

*Financial Report*

*Terrebonne Parish Recreation District No. 4*  
*Dulac, Louisiana*

*December 31, 2024*

*Financial Report*

*Terrebonne Parish Recreation District No. 4*  
*Dulac, Louisiana*

*December 31, 2024*

## **TABLE OF CONTENTS**

### **Terrebonne Parish Recreation District No. 4 Dulac, Louisiana**

December 31, 2024

#### **Page Numbers**

#### **Financial Section**

Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 10

#### **Exhibits**

##### Financial Statements:

##### Government-Wide and Fund Financial Statements:

A - Statement of Net Position and Governmental Fund Balance Sheet	11
B - Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	12
C - Statement of Activities and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance	13
D - Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	14
E - Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	15
F - Notes to Financial Statements	16 - 34

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

G - Schedule of Changes in the District's Total OPEB Liability and Related Ratios	35
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**TABLE OF CONTENTS**  
**(Continued)**

**Page**  
**Numbers**

**Supplementary Information Section**

**Schedules**

1 - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	36
---------------------------------------------------------------------------------------------------------	----

**Special Reports of Certified Public Accountants**

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 <i>Government Auditing Standards</i>	37 - 38
Schedule of Findings and Responses	39

**Reports by Management**

Schedule of Prior Year Findings and Responses	40
Management's Corrective Action Plan	41

**Statewide Agreed-Upon Procedures**

Independent Accountant's Report on Applying Agreed-Upon Procedures	42 - 43
2 - Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures	44 - 48

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 4,  
Dulac, Louisiana.

### **Opinion**

We have audited the accompanying financial statements of the governmental activities and General Fund of Terrebonne Parish Recreation District No. 4 (the "District"), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2024, 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 the General Fund of the District as of December 31, 2024 and the respective changes in net position for the year then ended and budgetary comparison of the General Fund 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 related 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**

Management is responsible for the preparation and fair presentation of 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 the 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 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.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 10, and the Schedule of Changes in the District's Total OPEB Liability and Related Ratios on page 35 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 economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary 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 accompanying supplementary information on page 36 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 information 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 June 5, 2025 on our consideration of Terrebonne Parish Recreation District No. 4's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 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 with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Certified Public Accountants.

Houma, Louisiana,  
June 5, 2025.



# **MANAGEMENT’S DISCUSSION AND ANALYSIS**

## **Terrebonne Parish Recreation District No. 4 Dulac, Louisiana**

December 31, 2024

The Management’s Discussion and Analysis of the Terrebonne Parish Recreation District No. 4’s financial performance presents a narrative overview and analysis of the District’s financial activities for the year ended December 31, 2024. This document focuses on the current year’s activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements which follow this section.

### **FINANCIAL HIGHLIGHTS**

The District’s assets exceeded its liabilities at the close of fiscal year 2024 by \$3,978,409 (net position), which represents a 12.03% increase from last fiscal year.

The District’s revenues decreased \$8,938 (or 1.16%) primarily due decreases federal revenues received in conjunction with increases in ad valorem revenue and investment earnings.

The District’s expenses increased \$5,799 (or 1.78%) primarily due to increases in culture and recreation expenses.

The District did not have a deficit fund balance.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District’s financial statements. The District’s annual report consists of three parts: (1) Management’s Discussion and Analysis (this section) (2) financial statements; and (3) various governmental compliance reports and schedules by certified public accountants and management.

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

The financial statements include two kinds of statements that present different views of the District:

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Activities presents information showing how the District's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the District is culture and recreation.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The only fund of the District is a governmental fund.

### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains an individual governmental fund. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 11 through 15 of this report.

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2024, assets exceeded liabilities by \$3,978,409. A large portion of the District's net position (59.30%) reflects its net investment in capital assets (e.g., land; buildings; improvements; office furniture, fixtures and equipment; machinery and equipment). Consequently, these assets are not available for future spending.

