

ST. TAMMANY RECREATION DISTRICT #12
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2023



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
<u>FINANCIAL SECTION</u>		
<u>INDEPENDENT AUDITORS' REPORT</u>		1 – 4
<u>REQUIRED SUPPLEMENTARY INFORMATION:</u>		
Management’s Discussion and Analysis (Unaudited).....		5 – 7
<u>BASIC FINANCIAL STATEMENTS:</u>		
<u>GOVERNMENTAL-WIDE FINANCIAL STATEMENTS (GWFS)</u>		
Statement of Net Position.....	A	8
Statement of Activities	B	9
<u>FUND FINANCIAL STATEMENTS (FFS)</u>		
Governmental Funds.		
Balance Sheet	C	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	11
Statement of Revenues, Expenditures, and Changes in Fund Balance	E	12
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balances of the Governmental Fund to the Statement of Activities.....	F	13
NOTES TO FINANCIAL STATEMENTS		14 – 24
<u>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT’S DISCUSSION AND ANALYSIS:</u>		
	<u>SCHEDULE</u>	
Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget to Actual – General Fund	1	25
<u>OTHER SUPPLEMENTARY INFORMATION</u>		
Schedule of Compensation Paid to Board Members.....	2	26
Schedule of Compensation, Benefits, and Other Payments to Agency Head	3	27

TABLE OF CONTENTS

	<u>SCHEDULE</u>	<u>PAGE</u>
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
Schedule of Prior Year Findings.....		31



INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
St. Tammany Parish Recreation District #12

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of St. Tammany Parish Recreation District #12, 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 and each major fund of St. Tammany Parish Recreation District #12, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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
St. Tammany Parish Recreation District #12
April 22, 2024

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
St. Tammany Parish Recreation District #12
April 22, 2024

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 schedules of compensation paid to board members and compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of compensation paid to board members and compensation, benefits, and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



To the Board of Commissioners
St. Tammany Parish Recreation District #12
April 22, 2024

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 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 St. Tammany Parish Recreation District #12's internal control over financial reporting and compliance.

April 22, 2024
Mandeville, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

ST. TAMMANY RECREATION DISTRICT #12
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2023

Management's Discussion and Analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board Statement No. 34. Its purpose is to provide an overview of the financial activities of the St. Tammany Parish Recreation District #12 (the District) office based on currently known facts and decisions of management. Please read it in conjunction with the District's financial statements, which begin on page 8.

The basic financial statements include government-wide and governmental fund statements. The government-wide Statement of Net Position and Statement of Activities present information for the activities of the District office, which include an economic resources measurement focus using the accrual basis of accounting. Primarily, the difference between these statements and governmental fund statements is that assets are capitalized and depreciated over their estimated useful life versus expensed in the governmental fund statements and debt is reported as a liability and paid down as scheduled versus expensed in the governmental fund statements. The Balance Sheet – Governmental Funds details the assets and liabilities of the governmental funds, whereas the Reconciliation of Balance Sheet – Governmental Funds to the Statement of Net Position reflects the differences from the amounts reported in the Statement of Net Position. The Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds reflects the current year receipts and disbursements of funds and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities report the differences in the changes in fund balances to the changes in net position of the governmental activities. The differences between the adopted budget and the actual activities are reflected in the Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget to Actual – General Fund.

The District is considered a component unit of St. Tammany Parish. The accompanying financial statements only present information on the funds maintained by the District.

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

Our analysis of the funds maintained by the District as a whole begins below. The Statement of Net Position and Statement of Activities report information about the funds maintained by the District as a whole. These statements include all assets and liabilities using the accrual basis of accounting.

These two statements report the District's net position and the changes in net position. The difference between the assets plus deferred outflows of resources and the liabilities plus deferred inflows of resources, or net position, measures the District's financial position. Increases and decreases in net position are an indicator of whether its financial health is improving or declining.

The District records the funds maintained by the District as governmental activities in the Statement of Net Position and Statement of Activities.

