

**ANNUAL FINANCIAL REPORT**  
**ST. TAMMANY PARISH**  
**RECREATION DISTRICT NO. 14**  
**MADISONVILLE, LOUISIANA**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2023**



**ERICKSEN KRENTEL** LLP  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

**TABLE OF CONTENTS**

	<b><u>EXHIBIT</u></b>	<b><u>PAGE</u></b>
<b><u>INDEPENDENT AUDITORS' REPORT</u></b> .....		1 – 4
<b><u>BASIC FINANCIAL STATEMENTS:</u></b>		
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>		
Statement of Net Position .....	A	5
Statement of Activities.....	B	6
<b>FUND FINANCIAL STATEMENTS (FFS)</b>		
Governmental Funds:		
Balance Sheet .....	C	7
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	D	8
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	E	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F	10
Proprietary Fund:		
Statement of Net Position .....	G	11
Statement of Revenues, Expenses, and Change in Net Position .....	H	12
Statement of Cash Flows.....	I	13
<b>NOTES TO FINANCIAL STATEMENTS</b> .....		14 – 24
<b><u>REQUIRED SUPPLEMENTARY INFORMATION (PART II):</u></b>		<b><u>SCHEDULE</u></b>
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund.....	1	25
<b><u>OTHER SUPPLEMENTARY INFORMATION:</u></b>		
Schedule of Governing Board .....	2	26
Schedule of Compensation, Benefits and Other Payments to Agency Head .....	3	27
<b><u>OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS:</u></b>		
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....		28 – 29
Schedule of Findings and Responses .....		30
Summary Schedule of Prior Year Findings.....		31



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners of  
St. Tammany Parish Recreation District No. 14  
Madisonville, Louisiana

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the St. Tammany Parish Recreation District No. 14 (the District), a component unit of St. Tammany Parish, Louisiana, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity 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, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



To the Board of Commissioners of  
St. Tammany Parish Recreation District No. 14  
Madisonville, Louisiana

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

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

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

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

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



To the Board of Commissioners of  
St. Tammany Parish Recreation District No. 14  
Madisonville, Louisiana

***Required Supplementary Information***

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 (GASB), 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison on page 25 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the District's basic financial statements. The accompanying Schedule of Governing Board and Schedule of Compensation, Benefits and Other Payments to Agency Head are presented to comply with the Act 706 of the 2014 Louisiana Legislative Session, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Governing Board and Schedule of Compensation, Benefits and Other Payments to Agency Head, in all material respects, in relation to the basic financial statements as a whole.



**ERICKSEN KRENTEL** LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of  
St. Tammany Parish Recreation District No. 14  
Madisonville, Louisiana

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

July 1, 2024  
Mandeville, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants

## **BASIC FINANCIAL STATEMENTS**

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**STATEMENT OF NET POSITION**  
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS:</u></b>			
Cash and cash equivalents	\$ 9,903,257	\$ 172,232	\$ 10,075,489
Receivables:			
Ad valorem taxes, net of allowance	3,428,870	-	3,428,870
State revenue sharing	17,380	-	17,380
Other assets	4,884	465	5,349
Capital assets not being depreciated	8,945,407	-	8,945,407
Capital assets being depreciated, net of accumulated depreciation	14,881,864	156,590	15,038,454
 Total assets	 37,181,662	 329,287	 37,510,949
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Loss on refunding	169,276	-	169,276
 Total deferred outflows of resources	 169,276	 -	 169,276
<b><u>LIABILITIES:</u></b>			
Accounts payable	408,844	-	408,844
Accrued interest	239,599	-	239,599
Retainage payable	209,317	-	209,317
Certificates of indebtedness:			
Due within one year	248,000	-	248,000
Due in more than one year	1,342,000	-	1,342,000
Bonds payable:			
Due within one year	1,142,785	-	1,142,785
Due in more than one year	23,421,744	-	23,421,744
 Total liabilities	 27,012,289	 -	 27,012,289
<b><u>NET POSITION:</u></b>			
Net investment in capital assets	5,040,185	156,590	5,196,775
Restricted - debt service	2,922,987	-	2,922,987
Unrestricted	2,375,477	172,697	2,548,174
 Total net position	 \$ 10,338,649	 \$ 329,287	 \$ 10,667,936

