

**Houma Restoration District**

Annual Financial Report  
Year Ended December 31, 2023

**Houma Restoration District**  
 Annual Financial Report  
 Year Ended December 31, 2023

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Houma Restoration District  
Houma, Louisiana

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

#### ***Opinion***

We have audited the financial statements of the governmental activities and each major fund of the Houma Restoration District (the District), a component unit of the Terrebonne Parish Consolidated Government, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 6 and the budgetary comparison schedule on page 19 be presented to supplement the basic financial statements. Such

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

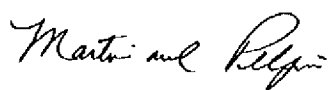
### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 20 is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Houma, Louisiana  
May 7, 2024

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Houma Restoration District**  
Management's Discussion and Analysis  
Year Ended December 31, 2023

As management of the Houma Restoration District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2023.

**FINANCIAL HIGHLIGHTS**

- The District's assets exceeded its liabilities by \$941,158 (net position) as of December 31, 2023.
- Revenues exceeded expenditures by \$941,158 during the year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of the following:

**Statement of Net Position.** This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

**Statement of Activities.** Consistent with the full accrual basis method of accounting, this statement accounts for the entity-wide current year revenues and expenses regardless of when cash is received or paid.

**Balance Sheet- Governmental Fund Type-General Fund.** This statement presents the District's assets, liabilities, and fund balances for its general fund only.

**Statement of Revenues, Expenditures, and Change in Fund Balance-Governmental Fund Type-General Fund.** Consistent with the modified accrual basis method of accounting, this statement accounts for current year revenues when received except when they are measurable and available. Expenditures are accounted for in the period that goods and services are used in the government's activities. In addition, capital asset purchases are expensed and not recorded as an asset. The statement also exhibits the relationship of revenues and expenditures with the change in net position.

**Notes to the Financial Statements.** The accompanying notes provide additional information essential to a full understanding of the data provided in the basic financial statements.

**Houma Restoration District**  
Management's Discussion and Analysis  
Year Ended December 31, 2023

**BASIC FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities by \$941,158 at the close of its initial year, December 31, 2023. The largest portion of the District's total assets is a certificate of deposit (54.31%).

**The District's Net Position**

<b>ASSETS</b>	
Cash	\$ 430,348
Investment	<u>511,510</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 941,858</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 700
<b>NET POSITION</b>	
Unrestricted	<u>941,158</u>
<b>TOTAL LIABILITES AND NET POSITION</b>	<b><u>\$ 941,858</u></b>

The amount of total assets is primarily due to the receipt of \$1,000,000 of intergovernmental revenue from the State of Louisiana.



**Houma-Terrebonne Regional Planning Commission**  
Management's Discussion and Analysis  
Year Ended December 31, 2023

During the year, the District's net position increased by \$941,158. The elements of the increase are as follows:

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

**REVENUES**

State of Louisiana	\$ 1,000,000
Interest income	<u>23,804</u>
Total revenues	<u>1,023,804</u>

**EXPENDITURES**

Other services and charges	80,473
Supplies and materials	<u>2,173</u>
Total expenditures	<u>82,646</u>

**CHANGE IN NET POSITION**

\$ 941,158

The increase in change in net position is primarily due to \$1,000,000 of intergovernmental revenue from the State of Louisiana.

**BUDGET**

The District amended its budget once during the fiscal year. The budget for revenues was \$1,018,000 and the budget for expenditures was \$82,645.

The District's actual revenues were greater than the budgeted revenues by \$5,804, a favorable variance of 0.57%. The District's actual expenditures were greater than the budgeted expenditures by \$1, an unfavorable variance of 0.0%.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with such an interest. Call 985-873-6407 and ask for Mr. Noah Lirette, Chairman, if you should have any further questions concerning any of the information provided in this report or have a request for additional financial information.

**FINANCIAL STATEMENTS**

**Houma Restoration District**  
**Statement of Net Position**  
December 31, 2023

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Cash	\$ 430,348
Investment	<u>511,510</u>
<b>TOTAL ASSETS</b>	<u>941,858</u>
<b>LIABILITIES</b>	
Accounts payable	<u>700</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>\$ 941,158</u></u>

See accompanying notes.