Expenses paid from the funds maintained are reported as governmental activities and primarily consist of salaries, capital outlay, debt service, and sports related costs. Ad valorem taxes and fees from sporting events finance most of the activities of the District.

ST. TAMMANY RECREATION DISTRICT #12
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the District's financial position. The District's total net position decreased from \$1,549,769 to \$1,515,700 due primarily to the District's decrease of \$29,378 in ad valorem taxes during the year ended December 31, 2023.

As of December 31, 2023 and 2022, the District had \$55,592 and \$58,378 in cash and cash equivalents, respectively, and the balance of cash – LAMP investments was \$103,992 and \$79,619, respectively. The District had \$320,826 and \$356,325 in funds receivable from property taxes and net capital assets of \$1,047,298 and \$1,067,785, respectively, as of December 31, 2023 and 2022. Total assets for the period decreased from \$1,879,107 as of December 31, 2022 to \$1,795,708 as of December 31, 2023. The District had \$268,000 and \$317,000 bonds payable outstanding as of December 31, 2023 and 2022, respectively.

Total revenue for the District for December 31, 2023 and 2022 was \$533,772 and \$552,604, respectively. The decrease is due to the decrease in ad valorem taxes.

The District's expenses, excluding depreciation expense, were \$458,194 and \$393,197 for the years ended December 31, 2023 and 2022, respectively.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance and budget related laws and regulations.

The District uses governmental funds as follows:

Governmental funds are reported in the fund financial statements and encompass the same function as governmental activities in the government-wide financial statements. However, the focus is very different with fund financial statements providing a distinctive view of the District's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between the two perspectives may provide insight into the long-term impact of short-term financing decisions. The reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position and the reconciliation of the Statement of Revenues, Expenditures, and Changes in Governmental Funds balance to the Statement of Activities provide a reconciliation to assist in understanding the differences between these two perspectives.

The District has two governmental funds: the General Fund and the Debt Service Fund. The basic governmental fund financial statements are presented on pages 10 through 13 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the fiscal year ended December 31, 2023, there were no significant unfavorable variances in the budget when compared to actual amounts, except for other income where actual revenues were less than anticipated.

ST. TAMMANY RECREATION DISTRICT #12
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2023

LONG-TERM DEBT

At the end of the current fiscal year, the District had total bonded debt outstanding of \$268,000. There was no new debt issued in the current year. Additional information on the District's long-term debt can be found in the notes of this report.

CAPITAL ASSETS

During the year, the District expended \$40,160 primarily for the front entrance Marquee Sign and new lawn mower.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District considered many factors when setting the operating budget for its general fund for the year ending December 31, 2024. The District is expecting the amount of revenue and expenditures to be consistent with the prior year with the exception of the decrease in ad valorem revenues. For next year, anticipated revenues will be approximately \$495,000 and expenditures will be approximately \$515,000.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview for the funds maintained by the St. Tammany Parish Recreation District #12 and to show the accountability for the money it receives. If you have any questions or need additional information, contact James Rogers, Jr., Chairman, at the District's office, 13296 Highway 40, Folsom, Louisiana 70437.

BASIC FINANCIAL STATEMENTS

ST. TAMMANY RECREATION DISTRICT #12
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2023

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 55,592
Cash - LAMP investments	103,992
Ad valorem taxes receivable, net	<u>320,826</u>

Total current assets	<u>480,410</u>
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LAND

91,580

CAPITAL ASSETS, NET

1,223,718

Total assets	<u>1,795,708</u>
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES:

Accounts payable	969
Sheriff's pension payable	11,039
Long term debt due within one year	<u>50,000</u>

Total current liabilities	<u>62,008</u>
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LONG TERM DEBT:

Due in more than one year	<u>218,000</u>
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Total long term debt	<u>218,000</u>
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Total liabilities	<u>280,008</u>
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NET POSITION:

Net investment in capital assets	1,047,298
Unrestricted	<u>468,402</u>

Total net position	<u><u>\$ 1,515,700</u></u>
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See accompanying NOTES TO THE FINANCIAL STATEMENTS

ST. TAMMANY RECREATION DISTRICT #12
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Charges for Services	Net Revenues (Expenses) and Changes in Net Position
<u>GOVERNMENTAL ACTIVITIES:</u>			
Culture and recreation	<u>\$ 567,841</u>	<u>\$ 144,585</u>	<u>\$ (423,256)</u>
<u>GENERAL REVENUES:</u>			
Ad valorem taxes			365,697
State revenue sharing			11,004
Other			249
Interest			<u>12,237</u>
Total general revenues			<u>389,187</u>
Change in net position			(34,069)
Net position - beginning			<u>1,549,769</u>
Net position - ending			<u>\$ 1,515,700</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

ST. TAMMANY RECREATION DISTRICT #12
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash and cash equivalents	\$ 55,592	\$ -	\$ 55,592
Cash - LAMP investments	103,992	-	103,992
Ad valorem taxes receivable, net	<u>320,826</u>	<u>-</u>	<u>320,826</u>
 Total current assets	 <u>480,410</u>	 <u>-</u>	 <u>480,410</u>
 Total assets	 <u>\$ 480,410</u>	 <u>\$ -</u>	 <u>\$ 480,410</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable and accrued expenses	\$ 969	\$ -	\$ 969
Deferred revenue - ad valorem	7,252	-	7,252
Sheriff's pension payable	<u>11,039</u>	<u>-</u>	<u>11,039</u>
 Total liabilities	 <u>19,260</u>	 <u>-</u>	 <u>19,260</u>
<u>FUND BALANCES:</u>			
Unassigned	<u>461,150</u>	<u>-</u>	<u>461,150</u>
 Total fund balances	 <u>461,150</u>	 <u>-</u>	 <u>461,150</u>
 Total liabilities and fund balance	 <u>\$ 480,410</u>	 <u>\$ -</u>	 <u>\$ 480,410</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

ST. TAMMANY RECREATION DISTRICT #12
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2023

Fund balance - governmental fund	\$ 461,150
Cost of capital assets - Governmental Fund	2,691,895
Less accumulated depreciation	<u>(1,376,597)</u>
Total capital assets	1,315,298
Certain property tax collections are not available to pay for current-period expenditures and therefore are reported as deferred revenue in the governmental funds.	7,252
Debt related to capital assets	<u>(268,000)</u>
Net position of governmental activities	<u><u>\$ 1,515,700</u></u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

ST. TAMMANY RECREATION DISTRICT #12
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<u>REVENUES:</u>			
Ad valorem taxes	\$ 377,219	\$ -	\$ 377,219
State revenue sharing	11,004	-	11,004
Interest income	12,237	-	12,237
Culture and recreation	144,585	-	144,585
Other income	249	-	249
	<u>545,294</u>	<u>-</u>	<u>545,294</u>
<u>EXPENDITURES:</u>			
Culture and recreation			
Salaries	149,500	-	149,500
Sports	72,017	-	72,017
Legal and professional	38,991	-	38,991
Repairs and maintenance	39,290	-	39,290
Concessions	15,872	-	15,872
Utilities	32,268	-	32,268
Insurance	50,638	-	50,638
Office expenditure	26,688	-	26,688
Other	(1,843)	-	(1,843)
Payroll taxes	6,254	-	6,254
Field maintenance	9,913	-	9,913
Retirement plan expenses	10,165	-	10,165
Debt service			
Principal	-	49,000	49,000
Interest and finance charges	-	8,441	8,441
Capital outlay	40,160	-	40,160
	<u>489,913</u>	<u>57,441</u>	<u>547,354</u>
Excess (deficiency) of revenues over expenditures	55,381	(57,441)	(2,060)
<u>OTHER FINANCING SOURCES (USES):</u>			
Intergovernmental transfers	(57,441)	57,441	-
Bond proceeds	-	-	-
Total other financing sources (uses)	<u>(57,441)</u>	<u>57,441</u>	<u>-</u>
Excess of revenues over expenditures and other financing sources	(2,060)	-	(2,060)
Fund balance - beginning	463,210	-	463,210
Fund balance - ending	<u>\$ 461,150</u>	<u>\$ -</u>	<u>\$ 461,150</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