**The accompanying notes are an integral part of this statement**



**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Function/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>						
Recreation	\$ 3,226,464	\$ -	\$ 26,306	\$ (3,200,158)	\$ -	\$ (3,200,158)
Interest on long-term debt	650,626	-	-	(650,626)	-	(650,626)
Total governmental activities	<u>\$ 3,877,090</u>	<u>\$ -</u>	<u>\$ 26,306</u>	<u>(3,850,784)</u>	<u>-</u>	<u>(3,850,784)</u>
<b>Business-type activities:</b>						
Recreation	1,050,733	997,080	-	-	(53,653)	(53,653)
Total business-type activities	<u>\$ 1,050,733</u>	<u>\$ 997,080</u>	<u>\$ -</u>	<u>-</u>	<u>(53,653)</u>	<u>(53,653)</u>
<b>General revenues:</b>						
Taxes:						
Ad valorem						
				3,827,886	-	3,827,886
State revenue sharing						
				26,411	-	26,411
Interest and investment earnings						
				320,312	19,165	339,477
Gain on disposal of capita assets						
				2,200	-	2,200
Miscellaneous						
				136,867	-	136,867
Total general revenues				<u>4,313,676</u>	<u>19,165</u>	<u>4,332,841</u>
Change in net position				462,892	(34,488)	428,404
Net position, beginning of year				<u>9,875,757</u>	<u>363,775</u>	<u>10,239,532</u>
Net position, ending of year				<u>\$ 10,338,649</u>	<u>\$ 329,287</u>	<u>\$ 10,667,936</u>

The accompanying notes are an integral part of this statement

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
DECEMBER 31, 2023

	General Fund	Debt Service Fund	Capital Fund	Total Governmental Funds
<b><u>ASSETS:</u></b>				
Cash and cash equivalents	\$ 831,869	\$ 1,312,536	\$ 7,758,852	\$ 9,903,257
Receivables:				
Ad valorem taxes, net of allowance	1,764,839	1,664,031	-	3,428,870
State revenue sharing	17,380	-	-	17,380
Due from other funds	(88,276)	134,594	-	46,318
Other assets	4,884	-	-	4,884
	<u>2,530,696</u>	<u>3,111,161</u>	<u>7,758,852</u>	<u>13,400,709</u>
Total assets	<u>\$ 2,530,696</u>	<u>\$ 3,111,161</u>	<u>\$ 7,758,852</u>	<u>\$ 13,400,709</u>
<b><u>LIABILITIES:</u></b>				
Accounts payable	\$ (1,116)	\$ -	\$ 409,960	\$ 408,844
Retainage payable	-	-	209,317	209,317
Due to other funds	46,318	-	-	46,318
	<u>45,202</u>	<u>-</u>	<u>619,277</u>	<u>664,479</u>
Total liabilities	<u>45,202</u>	<u>-</u>	<u>619,277</u>	<u>664,479</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>				
Unavailable revenue - ad valorem taxes	199,574	188,174	-	387,748
	<u>199,574</u>	<u>188,174</u>	<u>-</u>	<u>387,748</u>
Total deferred inflows of resources	<u>199,574</u>	<u>188,174</u>	<u>-</u>	<u>387,748</u>
<b><u>FUND BALANCE:</u></b>				
Restricted for:				
Debt service	-	2,922,987	-	2,922,987
Construction	-	-	7,139,575	7,139,575
Unassigned	2,285,920	-	-	2,285,920
	<u>2,285,920</u>	<u>2,922,987</u>	<u>7,139,575</u>	<u>12,348,482</u>
Total fund balance	<u>2,285,920</u>	<u>2,922,987</u>	<u>7,139,575</u>	<u>12,348,482</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,530,696</u>	<u>\$ 3,111,161</u>	<u>\$ 7,758,852</u>	<u>\$ 13,400,709</u>

**The accompanying notes are an integral part of this statement**

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
DECEMBER 31, 2023

Fund balance - governmental funds		\$ 12,348,482
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.		
Capital assets not being depreciated	8,945,407	
Capital assets being depreciated	26,250,347	
Less: accumulated depreciation	<u>(11,368,483)</u>	23,827,271
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
		(26,154,529)
Losses on refunding are not available to pay for current period expenses and, therefore, are not reported in the funds.		
		169,276
Accrued interest and expenses associated with long-term are not reported in the governmental funds.		
		(239,599)
Certain property tax collections are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the governmental funds.		
		<u>387,748</u>
Net position of governmental activities		<u>\$ 10,338,649</u>