**Houma Restoration District**  
**Statement of Activities**  
Year Ended December 31, 2023

	Expenses	Program Revenues	Net (Expense) Revenue and Change in Net Position Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>			
Economic development	\$ 82,646	\$ -	\$ (82,646)
Total governmental activities	\$ 82,646	\$ -	\$ (82,646)
<b>GENERAL REVENUES</b>			
State of Louisiana			1,000,000
Interest			23,804
Total general revenues			1,023,804
<b>CHANGE IN NET POSITION</b>			941,158
<b>NET POSITION, BEGINNING</b>			-
<b>NET POSITION, ENDING</b>			\$ 941,158

See accompanying notes.

**Houma Restoration District**  
Balance Sheet  
Governmental Fund Type- General Fund  
December 31, 2023

<b>ASSETS</b>	
Cash	\$ 430,348
Investment	<u>511,510</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 941,858</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 700
<b>FUND BALANCE</b>	
Unassigned	<u>941,158</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 941,858</u></b>

See accompanying notes.

**Houma Restoration District**  
Statement of Revenues, Expenditures, and Change in Fund Balance  
Governmental Fund Type- General Fund  
Year Ended December 31, 2023

<b>REVENUES</b>	
State of Louisiana	\$ 1,000,000
Interest earned	<u>23,804</u>
<b>TOTAL REVENUES</b>	<u>1,023,804</u>
 <b>EXPENDITURES</b>	
Economic development:	
Other services and charges	80,473
Supplies and materials	<u>2,173</u>
<b>TOTAL EXPENDITURES</b>	<u>82,646</u>
 <b>CHANGE IN FUND BALANCE</b>	 941,158
 <b>FUND BALANCE - Beginning</b>	 <u>-</u>
 <b>FUND BALANCE - Ending</b>	 <u><u>\$ 941,158</u></u>

See accompanying notes.

**Houma Restoration District**  
Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
December 31, 2023

Fund balance - governmental fund	\$ 941,158
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Amounts reported for governmental activities in the statement of net position are different because:

There are no reconciling items	<u>-</u>
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Net position of governmental activities	<u>\$ 941,158</u>
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Reconciliation of the Statement of Governmental Fund Revenues,  
Expenditures, and Change in Fund Balance to the  
Statement of Activities  
Year Ended December 31, 2023

Change in fund balance - governmental fund	\$ 941,158
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Amounts reported for governmental activities in the statement of activities are different because:

There are no reconciling items	<u>-</u>
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Change in net position of governmental activities	<u>\$ 941,158</u>
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See accompanying notes.

**Houma Restoration District**  
Notes to the Financial Statements  
Year Ended December 31, 2023

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

Because the economic resources received or held by the District are entirely or almost entirely for the benefit of the primary government or its constituents, the Houma Restoration District was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the parish. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity. The district is comprised of all property on either side of and all property between West/East Park Avenue and West/East Main Street between their intersections with Morgan Street and Grand Caillou Road in Houma, Louisiana. The primary purposes of the District are to provide for restoration and preservation of the character of the area within the District, to provide opportunity for cultural events, and to encourage economic development within the District that is consistent with the plan adopted by its Board of Commissioners.

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

**A. REPORTING ENTITY**

The District is a component unit of Terrebonne Parish Consolidated Government (the Parish) and, as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2023. The District has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

**B. BASIS OF PRESENTATION**

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

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



**Houma Restoration District**  
Notes to the Financial Statements  
Year Ended December 31, 2023

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

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

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

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District considers restricted funds to have been spent first.

Fund balance classifications are defined as follows:

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

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

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

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

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the

**Houma Restoration District**  
Notes to the Financial Statements  
Year Ended December 31, 2023

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

Board of Commisioners have provided otherwise in its commitment or assignment actions.

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

*Government-wide Financial Statements:*

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the District.

The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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 activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity.

*Fund Financial Statements:*

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

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

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

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

**Houma Restoration District**  
Notes to the Financial Statements  
Year Ended December 31, 2023

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

*Government-wide Financial Statements:*

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

*Fund Financial Statements:*

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

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

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

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

**D. CASH AND CASH EQUIVALENTS**

The District considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

**E. OPERATING BUDGETARY DATA**

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

**Houma Restoration District**  
Notes to the Financial Statements  
Year Ended December 31, 2023

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

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

**F. ENCUMBRANCES**

The District does not utilize encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers.