ST. TAMMANY RECREATION DISTRICT #12
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balance - governmental fund \$ (2,060)

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

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount of depreciation of capital expenditures:

Capital outlay	40,160	
Depreciation expense	<u>(109,647)</u>	(69,487)

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 change in deferred revenue - ad valorem. (11,522)

Bond and capital lease agreements provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayments. 49,000

Change in net position of governmental activities \$ (34,069)

ST. TAMMANY PARISH RECREATION DISTRICT #12
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

St. Tammany Parish Recreation District #12 (the District) was established by Louisiana Revised Statute 33:4564 and Police Jury Ordinance PSS No. 92-1596 on May 11, 1992. The District's boundaries are within the Second Ward of the Parish of St. Tammany. The District is governed by a Board of Commissioners consisting of five resident property taxpayers, as provided by Louisiana Revised Statute 33:4564. The St. Tammany Parish Council appoints the five Commissioners. Each Commissioner serves a term of four years.

The District was created for the purpose of providing facilities for youth and adult sports programs to the residents of the area surrounding Folsom, Louisiana.

The financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting principles are described below.

Financial Reporting Entity

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

The Governmental Accounting Standards Board Codification established criteria for determining which component units should be considered part of the St. Tammany Parish Council for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability.

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

Basis of Presentation

The accompanying general-purpose financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. The more significant government accounting principles are described below.

ST. TAMMANY RECREATION DISTRICT #12
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. There were no activities of the District categorized as business type activities.

In the government-wide statement of net position, the governmental activity is reported on a full accrual, economic resource basis.

The government-wide statement of activities report both the gross and net cost of the District's functions. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants reflects capital-specific grants.

The net costs, by function, are normally covered by general revenue, which includes ad valorem taxes, interest, investment earnings, and other income. The District does not allocate indirect costs.

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

Fund Financial Statements

The District uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are ordered into two major categories: general and debt service. Funds within each major category are grouped by fund type in the financial statements. The funds used by the District are as follows:

Governmental Fund Types

Governmental fund types are those through which general governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the District's governmental fund types:

ST. TAMMANY RECREATION DISTRICT #12
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (Continued)

- General Fund – The general fund is the main operating fund of the District. This fund is used to account for all financial resources not accounted for in other funds.
- Debt Service Fund – The debt service fund accounts for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations.

Equity Classifications

In accordance with GASB Codification, net position is classified into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows.

- 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 – 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 – All other net position is reported in this category.

Fund Balance

The District adopted GASB Codification Statements on Fund Accounting, and Classification and Terminology, which changed the reporting of fund balance in the balance sheets of governmental type funds. In fund financials, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

ST. TAMMANY RECREATION DISTRICT #12
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

- Nonspendable – consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – consists of amounts with constraints either by third-parties (bond creditors) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used for the specific purposes stipulated in the legislation.
- Committed – consists of the amounts used for specific purposes pursuant to constraints imposed by formal action of the District’s Board. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.
- Assigned – consists of amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned – consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, and then unrestricted resources (committed, assigned and unassigned) are available for use.

As of December 31, 2023, the District had \$0 of nonspendable funds. The District has no committed or assigned funds.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The operating statements of the funds present increases (i.e., revenues and other sources) and decreases (i.e., expenditures and other uses) in net current assets. All governmental fund types and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

ST. TAMMANY RECREATION DISTRICT #12
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Those revenues of the District susceptible to accrual are ad valorem taxes, state revenue sharing, grants and interest. Substantially all other revenues are recorded when received.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of fiscal year-end. Under the modified accrual basis, only interest is considered to be both measurable and available at fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Expenditures

On an accrual basis of accounting, expenditures are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources/expenditures rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Budget and Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year for the general fund. Formal budgetary accounting is not employed for the debt service fund because effective control is alternatively achieved through the indenture provisions of the debt certificates.