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	General Fund	Debt Service Fund	Capital Fund	Total Governmental Funds
<b><u>REVENUES:</u></b>				
Ad valorem taxes	\$ 1,770,639	\$ 1,669,499	\$ -	\$ 3,440,138
State revenue sharing	26,411	-	-	26,411
Rental income	78,947	-	-	78,947
Advertising income	51,780	-	-	51,780
Capital grant	26,306	-	-	26,306
Interest and investment earnings	66,637	60,836	192,839	320,312
Gain on disposal of capital outlay	2,200	-	-	2,200
Miscellaneous	6,140	-	-	6,140
	<u>2,029,060</u>	<u>1,730,335</u>	<u>192,839</u>	<u>3,952,234</u>
<b><u>EXPENDITURES:</u></b>				
Administration	1,804,610	1,200	1,010	1,806,820
Capital outlay	40,790	-	5,291,248	5,332,038
Debt service:				
Principal	241,000	838,000	-	1,079,000
Interest	75,776	753,726	-	829,502
	<u>2,162,176</u>	<u>1,592,926</u>	<u>5,292,258</u>	<u>9,047,360</u>
Excess (deficiency) of revenues over expenditures	(133,116)	137,409	(5,099,419)	(5,095,126)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers in (out)	(54,634)	54,634	-	-
	<u>(54,634)</u>	<u>54,634</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(187,750)	192,043	(5,099,419)	(5,095,126)
<b><u>FUND BALANCES:</u></b>				
Beginning of year	2,473,670	2,730,944	12,238,994	17,443,608
End of year	<u>\$ 2,285,920</u>	<u>\$ 2,922,987</u>	<u>\$ 7,139,575</u>	<u>\$ 12,348,482</u>

**The accompanying notes are an integral part of this statement**

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Net change in fund balance - governmental fund \$ (5,095,126)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated lives and reported as depreciation expense.

Capital outlays capitalized	5,315,333
Depreciation expense	(1,419,644)

Right-of-use assets are reported in governmental funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated lives and reported as amortization expense.

Right-of-use assets	16,705
Amortization expense	881

The issuance of long-term debt (e.g. certificates of indebtedness and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond principal	1,079,000
Bond premium amortization	(76,785)
Loss on refunding amortization	(28,233)
Accrued interest	129,443

Under the modified accrual basis of accounting used in the governmental funds, advances of derived tax revenues is not recognized until received, rather than as it is earned. This is the amount by which prior year advances of derived tax revenues recognized of \$0 were exceeded by current advances of derived tax revenues recognized of \$387,748.

387,748

Change in net position of governmental activities \$ 309,322

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
DECEMBER 31, 2023

	<u>Program Fund</u>
<b><u>ASSETS:</u></b>	
Current assets:	
Cash and cash equivalents	\$ 172,232
Accounts receivable	<u>465</u>
Total current assets	<u>172,697</u>
Non-current assets:	
Capital assets, net of accumulated depreciation	<u>156,590</u>
Total non-current assets	<u>156,590</u>
Total assets	<u><u>\$ 329,287</u></u>
 <b><u>LIABILITIES</u></b>	 <u>\$ -</u>
 <b><u>NET POSITION:</u></b>	
Net investment in capital assets	156,590
Unrestricted	<u>172,697</u>
Total net position	<u>329,287</u>
Total liabilities and net position	<u><u>\$ 329,287</u></u>

**The accompanying notes are an integral part of this statement**

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGE**  
**IN NET POSITION - PROPRIETARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Program Fund</u>
<b><u>OPERATING REVENUES:</u></b>	
Registration fees	\$ 852,782
Concessions	<u>144,298</u>
Total operating revenues	<u>997,080</u>
<b><u>OPERATING EXPENSES:</u></b>	
Sports program expenses	493,403
Concessions	141,804
Officials, coaches, and scorers	172,023
Uniforms	113,962
Sports equipment	98,120
Depreciation	24,021
Awards	<u>7,400</u>
Total operating expenses	<u>1,050,733</u>
Operating (loss)	(53,653)
<b><u>NON-OPERATING REVENUES (EXPENSES):</u></b>	
Interest income	<u>19,165</u>
Total non-operating revenues (expenses)	<u>19,165</u>
Change in net position	(34,488)
<b><u>NET POSITION:</u></b>	
Beginning of year	<u>363,775</u>
End of year	<u>\$ 329,287</u>

The accompanying notes are an integral part of this statement

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Program Fund</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	
Receipts from customers	\$ 997,767
Payments for goods and services	<u>(1,026,712)</u>
Net cash (used in) operating activities	<u>(28,945)</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>	
Purchases of capital assets	<u>(104,455)</u>
Net cash (used in) capital and related financing activities	<u>(104,455)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>	
Interest received	<u>19,165</u>
Net cash from investing activities	<u>19,165</u>
Net (decrease) in cash and cash equivalents	(114,235)
Cash and cash equivalents, beginning of year	<u>286,467</u>
Cash and cash equivalents, end of year	<u><u>\$ 172,232</u></u>
<b><u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u></b>	
Net operating (loss)	\$ (53,653)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities	
Depreciation	24,021
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	<u>687</u>
Net cash (used) by operating activities	<u><u>\$ (28,945)</u></u>

