,000	7,709	(4,709)
Insurance	6,000	3,466	2,534
Miscellaneous	500	495	5
Office Expense	3,000	717	2,283
Official Journal	1,000	652	348
Per Diem- Board	1,500	1,125	375
Telephone	1,200	250	950
Travel	500	-	500
Website Design	1,800	1,532	268
Utilities	6,000	14,244	(8,244)
Pension Fund Mandate	19,000	17,980	1,020
Debt Service-Principal	90,000	90,000	-
Debt Service-Interest	163,500	163,406	94
Capital Outlay	700,000	309,496	390,504
Total Expenditures	<u>1,096,767</u>	<u>705,968</u>	<u>390,799</u>
Net Change in Fund Balance	(547,767)	(39,210)	508,557
Fund Balance at Beginning of Year	<u>1,457,779</u>	<u>1,213,492</u>	<u>(244,287)</u>
Fund Balance at End of Year	<u>\$ 910,012</u>	<u>\$ 1,174,282</u>	<u>\$ 264,270</u>

OTHER SUPPLEMENTARY INFORMATION

Recreation District No. 3 of Tangipahoa Parish
(A Component Unit of the Tangipahoa Parish Government)

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
For the Year Ended December 31, 2021

Agency Head: John Smith, Chairman of the Board

Compensation paid as commissioner per diem for the year ended December 31, 2021

John Smith	<u>\$300</u>
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Recreation District No. 3 of Tangipahoa Parish
 (A Component Unit of the Tangipahoa parish Government)
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

For the year ended December 31, 2021

	<u>Term</u>	<u>Term Expires</u>	<u>Compensation Paid</u>
Gerald Giardina 228 S. First St. Amite, LA 70422 985-507-7070	3	April 2025	\$250
Wayne Johnson P.O. Box 1229 Amite, LA 70422 985-662-4148	3	April 2025	300
John Smith 60244 Isreal Cutrer Rd. Amite, LA 70422 985-517-1397	2	April 2026	300
Brian "B.T." Callihan 611 Suzanne Drive Amite, LA 70422 985-517-9917	2	April 2023	275
Cory Blunk 100 Oak St. Amite, LA 70422 985-974-1785	2	April 2024	-
			<hr/>
			\$ 1,125
			<hr/>

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



Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

John Smith, Board President
and Members of the Board
Tangipahoa Parish Recreation District No. 3
Amite, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of Tangipahoa Parish Recreation District No. 3, a component unit of Tangipahoa Parish Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Tangipahoa Parish Recreation District No. 3's basic financial statements, and have issued our report thereon dated June 13, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tangipahoa Parish Recreation District No. 3's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tangipahoa Parish Recreation District No. 3's internal control. Accordingly, we do not express an opinion on the effectiveness of Tangipahoa Parish Recreation District No. 3's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weaknesses, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

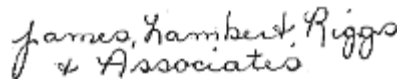
As part of obtaining reasonable assurance about whether Tangipahoa Parish Recreation District No. 3's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our

Tangipahoa Parish Recreation District No. 3
June 13, 2022

audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

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

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 13, 2022

Tangipahoa Parish Recreation District No. 3
Amite, Louisiana
 Schedule of Findings, Recommendations, and Responses
 For the Year Ended December 31, 2021

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of Tangipahoa Parish Recreation District No. 3 as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Tangipahoa Parish Recreation District No. 3's basic financial statements, and have issued our report thereon dated June 13, 2022. Our audit of the basic financial statements resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

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

Internal Control:

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

Compliance:

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

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

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Tangipahoa Parish Recreation District No. 3

Amite, Louisiana

Summary Schedule of Prior Audit Findings

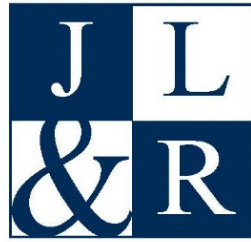
For the Year Ended December 31, 2021

<u>Ref #</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>
<u>Internal Control over Financial Reporting</u>			
None			
<u>Compliance and Other Matters</u>			
2020-C1	December 31, 2020	Local Budget Act	Yes - Finding Cleared
2020-C2	December 31, 2020	Public Bid Law	Yes - Finding Cleared
2020-C3	December 31, 2020	Grant Progress Reporting	Yes - Finding Cleared

Note: This schedule has been prepared by the management of Tangipahoa Parish Recreation District No. 3.

TANGIPAHOA PARISH RECREATION DISTRICT NO. 3
STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021

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



**JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.**
CERTIFIED PUBLIC ACCOUNTANTS
www.jlrcpafirm.com


Member of
American Institute of CPAs
Society of Louisiana CPAs

Independent Accountants' Report on Applying Agreed-Upon Procedures

John Smith, Board President
and Members of the Board
Tangipahoa Parish Recreation District No. 3
Amite, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Tangipahoa Parish Recreation District No. 3's (the "District") management is responsible for those C/C areas identified in the SAUPs.

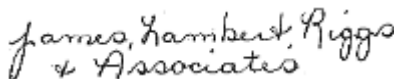
The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are detailed in Schedule "A."

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

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

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

A handwritten signature in dark ink that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 13, 2022

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. **Disbursements**, including processing, reviewing, and approving.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. **Receipts / Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - e. **Payroll / Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - f. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - g. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - h. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- i. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- j. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- k. **Information Technology Disaster Recovery / Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing / verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches / updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- l. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Board or Finance Committee

2. Obtain and inspect the board / finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a. Observe that the board / finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - **Results:** No exceptions were noted as a result for the above listed procedures.