The budget is adopted for the general fund on a basis consistent with U.S. generally accepted accounting principles (GAAP). All appropriations, which are not expended, lapse at year-end.

ST. TAMMANY RECREATION DISTRICT #12
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts, if any. The District considers all investments purchased with a maturity of three months or less to be cash equivalents.

Louisiana revised statutes authorize the District to invest in (1) United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the State of Louisiana, an investment as stipulated in Louisiana Revised Statute 39:1271, or any other federally insured investments or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies.

Ad Valorem Taxes

Ad valorem taxes are normally levied and billed in November. These taxes are due in December. Any unpaid taxes are collected in connection with an auction held in July. The Sheriff's department bills and collects the District's ad valorem taxes.

Ad valorem taxes are levied based on property values determined by the St. Tammany Parish Assessor (a separate entity). All land and residential improvements are assessed at 10 percent of its fair market value, and other property at 15 percent of its fair market value. The District was authorized to levy an ad valorem tax of 10 mils on May 2, 1999, commencing in 1999. The tax is to be used for the purpose of acquiring, constructing, improving, maintaining, or operating parks, playgrounds, recreation centers, and other recreational facilities within the boundaries of the Second Ward of the Parish of St. Tammany. The District was authorized to levy an additional ad valorem tax of 2.15 mils in 2017 for bond repayment.

The District's ad valorem tax revenues are recognized when levied to the extent that they are determined to be currently collectible.

ST. TAMMANY RECREATION DISTRICT #12
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Uncollectible Receivables

The District's primary revenue source, ad valorem taxes, becomes delinquent if not paid by March 1 following the year of assessment. Unpaid taxes attach as an enforceable lien of property. The Board of Commissioners determined, based on research of historical information, that current collections are approximately 94.5% of the tax levy. At December 31, 2023, the amount of estimated uncollectible receivables was \$19,719.

Capital Assets

Capital assets are reported in the government-wide financial statements at historical cost, net of depreciation. Additions, improvements, or other capital outlays greater than \$500 that significantly extend the useful life of an asset are capitalized. Donated assets, if any, are valued at their estimated fair market value on the date received. Costs incurred for repairs and maintenance are expensed. Capital assets are depreciated on a straight-line basis over the following estimated useful lives:

Equipment	5 – 15 years
Building and improvements	3 – 40 years

Long-Term Obligations

Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due and paid.

Interfund Transactions

During the course of normal operations, the District has transactions between funds. Interfund transactions are generally classified as follows:

- Transfers are reported as other financing sources and uses in the governmental funds, as transfers in by the recipient funds and transfers out by the disbursing fund.
- On the governmental funds balance sheet, receivables and payables resulting from short-term interfund loans are classified as due to other funds.
- These amounts are eliminated on the statement of net position. There were no amounts due to/from other funds as of December 31, 2023.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 22, 2024, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

ST. TAMMANY RECREATION DISTRICT #12
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(2) CASH AND CASH EQUIVALENTS

At December 31, 2023, the carrying value of the District's cash and cash equivalents consisted of:

Home Bank Operations and Maintenance	\$ 32,896
Home Bank General Fund	16
Home Bank Sports	18,578
Home Bank Concessions	4,102
Home Bank Construction	<u>-</u>
 Total cash and cash equivalents	 <u>\$ 55,592</u>

The District does not have a policy for custodial credit risk; however, 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.

Custodial Credit Risk- Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. At December 31, 2023, the District had \$53,185 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance.

(3) CASH – LAMP INVESTMENTS

Cash – LAMP Investments of \$103,992, which are stated at market using published market quotes at December 31, 2023, consisted of investments in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-RS 33:2955. LAMP is rated AAA by Standard & Poor's.