The accompanying notes are an integral part of this statement



**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The mission of St. Tammany Parish Recreation District No. 14 (the District) is to acquire, construct, operate, and maintain recreation facilities in the area of St. Tammany Parish which includes Madisonville, Louisiana. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America applicable to government entities. The following is a summary of significant accounting policies.

**Reporting Entity**

The District was created in 1999, by Ordinance 3017 of St. Tammany Parish (the Parish). The District is governed by a Board of Commissioners, which is appointed by the Parish. The District consists of seven Commissioners who serve staggered terms.

The financial reporting entity consists of (a) the primary government, (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.

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, established criteria for determining which component units should be considered part of St. Tammany Parish for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability.

The District is a component unit of the Parish because the Parish appoints all members of the District's Board and, as such, is financially accountable for the District. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish, the general government services provided by that governmental unit, or the governmental units that comprise the financial reporting entity.

**Basis of Presentation**

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999, as amended by GASB Statement No. 63 in June 2011.

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2023

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (continued)**

Government-Wide and Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 or segment. 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 or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds and for the proprietary funds.

Fund Financial Statements

The District uses funds to maintain its financial records during the year. 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. The various funds of the District are classified as governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues, or expenditures are at least 10 percent of the corresponding total for all governmental and proprietary funds and at least 5 percent of the aggregate amount for all governmental and proprietary funds.

The District reports the following major governmental funds:

*General Fund* - The General Fund is the primary operating fund of the District. It accounts for all the financial resources except those that are required to be accounted for in other funds.

*Debt Service Fund* - The Debt Service Fund accounts for proceeds of ad valorem taxes of 4.47 mills restricted for periodic payments of principal and interest on general long-term debt.

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2023

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (continued)**

Fund Financial Statements (continued)

*Capital Projects Fund* - The Capital Projects Fund accounts for the proceeds of the certificates of indebtedness and the general obligation bonds, which will be used for the purchase of land and construction of facilities.

The District reports one major proprietary fund - the Programs Fund. The fund accounts for registration fees for youth and adult sports and the related expenses of providing sports activities including uniforms, officials and scorers, and equipment. The fund also accounts for sale of concessions, goods, admissions, and their related costs from all facilities' concession stands.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The amounts reflected in the governmental fund financial statements 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 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 the government-wide financial statements.

The amounts reflected in the governmental fund financial statements 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 payment is 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 government-wide financial statements are accounted for using an economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements.

Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Ad valorem taxes and state revenue sharing 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.

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2023

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents and Investments**

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at market value. At December 31, 2023, the District has no investments.

**Receivables**

All receivables are reported net of estimated uncollectible amounts. The allowance for uncollectibles is \$199,139, which represents 5% of the total ad valorem tax receivable at December 31, 2023. This estimate is based on the District's history of collections within this revenue stream.

**Capital Assets and Depreciation Expense**

All capital assets of the District are recorded at historical cost in the government-wide and proprietary fund financial statements. Depreciation of all exhaustible capital assets is charged as an expense against their operations. In the governmental fund financial statements, capital assets used in the governmental fund operations are accounted for as capital outlay expenditures upon acquisition.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. The District capitalizes equipment and furniture in excess of \$2,500. The following estimated useful lives are used to compute depreciation expense on a straight-line basis:

Recreational facilities	10 – 14 years
Equipment	5 - 15 years

**Right-to-Use Assets**

The District has recorded right-to-use lease assets as a result of implementing GASB Statement No. 87. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use lease assets are amortized on a straight-line basis over the life of the related lease.

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2023

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category, a deferred amount on bond refunding.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has only one item that qualifies for reporting in this category, unavailable ad valorem taxes revenue.

**Internal Transactions**

Outstanding balances between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

**Long-Term Debt**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

**Defining Operating Revenues and Expenses**

The District's proprietary fund distinguishes between operating and non-operating revenues and expenses. Operating revenues and expenses consist of charges for sports league registration, concessions, and admissions, and the costs of providing those services, including depreciation. All other revenues and expenses are reported as non-operating.

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2023

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity Classifications**

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

- a. Net investment in capital assets - This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.
- b. Restricted net position - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position is reported in this category.