**G. COMPENSATED ABSENCES**

The District has no employees. There is no accumulated unpaid vacation and sick leave as of December 31, 2023.

**H. USE OF ESTIMATES**

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

**I. RECENT PRONOUNCEMENT**

GASB Statement 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The standard is effective for annual reporting periods beginning after June 15, 2023. The effect of implementation on the District's financial statements has not yet been determined.

**NOTE 2 – DEPOSITS AND INVESTMENT**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations. State law requires that deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivisions. The year-end balance of deposits is as follows:

**Houma Restoration District**  
Notes to the Financial Statements  
Year Ended December 31, 2023

**NOTE 2 – DEPOSITS AND INVESTMENT (Cont.)**

	Bank Balance	Reported Amount
Cash	\$ 430,348	\$ 430,348
Certificate of deposit	511,510	511,510
	\$ 941,858	\$ 941,858

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of December 31, 2023, \$682,652 of the District's bank balance was exposed to credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

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

Included in the deposits is a \$511,510 certificate of deposit. Because it has a maturity nine months from inception, it is presented in the accompanying Statement of Net Position as "Investment."

A reconciliation of deposits and investments as show as the Statement of Net Position is as follows:

Reported amount of deposits	\$ 941,858
Reported amount of investment	-
Total	\$ 941,858
Cash	\$ 430,348
Investment	511,510
Total	\$ 941,858

**Houma Restoration District**  
Notes to the Financial Statements  
Year Ended December 31, 2023

**NOTE 3 – COOPERATIVE ENDEAVOR AGREEMENT**

On November 15, 2023, the District was awarded \$1,500,000 in accordance with a cooperative endeavor agreement with the State of Louisiana. The funds are to be used in a manner consistent with that of the District's purpose. The District received \$1,000,000 of such funds during the year ended December 31, 2023. The agreement terminates on June 30, 2024.

**NOTE 4 – COMPENSATION OF COMMISSIONERS**

Members of the District Board serve without compensation.

**NOTE 5 – TRANSACTION WITH THE PRIMARY GOVERNMENT**

During the year ended December 31, 2023, the District assisted the Terrebonne Parish Consolidated in the amount of \$60,000 as related to Phase II of the Bayou Terrebonne Boardwalk project.

**NOTE 6 – LITIGATION AND CLAIMS**

At December 31, 2023, the District had no litigation or claims pending.

**NOTE 7 – SUBSEQUENT EVENTS**

Subsequent events were evaluated by management through May 7, 2024, which is the date the financial statements were available to be issued, and it was determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Houma Restoration District**  
**Budgetary Comparison Schedule – General Fund**  
**Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Revised Budget</b>
	<u>Original</u>	<u>Final</u>		<b>Favorable/ (Unfavorable)</b>
<b>REVENUES</b>				
State of Louisiana	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Interest income	-	18,000	23,804	5,804
<b>TOTAL REVENUES</b>	<u>1,000,000</u>	<u>1,018,000</u>	<u>1,023,804</u>	<u>5,804</u>
<b>EXPENDITURES</b>				
<u>Personal Services</u>				
Salaries	50,000	-	-	-
<u>Supplies and Materials</u>				
Office supplies	3,500	522	522	-
Meetings and public notes	10,000	1,442	1,443	(1)
Postage	500	208	208	-
<u>Other Services and Charges</u>				
Project costs	815,000	65,000	65,000	-
Insurance	5,000	-	-	-
Dues and subscriptions	2,500	-	-	-
Miscellaneous	8,500	-	-	-
Professional services	100,000	15,473	15,473	-
Travel	5,000	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,000,000</u>	<u>82,645</u>	<u>82,646</u>	<u>(1)</u>
<b>CHANGE IN FUND BALANCE</b>	-	935,355	941,158	5,803
<b>FUND BALANCE, BEGINNING</b>	-	-	-	-
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ 935,355</u>	<u>\$ 941,158</u>	<u>\$ 5,803</u>

See Independent Auditor's Report.