ST. TAMMANY RECREATION DISTRICT #12
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(3) CASH – LAMP INVESTMENTS (CONTINUED)

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool share.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

(4) CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 91,580	\$ -	\$ -	\$ 91,580
Capital assets, being depreciated:				
Equipment	96,943	18,660	-	115,603
Building and improvements	<u>2,463,212</u>	<u>21,500</u>	<u>-</u>	<u>2,484,712</u>
Total capital assets, being depreciated	2,560,155	40,160	-	2,600,315
Less: accumulated depreciation/amortization	<u>(1,266,950)</u>	<u>(109,647)</u>	<u>-</u>	<u>(1,376,597)</u>
Net capital assets	<u>\$ 1,384,785</u>	<u>\$ (69,487)</u>	<u>\$ -</u>	<u>\$ 1,315,298</u>

Depreciation expense for the year ended December 31, 2023 was \$109,647.

ST. TAMMANY RECREATION DISTRICT #12
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(5) LONG-TERM DEBT

The Limited Tax Certificates were issued for the purpose of paying the costs of various capital improvements within the District and paying the cost of issuance. Most of the proceeds will be used to acquiring, constructing and/or improving parks, playgrounds, recreation centers and other recreational facilities in the District, together with the necessary furnishings and equipment therefor. Interest paid for the year ended December 31, 2023 was \$8,441.

Limited tax certificates secured by taxes:

\$500,000 Limited Tax Certificates, Series 2018, issued on September 17, 2018, secured by an irrevocable pledge and dedication of all the avails or proceeds of the special 10 mills tax now being levied and collected, bearing interest from 1.7% to 3.4%, R-1 and R-2 tax certificates mature in 2028, capital improvement projects. \$ 268,000

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

	<u>Balance</u> <u>12/31/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2023</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
Limited Tax Certificates, Series 2018					
R-1	\$ 240,000	\$ -	\$ 37,000	\$ 203,000	\$ 38,000
R-2	<u>77,000</u>	<u>-</u>	<u>12,000</u>	<u>65,000</u>	<u>12,000</u>
Total governmental activities	<u>\$ 317,000</u>	<u>\$ -</u>	<u>\$ 49,000</u>	<u>\$ 268,000</u>	<u>\$ 50,000</u>

The annual requirements to maturity for Limited Tax Certificates as of December 31, 2023 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 50,000	\$ 7,259
2025	52,000	5,738
2026	54,000	4,157
2027	55,000	2,525
2028	<u>57,000</u>	<u>850</u>
Total	<u>\$ 268,000</u>	<u>\$ 20,529</u>

ST. TAMMANY RECREATION DISTRICT #12
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(6) RETIREMENT PLAN

The District has salary deferral plans qualified under Section 401(a) and Section 457 of the Internal Revenue Code (the Plans). The Plans cover employees who have attained age 21 and have completed continuous 1,000 hours of service in a 12-month eligibility computation period. The District matches up to 3% of the employee's contributions to the Plan. Employees may contribute to the Plan up to the maximum amount allowed by the Internal Revenue Code. Plan expenses (including the District's contributions) were \$10,165 for the year ended December 31, 2023.

(7) CONCENTRATIONS OF REVENUE

Of the District's revenues, \$365,697 (69%) are obtained through a single source, ad valorem taxes, for the year ended December 31, 2023.

(8) ECONOMIC FACTORS

The District considered many factors when setting the operating budget for its general fund for the year ending December 31, 2023. The District is expecting the amount of revenue and expenditures to be consistent with the prior year with the exception of the decrease in ad valorem revenue. For next year, anticipated revenues will be approximately \$495,000 and expenditures will be approximately \$515,000.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