Governmental fund equity is classified as fund balance. In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts that can be spent only for specific purposes because of enabling legislation or externally imposed conditions by grantors, creditors, or citizens.
- c. Unassigned – amounts not included in other classifications.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position/fund balance first.

**Ad Valorem Taxes**

Ad valorem taxes to fund the operations and bond debt service of the District are levied each November 1st on the assessed value listed as of the prior January 1st for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the St. Tammany Parish Assessors Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A re-evaluation of all property is required to be completed no less than every four years. The last re-evaluation was completed in 2020. Taxes are due and payable December 31st of the year levied.

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2023

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Ad Valorem Taxes (continued)**

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

	<u>Authorized</u>	<u>Levied</u>
Construction, operation, and maintenance of facilities	5.00	4.74
Payment of general obligation bonds	7.65	4.47

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**Budget Policies**

The District has adopted an annual budget for its General Fund on a basis consistent with generally accepted accounting principles. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Board of Commissioners. Budgeted amounts in the accompanying financial statements include all amendments. The District does not use encumbrance accounting. At the end of the fiscal year, unexpended appropriations of funds automatically lapse. The District's budgeted expenditures exceeded actual expenditures for the year resulting in an favorable variance of \$263,983.

**Date of Management's Review**

Subsequent events have been evaluated through July 1, 2024, which is the date the financial statements were available to be issued.

**(2) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at December 31, 2023 consisted of demand deposits with a carrying value of \$10,075,489 and a bank balance of \$10,380,410. These deposits are stated at cost which approximates market.

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2023

**(2) CASH AND CASH EQUIVALENTS (CONTINUED)**

**Custodial Credit Risk - Deposits**

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 bank. 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.

At December 31, 2023 the District's deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank.

**(3) CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2023, are as follows:

	<u>1/1/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Placed In Service</u>	<u>12/31/2023</u>
<u>Governmental activities:</u>					
Capital assets not being depreciated:					
Land	\$ 2,775,119	\$ -	\$ -	\$ -	\$ 2,775,119
Construction in progress	<u>1,982,594</u>	<u>5,291,248</u>	<u>-</u>	<u>(1,103,554)</u>	<u>6,170,288</u>
Total capital assets not being depreciated	<u>4,757,713</u>	<u>5,291,248</u>	<u>-</u>	<u>(1,103,554)</u>	<u>8,945,407</u>
Capital assets being depreciated:					
Recreation facilities	23,544,338	-	-	1,103,554	24,647,892
Equipment	<u>1,579,532</u>	<u>24,085</u>	<u>(1,162)</u>	<u>-</u>	<u>1,602,455</u>
Total capital assets being depreciated	<u>25,123,870</u>	<u>24,085</u>	<u>(1,162)</u>	<u>1,103,554</u>	<u>26,250,347</u>
Less: accumulated depreciation					
Recreation facilities	(8,947,954)	(1,310,566)	-	-	(10,258,520)
Equipment	<u>(1,002,047)</u>	<u>(109,078)</u>	<u>1,162</u>	<u>-</u>	<u>(1,109,963)</u>
Total accumulated depreciation	<u>(9,950,001)</u>	<u>(1,419,644)</u>	<u>-</u>	<u>-</u>	<u>(11,368,483)</u>
Total capital assets being depreciated, net	<u>15,173,869</u>	<u>(1,395,559)</u>	<u>-</u>	<u>1,103,554</u>	<u>14,881,864</u>
Total capital assets, net	<u>\$ 19,931,582</u>	<u>\$ 3,895,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,827,271</u>

Depreciation expense of \$1,419,644 for the year ended December 31, 2023, was charged to recreation.



**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2023

**(3) CAPITAL ASSETS (CONTINUED)**

	<u>1/1/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2023</u>
<u>Business-type activities:</u>				
Capital assets being depreciated:				
Recreation facilities	\$ -	\$ 104,455	\$ -	\$ 104,455
Equipment	<u>110,024</u>	<u>-</u>	<u>-</u>	<u>110,024</u>
Total capital assets being depreciated	<u>110,024</u>	<u>104,455</u>	<u>-</u>	<u>214,479</u>
Less: accumulated depreciation				
Recreation facilities	-	(3,108)	-	(3,108)
Equipment	<u>(33,868)</u>	<u>(20,913)</u>	<u>-</u>	<u>(54,781)</u>
Total accumulated depreciation	<u>(33,868)</u>	<u>(24,021)</u>	<u>-</u>	<u>(57,889)</u>
Total capital assets, net	<u>\$ 76,156</u>	<u>\$ 80,434</u>	<u>\$ -</u>	<u>\$ 156,590</u>

Depreciation expense of \$24,021 for the year ended December 31, 2023, was charged to recreation.