**OTHER INFORMATION**

**Houma Restoration District**  
 Schedule of Compensation, Benefits, and Other Payments  
 To Agency Head  
 Year Ended December 31, 2023

**Agency Head: Mr. Noah Lirette, Chairman**

<b>Purpose</b>	<b>Amount</b>
Salary	\$-0-
Benefits-insurance	-0-
Benefits-retirement	-0-
Benefits-other	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

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

**REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS**

**Martin  
and  
Pellegrin**

103 Ramey Road  
Houma, Louisiana 70360

*Certified public Accountants  
(A Professional Corporation)*

Ph. (985) 851-3638  
Fax (985) 851-3951

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

To the Board of Commissioners  
Houma Restoration District  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Houma Restoration District (the District) 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, and have issued our report thereon dated May 7, 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 determining audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 over financial reporting 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these

limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2023-001, that we consider to be a significant deficiency.

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

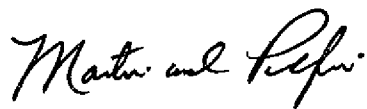
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### **The District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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



Houma, Louisiana  
May 7, 2024

**Houma Restoration District**  
Schedule of Findings and Responses  
Year Ended December 31, 2023

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

1. The auditor’s report expresses an unmodified opinion on the financial statements of the Houma Restoration District.
2. One significant deficiency in internal control over financial reporting (see finding 2023-001) was noted during the audit of the financial statements.
3. No instances of noncompliance or other matters required to be reported under *Government Auditing Standards* were noted during the audit of the financial statements.
4. A management letter was not issued.
5. The District did not receive or expend federal awards during the year.

**Section II – Financial Statement Findings**

**2023-001 – Inadequate Internal Control**

Statement of Condition: A significant deficiency in the District's internal control.

Criteria: In our consideration of internal control, we noted that the size of the District's operations and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Effect of Condition: The internal control, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause of Condition: The size of the District and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Recommendation: The Board of Commissioners of the District should closely monitor the activities of the District and implement other control procedures until the agency has grown to the point where it is cost-beneficial to employ an adequate system of internal controls.

Planned Action: The District will implement the recommendation as detailed above.

Questioned Costs: \$ -0-

**Section III – Federal Awards**

No federal awards were received during the year.

**Houma Restoration District**  
Management's Corrective Action Plan for Current Year Findings  
Year Ended December 31, 2023

The contact person for the corrective action noted below is Mr. Noah Lirette, Chairman.

**Section I – Internal Control and Compliance**

**2023-001 – Inadequate Internal Control**

Statement of Condition: A significant control deficiency in the internal control related to lack of segregation of duties.

Recommendation: The Board of Commissioners of the District should closely monitor the day-to-day activities of the entity and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Planned Action: The Board of Commissioners will closely monitor the day-to-day activities of the District until it is cost efficient to employ additional staff.

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

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

**Houma Restoration District**  
Schedule of Prior Findings and Responses  
Year Ended December 31, 2023

Note: This schedule is not applicable as this is a first-time audit.



**STATEWIDE AGREED-UPON PROCEDURES**

**Martin  
and  
Pellegrin**

103 Ramey Road  
Houma, Louisiana 70360

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(A Professional Corporation)*

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

To the Board of Commissioners  
Houma Restoration District  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. Houma Restoration District's management is responsible for those C/C areas identified in the SAUPs.

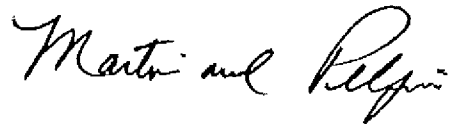
Houma Restoration District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. 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.

The procedures and associated findings are described on pages 28-45.

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

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

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

A handwritten signature in cursive script that reads "Martin and Pelgri".

Houma, Louisiana  
May 7, 2024

## **Houma Restoration District**

### **Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2023

The required procedures and our findings are as follows:  
Procedures performed on the District's written policies and procedures:

#### **Written Policies and Procedures**

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

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

Performance: Requested a copy of the written policy for budgeting.

Exceptions: There are no written budgeting policies.

Management's response: The District is in its infancy. Written polices will be adopted in 2024.

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

Performance: Requested a copy of the written policy for purchasing.

Exceptions: There are no written purchasing policies.

Management's response: Written polices will be adopted in 2024.

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

Performance: Requested a copy of the written policy for disbursements.

Exceptions: There are no written disbursements policies.

Management's response: Written polices will be adopted in 2024.

- d. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions

Performance: Requested a copy of the written policy for receipts/collections.

Exceptions: There were no written receipts/collections policies.

Management's response: Written polices will be adopted in 2024.

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

Performance: Requested a copy of the written policy for payroll and personnel.