ST. TAMMANY RECREATION DISTRICT #12
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Ad valorem taxes	\$ 382,000	\$ 373,000	\$ 377,219	\$ 4,219
State revenue sharing	11,000	11,000	11,004	4
Interest income	-	-	12,237	12,237
Culture and recreation	104,000	136,000	144,585	8,585
Other income	<u>1,500</u>	<u>11,000</u>	<u>249</u>	<u>(10,751)</u>
 Total revenues	 498,500	 531,000	 545,294	 14,294
<u>EXPENDITURES:</u>				
Salaries	149,600	136,287	149,500	(13,213)
Sports	50,000	69,000	72,017	(3,017)
Legal and professional	38,000	36,000	38,991	(2,991)
Repairs and maintenance	33,000	63,251	39,290	23,961
Concessions	15,000	16,000	15,872	128
Utilities	20,000	21,000	32,268	(11,268)
Insurance	33,000	50,000	50,638	(638)
Office expenditure	20,000	25,000	26,688	(1,688)
Other	2,000	400	(1,843)	2,243
Payroll taxes	12,700	11,570	6,254	5,316
Field maintenance	12,000	10,000	9,913	87
Retirement plan expenses	3,450	3,143	10,165	(7,022)
Capital outlay	<u>55,750</u>	<u>25,000</u>	<u>40,160</u>	<u>(15,160)</u>
 Total expenditures	 <u>444,500</u>	 <u>466,651</u>	 <u>489,913</u>	 <u>(23,262)</u>
 Excess of revenues over expenditures	 54,000	 64,349	 55,381	 (8,968)
 Intergovernmental Transfers	 <u>(54,000)</u>	 <u>(54,000)</u>	 <u>(57,441)</u>	 <u>(3,441)</u>
 Excess of revenues over expenditures and other sources	 <u>\$ -</u>	 <u>\$ 10,349</u>	 <u>\$ (2,060)</u>	 <u>\$ (12,409)</u>

**Debt service payments are not budgeted as they follow a stated payment table.

See independent auditors' report

OTHER SUPPLEMENTARY INFORMATION

ST. TAMMANY RECREATION DISTRICT #12
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Board of Commissioners</u>	<u>Compensation</u>
James Rogers, Chairman P.O. Box 471 Highway 40, Folsom, LA 70437	\$ -
Brad Graham 79482 Albert Thompson Road, Folsom, LA 70437	\$ -
Andrew Mendheim 80410 Chenel Road, Folsom, LA 70437	\$ -
William R. Richardson 12191 Richardson Hill Road, Folsom, LA 70437	\$ -
Lacey Bertucci-Sharp 15822 Irene Road, Folsom, LA 70437	\$ -

See independent auditors' report

ST. TAMMANY RECREATION DISTRICT #12
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2023

Agency Head Name: James Rogers, Jr., Board Chairman

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ -
Benefits-health insurance	-
Benefits-retirement	-
Deferred compensation	-
Workers comp	-
Benefits-life insurance	-
Benefits-long term disability	-
Benefits-Fica and Medicare	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings and conventions	-
Other	-
	<hr/>
	\$ -
	<hr/> <hr/>

* Louisiana Revised Statute 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expenses, per diem, and registration fees be reported as a supplemental report within the financial statement of local governmental and quasi-public auditees. In 2015 Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that receive public funds shall report only the use of public funds for the expenditures itemized in the supplemental report. James Rogers, Jr. did not receive any public funds in the current fiscal year.

See independent auditors' report



**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 #12

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of St. Tammany Parish Recreation District #12 (the "District") 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 #12's basic financial statements, and have issued our report thereon dated April 22, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Tammany Parish Recreation District #12's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Tammany Parish Recreation District #12'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 may exist that have not been identified.



To the Board of Commissioners of
St. Tammany Parish Recreation District #12
April 22, 2024

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Tammany Parish Recreation District #12'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.

April 22, 2024
Mandeville, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

ST. TAMMANY RECREATION DISTRICT #12
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of St. Tammany Parish Recreation District #12.
2. No significant deficiencies disclosed during the audit are 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 disclosed during the audit are 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*.
4. A management letter was not issued for the year ended December 31, 2023.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

ST. TAMMANY RECREATION DISTRICT #12
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS

None

MANAGEMENT LETTER ITEMS

A management letter was not issued in the prior year.