**(4) LONG-TERM OBLIGATIONS**

The following is a summary of long-term debt of the District for the year ended December 31, 2023:

<p>\$4,150,000 General Obligation Bonds dated March 11, 2014; balance due in annual principal installments, starting April 1, 2017, of \$90,000 - \$325,000, plus semi-annual interest payments through April 1, 2034, with interest at 1.5% to 3.75%.</p>	<p>\$ 3,035,000</p>
<p>\$5,517,000 General Obligation Refunding Bonds dated December 2016; balance due in annual principal installments, starting April 1, 2017, of \$92,000 - \$590,000, plus semi-annual interest payments through April 1, 2029, with interest at 1.7%.</p>	<p>2,618,000</p>
<p>\$7,800,000 General Obligation Bonds dated January 23, 2018; balance due in annual principal installments, starting March 1, 2020, of \$55,000 - \$1,075,000, plus semi-annual interest payments through March 1, 2038, with interest at 3% to 4%.</p>	<p>7,475,000</p>
<p>\$10,200,000 General Obligation Bonds dated May 19, 2021; balance due in annual principal installments, starting March 1, 2024, of \$210,000 - \$1,000,000, plus semi-annual interest payments through March 1, 2041, with interest at 2% to 5%.</p>	<p>10,200,000</p>

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2023

**(4) LONG-TERM OBLIGATIONS (CONTINUED)**

\$1,425,000 Limited Tax Certificates of Indebtedness dated September 2018; balance due in annual principal installments, starting March 1, 2019, of \$10,000 - \$160,000, plus semi-annual interest payments through March 1, 2029, with interest at 3%. 900,000

\$1,000,000 Limited Tax Certificates of Indebtedness dated February 2020; balance due in annual principal installments, starting March 1, 2021, of \$101,000 - \$122,000, plus semi-annual interest payments through March 1, 2029, with interest ranging from 0.913% to 1.826%. 690,000

Subtotal general obligation bonds and certificates of deposit	24,918,000
Bond issuance premium	<u>1,236,529</u>
Total long-term debt	<u>\$ 26,154,529</u>

The following is a summary of debt transactions of the District for the year ended December 31, 2023:

	<u>Balance at</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>12/31/2023</u>	<u>Current</u>	<u>Noncurrent</u>
<u>Governmental activities:</u>						
General obligation bonds	\$24,166,000	\$ -	\$(838,000)	\$23,328,000	\$1,066,000	\$22,262,000
Bond issuance premiums	<u>1,313,314</u>	-	<u>(76,785)</u>	<u>1,236,529</u>	<u>76,785</u>	<u>1,159,744</u>
Subtotal for general obligation bonds	25,479,314	-	(914,785)	24,564,529	1,142,785	22,921,744
Certificates of indebtedness	1,831,000	-	(241,000)	1,590,000	248,000	1,342,000
Financing lease payable	<u>17,586</u>	-	<u>(17,586)</u>	-	-	-
Total long-term debt obligations	<u>\$27,327,900</u>	<u>\$ -</u>	<u>\$(1,173,371)</u>	<u>\$26,154,529</u>	<u>\$1,390,785</u>	<u>\$24,763,744</u>

General obligation bonds are secured by an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 39:562, the District is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property in the District. At December 31, 2023, the District had not exceeded this statutory limit.

The following is a schedule of future principal debt service requirements:

<u>Year Ended</u>	<u>General Obligation Bonds</u>		<u>Certificates of Indebtedness</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,066,000	\$ 732,798	\$ 248,000	\$ 35,107	\$ 1,314,000	\$ 767,905
2025	1,093,000	704,444	256,000	29,088	1,349,000	733,532
2026	1,120,000	675,003	264,000	22,865	1,384,000	697,868
2027	1,150,000	640,114	266,000	16,521	1,416,000	656,635
2028	1,188,000	599,636	274,000	10,055	1,462,000	609,691
2029-2033	6,641,000	2,257,080	282,000	3,386	6,923,000	2,260,466
2034-2038	8,090,000	971,294	-	-	8,090,000	971,294
2039-2042	<u>2,980,000</u>	<u>89,800</u>	-	-	<u>2,980,000</u>	<u>89,800</u>
Total	<u>\$23,328,000</u>	<u>\$ 1,066,000</u>	<u>\$ 1,590,000</u>	<u>\$ 1,066,000</u>	<u>\$24,918,000</u>	<u>\$ 6,787,191</u>

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2023**

**(5) LEASES**

In 2018, the District entered into an agreement to lease a skid loader. The lease has been recorded at the present value of the future minimum lease payments as of the date of its inception. The lease requires monthly payments of \$1,501 through December 2023.