## Houma Restoration District

### Houma, Louisiana

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2023

Exceptions: There were no written payroll and personnel policies.  
Management's response: The District has no employees.

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

Performance: Requested a copy of the written policy related to contracting.  
Exceptions: There were no written contracting policies.  
Management's response: Written policies will be adopted in 2024.

- g. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage

Performance: Requested a copy of the written policy related to credit cards.  
Exceptions: There were no written credit card policies.  
Management's response: The District has no credit cards.

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

Performance: Requested a copy of the travel and expense reimbursement policy.  
Exceptions: There were no written travel and expense reimbursement policies.  
Management's response: Written policies will be adopted in 2024.

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

Performance: Requested a copy of the written policy related to ethics.  
Exceptions: There were no written ethics policies.  
Management's response: Written policies will be adopted in 2024.

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

Performance: The District does not have any debt and as such, does not have a policy for debt service.

**Houma Restoration District**

**Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2023

Exceptions: Not applicable.

Management's response: Not applicable.

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

Performance: The District does not own any technology assets.

Exceptions: Not applicable.

Management's response: Not applicable.

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

Performance: Requested a copy of the written policy related to sexual harassment.

Exceptions: There were no written sexual harassment policies.

Management's response: Written polices will be adopted in 2024.

**Board or Finance Committee**

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined whether the minutes referenced or included monthly

## Houma Restoration District

### Houma, Louisiana

#### Schedule of Procedures and Associated Findings of the

#### Statewide Agreed-Upon Procedures

Year Ended December 31, 2023

budget-to-actual comparisons.

Exceptions: The minutes did not reference budget-to-actual comparisons.

Management's response: Monthly budget-to-actual financial comparisons will be presented at future meetings and included in the board minutes.

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

Performance: As this is the initial year of financial activity, there is no prior year unassigned fund balance.

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

Performance: As this is the first year of financial activity, there is no prior audit and, as such, no prior audit findings.

### **Bank Reconciliations**

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Bank reconciliations include written evidence that a member of

**Houma Restoration District**

**Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2023

management/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;

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

Exceptions: The bank reconciliations tested did not include evidence of timely board approval.

Management's response: Until the District employs appropriate supervisory personnel, a board member will review each bank reconciliation and provide written evidence that it was reviewed within one month of preparation.

- 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.

Performance: Determined that there were no items outstanding for more than 12 months as of the end of the fiscal year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Collections**

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

Performance: Obtained 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.

Exceptions: There were no exceptions noted. One site.

Management's response: Not applicable.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location, and observe that job duties are properly segregated at each collection location such that:

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



## Houma Restoration District

### Houma, Louisiana

#### Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures Year Ended December 31, 2023

Performance: Observed that the District has no employees and no cash drawers/registers. Only one deposit was made during the year, which was made at the direction of the board.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation to the deposit.

Performance: Observed that the District has no employees and only one deposit was made during the year, which was made at the direction of the board.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Observed that the District has no employees and, while the board directed the one deposit made during the year, the outside accounting service was responsible for posting the collection entry to the general ledger.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Observed that District has no employees and the outside accounting service is responsible for reconciling cash collections to the general ledger but is not responsible for collecting cash.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Requested a copy of the bond or insurance policy for theft covering all employees who have access to cash.

## Houma Restoration District

### Houma, Louisiana

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2023

Exceptions: The District does not have a honesty insurance policy in place.

Management's response: If cash deposit activity escalates to the level that warrants the binding of a honesty bond, one will be purchased.

7. Randomly select two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - 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.
  - e) Trace the actual deposit per the bank statement to the general ledger.

Performance: Performed procedures 7a through 7e above for the one bank deposit made during the year. Determined that steps a and b are not applicable.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Performance: Obtained a listing of locations that processed payments for the fiscal period from management and received management's representation in a separate letter. Determined that only one location processed payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties, and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a

**Houma Restoration District**

**Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2023

purchase, and placing an order/making the purchase.

Performance: Determined that the District has no employees and that all cash disbursements were approved by action of the board.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the District has no employees and that all vendor payments were approved by action of the board.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the outside accounting service both processes payments and maintains the vendor files.

Exceptions: There is no segregation of duties as to the processing of payments and maintenance of vendor files.

Management's response: The board members will provide oversight over this function until the District has sufficient personnel on staff to segregate these duties.