ST. TAMMANY RECREATION DISTRICT #12

FOLSOM, LOUISIANA

AGREED-UPON PROCEDURES

FOR THE YEAR ENDED

DECEMBER 31, 2023



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Members of the Board of Commissioners
St. Tammany Parish Recreation District No. 12
Folsom, 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. 12's management is responsible for those C/C areas identified in the agreed-upon procedures.

St. Tammany Parish Recreation District No. 12 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.

April 22, 2024
Mandeville, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

ST. TAMMANY RECREATION DISTRICT #12
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2023

WRITTEN POLICIES AND PROCEDURES

Procedures: 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 rate(s) 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 RECREATION DISTRICT #12
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 procedures.

BOARD OR FINANCE COMMITTEE

- 2. **Procedures:** 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 comparison, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparison, 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.

ST. TAMMANY RECREATION DISTRICT #12
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

BOARD OR FINANCE COMMITTEE (CONTINUED)

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

BANK RECONCILIATIONS

3. **Procedures:** 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, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: One exception was found as a result of applying the procedure: Management did not document that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date chosen. Management has since taken the corrective action to reconcile all outstanding transactions. No corrective action needed since change had taken place before SAUPs began.

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. **Procedures:** 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 no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
- a) Employees responsible for cash collections do not share cash drawers/registers.

ST. TAMMANY RECREATION DISTRICT #12
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - 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. **Procedures:** 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). Obtain supporting documentation for each of the ten 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.

ST. TAMMANY RECREATION DISTRICT #12
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
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. **Procedures:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - 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.
 - 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. **Procedures:** 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.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. **Procedures:** 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

ST. TAMMANY RECREATION DISTRICT #12
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

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

- a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy,
- 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.

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

12. **Procedures:** 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. **Procedures:** Using the listing prepared by management, randomly select five cards (or all cards if less than five) 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe whether finance charges and late fees were not assessed on the selected statements.
14. **Procedures:** 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 (i.e. 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.

ST. TAMMANY RECREATION DISTRICT #12
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

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

15. **Procedures:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- 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).
 - 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 #1g).
 - 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 procedures.

CONTRACTS

16. **Procedures:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) 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 approvals).

ST. TAMMANY RECREATION DISTRICT #12
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

CONTRACTS (CONTINUED)

- 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.

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. **Procedures:** 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). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - 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.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. **Procedures:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

ST. TAMMANY RECREATION DISTRICT #12
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

PAYROLL AND PERSONNEL (CONTINUED)

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: For procedure #18d, three employee pay rates were not current and up to date. This issue was identified and resolved before the start of the SAUPs; therefore, there is no corrective action plan. No other exceptions were found as a result of applying the procedures.

ETHICS

21. **Procedures:** 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.
- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- c) Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: For procedure #21a, 3 employees did not complete the training. This issue was identified and the process was changed to prevent it happening before the start of the SAUP; therefore, there is no corrective action plan. No other exceptions were found as a result of applying the procedures.

DEBT SERVICE

22. **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.

23. **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).

ST. TAMMANY RECREATION DISTRICT #12
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

DEBT SERVICE (CONTINUED)

Results: Not applicable. No bonds/notes and other debt instruments were issued during the year.

FRAUD NOTICE

24. **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.
25. **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.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

26. **Procedures:** 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.

ST. TAMMANY RECREATION DISTRICT #12
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

**INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS
CONTINUITY(CONTINUED)**

- d) 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.
- e) 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 .

Results: We performed the procedures and discussed the results with management.

SEXUAL HARASSMENT

- 27. **Procedures:** 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.
- 28. **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).
- 29. **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: For procedure #27, three employees did not complete the training. This issue was identified and the process was changed to prevent it happening before the start of the SAUPs; therefore, there is no corrective action plan. No other exceptions were found as a result of applying the procedures.