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

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

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 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

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

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

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

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

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

Collections (excluding electronic funds transfers)

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

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

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

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

- b. Each employee responsible for collecting cash is not responsible for preparing / making bank deposits, unless another employee / official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- d. The employee(s) responsible for reconciling cash collections to the general ledger and / or subsidiary ledgers, by revenue source and / or agency fund additions, are not responsible for collecting cash, unless another employee / official verifies the reconciliation.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
 - **Results:** The District does not have an insurance policy for theft covering all employees who have access to cash.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a. Observe that receipts are sequentially pre-numbered.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. Trace the deposit slip total to the actual deposit per the bank statement.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- e. Trace the actual deposit per the bank statement to the general ledger.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Non-Payroll Disbursements (excluding card purchases / 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 5 locations (or all locations if less than 5).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order / making the purchase.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. At least two employees are involved in processing and approving payments to vendors.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. The employee responsible for processing payments is prohibited from adding / modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - **Results:** All checks are prepared by the Board Secretary; however, all checks are input into the accounting software by the outside CPA, who is able to review each new vendor.
 - d. Either the employee / official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - **Results:** The Board Secretary prepares all checks and mails all checks; however, all invoices are approved by some combination of the President, Treasurer, and / or outside CPA. Additionally, the outside CPA inputs all transactions into the accounting software and reconciles the bank account.

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

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- a. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Observe whether the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #9, as applicable.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- **Results:** No exceptions were noted as a result for the above listed procedures.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit / debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Observe that finance charges and late fees were not assessed on the selected statements.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

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

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

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms / prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

- **Results:** No travel and travel-related expense reimbursements took place during the current fiscal year.

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

- **Results:** No travel and travel-related expense reimbursements took place during the current fiscal year.

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

- **Results:** No travel and travel-related expense reimbursements took place during the current fiscal year.

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

- **Results:** No travel and travel-related expense reimbursements took place during the current fiscal year.

Contracts

15. Obtain from management a listing of all agreements / contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Observe whether the contract was approved by the governing body / board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries / pay rates in the personnel files.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and / or contract, the official should document his / her daily attendance and leave.)
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- b. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - **Results:** For one of the five selected employees, the employee's time sheets were not approved in writing by a supervisor.
 - c. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. Observe the rate paid to the employees or officials agree to the authorized salary / pay rate found within the personnel file.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- **Results:** No employees or officials received termination payments during the fiscal period.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.
- **Results:** No exceptions were noted as a result for the above listed procedures.

Ethics

20. Using the 5 randomly selected employees / officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee / official completed one hour of ethics training during the fiscal period.
 - **Results:** Two of the five employees / officials selected did not have evidence of their ethics training.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Debt Service

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

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

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

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

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

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

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

- **Results:** As of December 31, 2021, the new recreation park was not open, therefore, no official premises existed. As of December 31, 2021, the notice was not found on the District's website.

Information Technology Disaster Recovery / Business Continuity

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

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 occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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

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

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

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

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

Sexual Harassment

26. Using the 5 randomly selected employees / officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee / official completed at least one hour of sexual harassment training during the calendar year.

- **Results:** Three of the five employees / officials selected did not have evidence of their sexual harassment training.

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

- **Results:** As of December 31, 2021, the new recreation park was not open, therefore, no official premises existed. As of December 31, 2021, the policy was not found on the District's website.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;

- **Results:** No sexual harassment report was filed for the current fiscal period.

- b. Number of sexual harassment complaints received by the agency;

- **Results:** No sexual harassment report was filed for the current fiscal period.

- c. Number of complaints which resulted in a finding that sexual harassment occurred;

- **Results:** No sexual harassment report was filed for the current fiscal period.

- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

- **Results:** No sexual harassment report was filed for the current fiscal period.

- e. Amount of time it took to resolve each complaint.

- **Results:** No sexual harassment report was filed for the current fiscal period.



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June 13, 2022

James Lambert Riggs & Associates, Inc.
401 E. Thomas Street
Hammond, Louisiana 70401

Responses to the Louisiana Legislative Auditors State-Wide Agreed-Upon Procedures

Item 6- The District will immediately obtain an insurance policy for theft on all employees who have access to cash.

Item 17(b)- At the time payroll checks are given to the Treasurer for signature, the Secretary will present the Treasurer with all timesheets for his approval; which will be indicated by his initials and the date.

Item 20- The Secretary during the year ending December 31, 2021, sent out text messages and reminded the board members at every meeting to get their ethics training done and turn in their certificates. The District will look into having a training day for all employees/officials, with attendance being mandatory.

Item 24- The Secretary will immediately contact the firm managing the District website and have them place the required notice required by R.S. 24:523.1 on the website.

Item 26- The Secretary during the year ending December 31, 2021, sent out text messages and reminded the board members at every meeting to get their sexual harassment training done and turn in their certificates. The District will look into having a training day for all employees/officials, with attendance being mandatory.

Item 27- The Secretary will immediately contact the firm managing the District website and have them place the required sexual harassment policy and complaint procedure on the website.

Item 28- The Secretary will be instructed to prepare the report by January 31 and present that report to the Board at the February meeting to ensure completion. The report for FYE December 31, 2021, will be prepared immediately.

Respectfully submitted,

Recreation District No. 3 of Tangipahoa Parish


John Smith, Board President