The total cost of the asset recorded is \$81,534, with accumulated amortization of \$81,534, at December 31, 2023. Amortization expense of the leased assets for the year ended December 31, 2023 was \$14,947 and has been included in depreciation expense.

**(6) RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2023, the District carried insurance through various commercial carriers to cover all risks of loss. The District had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

**(7) INTERFUND RECEIVABLES AND PAYABLES**

The primary purpose of interfund receivables/payables is to loan monies between funds to cover current expenditures. All interfund receivables/payables are considered short term, as they are expected to be repaid within the next fiscal year.

**(8) NEW ACCOUNTING PRONOUNCEMENTS**

**Adopted**

The GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022. The adoption of this Statement had no material impact to the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
<b><u>REVENUES:</u></b>				
Ad valorem taxes	\$ 1,873,559	\$ 1,873,559	\$ 1,770,639	\$ (102,920)
State revenue sharing	25,000	25,000	26,411	1,411
Rental income	70,000	70,000	78,947	8,947
Advertising income	40,000	40,000	51,780	11,780
Capital grant	-	-	26,306	26,306
Miscellaneous	10,000	10,000	6,140	(3,860)
Gain on disposal of capital outlay	-	-	2,200	2,200
Interest and investment earnings	4,000	4,000	66,637	62,637
	<u>2,022,559</u>	<u>2,022,559</u>	<u>2,029,060</u>	<u>6,501</u>
<b><u>EXPENDITURES:</u></b>				
Administration	2,105,662	2,105,662	1,804,610	301,052
Capital outlay	38,566	38,566	40,790	(2,224)
Debt service:				
Principal	262,898	262,898	241,000	21,898
Interest	19,033	19,033	75,776	(56,743)
Issuance costs	-	-	-	-
	<u>2,426,159</u>	<u>2,426,159</u>	<u>2,162,176</u>	<u>263,983</u>
Excess (deficiency) of revenues over expenditures	<u>(403,600)</u>	<u>(403,600)</u>	<u>(133,116)</u>	<u>(257,482)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
	<u>-</u>	<u>-</u>	<u>(54,634)</u>	<u>(54,634)</u>
Net change in fund balance	(403,600)	(403,600)	(187,750)	(312,116)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>2,473,670</u>	<u>2,473,670</u>	<u>2,473,670</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 2,070,070</u>	<u>\$ 2,070,070</u>	<u>\$ 2,285,920</u>	<u>\$ (312,116)</u>

**The accompanying notes are an integral part of this statement**

**OTHER SUPPLEMENTARY INFORMATION**

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**SCHEDULE OF GOVERNING BOARD**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Board of Commissioners	Compensation
Chuck Daniel	\$ -
Kenneth Dutruch	-
Kyle Matthews	-
Llyoyd Ostendorf, Jr.	-
David Pittman	-
Joseph Prisco, Jr.	-
Deepa Woods	-
	-
	\$ -

**(See Independent Auditors' Report)**

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**SCHEDULE OF COMPENSATION, BENEFITS AND**  
**OTHER PAYMENT TO AGENCY HEAD**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Richard Bentley-Smith, Executive Direction

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 93,000
Benefits - insurance	2,693
Benefits - retirement	137
Benefits - cell phone	50
Reimbursements	1,200
Travel	52
Registration fees	615
Conference travel	966
Continuing professional education fees	-
Miscellaneous expenses	530
Special meals	-
	<hr/>
Total compensation, benefits, and other payments	<u><u>\$ 99,243</u></u>

(See Independent Auditors' Report)



**OTHER REPORT REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS***



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

To the Board of Commissioners of  
St. Tammany Parish Recreation District No. 14  
Madisonville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, 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, business-type activities, and each major fund of St. Tammany Parish Recreation District No. 14 as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise St. Tammany Parish Recreation District No. 14's basic financial statements, and have issued our report thereon dated July 1, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered St. Tammany Parish Recreation District No. 14's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Tammany Parish Recreation District No. 14's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Tammany Parish Recreation District No. 14's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 were not identified.