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

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

Exceptions: The outside accounting service processes payments and mails those payments out.

Management's response: These duties will be separated when personnel is added.

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

Performance: Determined that there were no electronic disbursements during

**Houma Restoration District**  
**Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2023

the year.

Exceptions: No exceptions were noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: Determined that there were no exceptions other than the lack of segregation of duties discussed at #9.

Management's response: Not applicable.

11. Using the entity's main operating accounts 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.

**Houma Restoration District**

**Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2023

Performance: Determined that there were no electronic disbursements during the year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Performance: Requested a listing of all active cards for the fiscal period and management's representation that the listing is complete in a separate letter. Determined that the District had no credit cards during the year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

13. Using the listing prepared by management, randomly select five cards (or all cards if 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 that there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Performance: As the District had no credit cards, this step is not applicable.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

14. 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. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.

Performance: As the District had no credit cards, this step is not applicable.

**Houma Restoration District  
Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2023

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

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

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

Performance: Requested a list of all travel and related expense reimbursements. Management's representation of the listing was confirmed in a separate letter. There were no travel or travel-related reimbursements during the year.

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

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

Performance: Determined that there were no travel or travel-related reimbursements during the year.

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

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

Performance: Determined that there were no travel or travel-related reimbursements during the year.

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

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

Performance: Determined that there were no travel or travel-related reimbursements during the year.

Exceptions: There were no exceptions noted.

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Management's response: Not applicable.

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

Performance: Determined that there were no travel or travel-related reimbursements during the year

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Contracts**

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that, due to nature of the contracts, the Louisiana Public Bid law was not applicable for any of contracts tested.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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Performance: Determined that none of the selected contracts were amendments to the original contracts and were in compliance with the original contract terms.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Payroll and Personnel**

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

Performance: Determined that there were no employees or paid officials during the year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

18. Randomly select one pay period during the fiscal period. For the employees selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave.

Performance: Determined that there were no employees or paid officials during the year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that there were no employees or paid officials during the year.



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

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

Performance: Determined that there were no employees or paid officials during the year.

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

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

Performance: Determined that there were no employees or paid officials during the year.

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

19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Performance: Determined that the District did not have any terminated employees during the fiscal period. This section is not applicable.

Exceptions: Not applicable.

Management's response: Not applicable.

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

Performance: Determined that Houma Restoration District had no payroll-related obligations during the year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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#### **Ethics**

21. As the District had no employees during the year, randomly select five officials, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each official completed one hour of ethics training during the fiscal period.

Performance: Observed the ethics course completion certificates for the officials tested.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Observe that the entity maintains documentation which demonstrates each employee and official was notified of any changes to the entity's policy during the fiscal period.

Exceptions: Determined that the District does not have a written ethics policy.

Management's response: Written policies will be adopted in 2024.

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

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

Exceptions: An ethics designee has not been appointed.

Management's response: The board will appoint an ethics designee in 2024.

#### **Debt Service**

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

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

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Performance: As the District does not have any debt, determined that procedures 23 and 24 could be excluded.

### **Fraud Notice**

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

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

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the District does not have its own premises, nor a website.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (1) occurred within the past week, (2) was not stored on the government's local server or network, and (3) was encrypted.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three months.
- c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the

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operating system and accounting software in use are currently supported by the vendor.

Performance: Determined that the District does not own any technology assets. As such, this procedure is not applicable.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #18. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: We determined that there were no terminated employees during the year. As such, this section is not applicable.

Exceptions: Not applicable.

Management's response: Not applicable.

29. 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:

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

Performance: Determined that the cybersecurity training was not required as the District does not own any technology assets.

Exceptions: Not applicable.

Management's response: Not applicable.

**Prevention of Sexual Harassment**

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

Performance: Observed the sexual harassment course completion certificates for the five officials tested.

Exceptions: There were no exceptions noted.

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Management's response: Not applicable.

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

Performance: Determined that the District does not have a website.

Exceptions: Not applicable.

Management's response: Not applicable.

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

- a) Number and percentage of public servants in the 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.

Performance: Requested the entity's annual sexual harassment report.

Exceptions: Determined that the District prepared the required annual sexual harassment report, but it was not dated by February 1, 2024.

Management's response: Future annual sexual harassment reports will be prepared by February 1<sup>st</sup> of the subsequent year.