To the Board of Commissioners of  
St. Tammany Parish Recreation District No. 14  
Madisonville, Louisiana

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

As part of obtaining reasonable assurance about whether St. Tammany Parish Recreation District No. 14's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

July 1, 2024  
Mandeville, Louisiana

*Erickson Krentel, LLP*  
Certified Public Accountants

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**SECTION I SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the St. Tammany Parish Recreation District No. 14.
2. No material weaknesses or significant deficiencies in internal control related to the audit of the financial statements were reported in the Independent Auditors' 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*.
3. No instances of noncompliance material to the financial statements of the St. Tammany Parish Recreation District No. 14 are reported in the 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*.
4. No management letter was issued for the year ended December 31, 2023.

**SECTION II FINANCIAL STATEMENT FINDINGS**

There were no findings related to the financial statements for the year ended December 31, 2023.

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended December 31, 2022.

**LOUISIANA LEGISLATIVE AUDITOR**  
**STATEWIDE AGREED-UPON PROCEDURES**  
**ST. TAMMANY PARISH**  
**RECREATION DISTRICT NO. 14**  
**COVINGTON, LOUISIANA**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2023**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors and Management of  
St. Tammany Parish Recreation District No. 14  
Covington, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified by the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2023. St. Tammany Parish Recreation District No. 14's (the District's) management is responsible for those C/C areas identified in the agreed-upon procedures.

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 year ended December 31, 2023. 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.

Our procedures and associated findings are detailed in Schedule "1".

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 agreed-upon procedures. 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 agreed-upon procedures, 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.

June 28, 2024  
Mandeville, Louisiana

*Erickson Krentel, LLP*  
Certified Public Accountants

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 14**  
**AGREED-UPON PROCEDURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**WRITTEN POLICIES AND PROCEDURES**

1. **Procedure:** 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.
  - 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.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - 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).
  - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
  - 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.
  - g) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - h) ***Credit Cards (and debit cards, fuel cards, purchase 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).
  - 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.
  - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.



ST. TAMMANY PARISH RECREATION DISTRICT NO. 14  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

**WRITTEN POLICIES AND PROCEDURES (CONTINUED)**

- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** No exceptions were found as a result of applying the procedure.

**BOARD OR FINANCE COMMITTEE**

- 2. **Procedure:** 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.
  - 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 comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
  - 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.
  - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

**Results:** No exceptions were found as a result of applying the procedure.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

**BANK RECONCILIATIONS**

3. **Procedure:** Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated or, electronically logged); and
  - 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 found as a result of applying the procedure.

**COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)**

4. **Procedure:** Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).
5. **Procedure:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
- a) Employees responsible for cash collections do not share cash drawers/registers;
  - b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;
  - c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

**COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)**

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

**Results:** No exceptions were found as a result of applying the procedures.

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)**

8. **Procedure:** 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 five).
9. **Procedure:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)(CONTINUED)**

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - 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.
  - 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; and
  - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. **Procedure:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and supporting documentation indicates that deliverables included on the invoice were received by the entity; and
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. **Procedure:** Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

**Results:** No exceptions were found as a result of applying the procedures.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

**CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)**

12. **Procedure:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. **Procedure:** Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. **Procedure:** Using the monthly statements or combined statements selected under #13 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 (e.g. each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Results:** No exceptions were found as a result of applying the procedures.

**TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)**

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

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

**TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS) (CONTINUED)**

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** No exceptions were found as a result of applying the procedure.

**CONTRACTS**

16. **Procedure:** 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. Alternatively, 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;
  - 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);
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment, the documented approval); and
  - d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Results:** No exceptions were found as a result of applying the procedure.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

**PAYROLL AND PERSONNEL**

17. **Procedure:** Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. **Procedure:** Randomly select one pay period during the fiscal period. For the five employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
19. **Procedure:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
20. **Procedure:** 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 found as a result of applying the procedures.

**ETHICS**

21. **Procedure:** Using the five randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

**ETHICS (CONTINUED)**

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

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

**Results:** No exceptions were found as a result of applying the procedures.

**DEBT SERVICE**

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

24. **Procedure:** 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 found as a result of applying the procedures.

**FRAUD NOTICE**

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

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

**Results:** No exceptions were found as a result of applying the procedures.



ST. TAMMANY PARISH RECREATION DISTRICT NO. 14  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

**INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY**

27. **Procedure:** Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- 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.

28. **Procedure:** Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

29. **Procedure:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training, and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

**Results:** No exceptions were found as a result of applying the procedures.

**PREVENTION OF SEXUAL HARASSMENT**

30. **Procedure:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

**PREVENTION OF SEXUAL HARASSMENT (CONTINUED)**

31. **Procedure:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
32. **Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

**Results:** No exceptions were found as a result of applying the procedures.