#### **Condensed Statements of Net Position**

	<u>December 31,</u>		<u>Dollar</u>
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Current and other assets	\$ 3,290,505	\$ 3,255,704	\$ 34,801
Capital assets	2,359,355	1,002,790	1,356,565
Deferred outflows of resources	32,918	32,962	(44)
Total assets and deferred outflows of resources	<u>5,682,778</u>	<u>4,291,456</u>	<u>1,391,322</u>
Deferred inflows of resources	778,638	732,503	46,135
Long-term liabilities	12,016	1,988	10,028
Other liabilities	913,715	5,657	908,058
Total liabilities and deferred inflows of resources	<u>1,704,369</u>	<u>740,148</u>	<u>964,221</u>
Net position:			
Net investment in capital assets	2,359,355	1,002,790	1,356,565
Unrestricted	1,619,054	2,548,518	(929,464)
Total net position	<u>\$ 3,978,409</u>	<u>\$ 3,551,308</u>	<u>\$ 427,101</u>

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

### **Governmental Activities**

Governmental activities increased the District's net position by \$427,101. Key elements of this increase are as follows:

#### **Condensed Statements of Activities**

	<u>December 31,</u>		<u>Dollar</u>	<u>Total</u>
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>Percent</u>
				<u>Change</u>
<b>Revenues:</b>				
Taxes	\$ 625,443	\$ 572,543	\$ 52,900	9.24%
Intergovernmental	8,037	148,466	(140,429)	-94.59%
Miscellaneous	126,123	47,532	78,591	165.34%
Total revenues	<u>759,603</u>	<u>768,541</u>	<u>(8,938)</u>	-1.16%
<b>Expenses:</b>				
General government	27,034	44,476	(17,442)	-39.22%
Culture and recreation	305,468	282,227	23,241	8.23%
Total expenses	<u>332,502</u>	<u>326,703</u>	<u>5,799</u>	1.78%
 Increase in net position	 427,101	 441,838	 (14,737)	 -3.34%
<b>Net position:</b>				
Beginning of year	<u>3,551,308</u>	<u>3,109,470</u>	<u>441,838</u>	14.21%
 End of year	 <u>\$ 3,978,409</u>	 <u>\$ 3,551,308</u>	 <u>\$ 427,101</u>	 12.03%

The Statement of Activities provides answers to the nature and source of changes in net position. In 2024, the District's total revenues decreased by \$8,938 primarily due decreases in federal revenue received from the Federal Emergency Management Agency (FEMA). The District experienced increases in ad valorem revenue and an increase in investment earnings. Also, during the year ended December 31, 2024, expenses increased by \$5,799 primarily due to increases in personal services and other services and charges.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's General Fund's ending unassigned fund balance is \$1,122,048 which is an decrease of \$1,269,215 in comparison with the prior year. The unassigned balance is available for spending at the District's discretion. The decrease in unassigned fund balance is largely the result of capital expenditures related to improvements to facilities after the Hurricane Ida disaster.

### **General Fund Budgetary Highlights**

The budget was amended once during the year. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

#### **Revenues**

- Ad valorem revenue was increased \$20,000, to reflect the anticipated revenues to be recognized for the year.
- Intergovernmental revenue was increased by \$73,595 to better reflect revenues expected to be received from the Federal Emergency Management Agency (FEMA).
- Investment earnings were increased by \$81,000 to reflect revenues received from interest-bearing investments.

#### **Expenditures**

- Other services and charges was increased by \$118,200 to better reflect actual expenditures for the year.
- Repairs and maintenance was increased by \$1,235,500 to better reflect actual expenditures for the year.
- Capital outlay was increased by \$788,000 to reflect the anticipated cost of capital projects to be completed.

During the year, actual revenues and expenses were less than the budgetary estimates.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The District's net investment in capital assets for its governmental activities as of December 31, 2024, amounts to \$2,359,355 (net of accumulated depreciation). This net investment in capital assets includes land, construction in progress, buildings, improvements, office furniture, fixtures and equipment, and machinery and equipment.

	<u>2024</u>	<u>2023</u>
Land	\$ 265,390	\$ 265,390
Construction in progress	1,368,702	-
Buildings	402,105	414,430
Improvements other than buildings	133,297	194,124
Machinery and equipment	187,114	121,678
Office furniture, fixtures, and equipment	<u>2,747</u>	<u>7,168</u>
Totals	<u>\$ 2,359,355</u>	<u>\$ 1,002,790</u>

The major capital asset events for the current year consisted of:

- Purchase of playground equipment.
- Various facility improvements.

Additional information on the District's capital assets can be found in Note 5, Exhibit F of this report.

### **Long-Term Obligations**

Other postemployment benefit obligations decreased to \$766 from \$1,988 as of December 31, 2024. More detailed information about the District's other postemployment benefits is presented in Note 9 and Exhibit F of this report.

The District also reported \$11,250 of compensated absences as of December 31, 2024.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The ad valorem tax revenue budgeted represents the estimated amount of the November 2024 assessment, which the District will receive, for the most part, in January 2025.
- The District will continue to make improvements, renovations and repairs to the facilities maintained by the District. This includes the gymnasium, ballfield, pool, tennis court, and parks.
- All services will be made available to the public this year.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Parish Recreation District No. 4, 106 Badou Dr., Dulac, LA 70353.

**STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET**

**Terrebonne Parish Recreation District No. 4**  
Dulac, Louisiana

December 31, 2024

	General Fund	Adjustments (Exhibit B)	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 1,561,826	\$ -	\$ 1,561,826
Investments	1,104,924	-	1,104,924
Receivables:			
Taxes	128,535	-	128,535
Due from other governmental units	495,220	-	495,220
Capital assets:			
Non-depreciable	-	1,634,092	1,634,092
Depreciable, net of accumulated depreciation	-	725,263	725,263
Total assets	3,290,505	2,359,355	5,649,860
Deferred outflows of resources:			
Other postemployment benefits	-	32,918	32,918
Total assets and deferred outflows of resources	<u>\$ 3,290,505</u>	<u>2,392,273</u>	<u>5,682,778</u>
<b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 913,715	-	913,715
Long-term liabilities:			
Due in more than one year	-	12,016	12,016
Total liabilities	913,715	12,016	925,731
Deferred inflows of resources:			
Unavailable revenue - property taxes	658,208	-	658,208
Other postemployment benefits	-	120,430	120,430
Total deferred inflows of resources	658,208	120,430	778,638
Total liabilities and deferred inflows of resources	<u>1,571,923</u>	<u>132,446</u>	<u>1,704,369</u>
<b>Fund Balance/Net Position</b>			
Fund balance:			
Assigned - subsequent year's expenditures	596,534	(596,534)	-
Unassigned	1,122,048	(1,122,048)	-
Total fund balance	1,718,582	(1,718,582)	-
Total liabilities and fund balance	<u>\$ 3,290,505</u>		
Net position:			
Net investment in capital assets		2,359,355	2,359,355
Unrestricted		1,619,054	1,619,054
Total net position		<u>\$ 3,978,409</u>	<u>\$ 3,978,409</u>

See notes to financial statements.



**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**Terrebonne Parish Recreation District No. 4**  
Dulac, Louisiana

For the year ended December 31, 2024

<b>Fund Balances - Governmental Fund</b>		\$ 1,718,582
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	\$ 2,714,508	
Less accumulated depreciation	<u>(355,153)</u>	2,359,355
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Other postemployment benefit obligation		32,918
Long-term liabilities are not due and payable in the current period and therefore are not reported in the government fund.		
Compensated absences payable	(11,250)	
Other postemployment benefit obligation	<u>(766)</u>	(12,016)
Deferred inflows of resources are not due and payable in the current period and are not reported in governmental funds.		
Other postemployment benefit obligations		<u>(120,430)</u>
<b>Net Position of Governmental Activities</b>		<u><u>\$ 3,978,409</u></u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF  
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE**

**Terrebonne Parish Recreation District No. 4  
Dulac, Louisiana**

For the year ended December 31, 2024

	<u>General Fund</u>	<u>Adjustments (Exhibit D)</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Taxes	\$ 625,443	\$ -	\$ 625,443
Intergovernmental:			
State of Louisiana:			
State revenue sharing	8,037	-	8,037
Miscellaneous:			
Investment earnings	124,205	-	124,205
Other revenues	1,918	-	1,918
	<u>759,603</u>	<u>-</u>	<u>759,603</u>
<b>Total revenues</b>			
	<u>759,603</u>	<u>-</u>	<u>759,603</u>
<b>Expenditures/Expenses</b>			
Current:			
General government:			
Ad valorem tax adjustment	6,384	-	6,384
Ad valorem tax deductions	20,650	-	20,650
	<u>27,034</u>	<u>-</u>	<u>27,034</u>
Total general government			
	<u>27,034</u>	<u>-</u>	<u>27,034</u>
Culture and recreation:			
Personal services	129,405	10,829	140,234
Supplies and materials	4,604	-	4,604
Other services and charges	41,063	53,719	94,782
Repairs and maintenance	20,278	-	20,278
Depreciation	-	45,570	45,570
	<u>195,350</u>	<u>110,118</u>	<u>305,468</u>
Total culture and recreation			
	<u>195,350</u>	<u>110,118</u>	<u>305,468</u>
Capital outlay	1,455,854	(1,455,854)	-
	<u>1,455,854</u>	<u>(1,455,854)</u>	<u>-</u>
Total expenditures/expenses			
	<u>1,678,238</u>	<u>(1,345,736)</u>	<u>332,502</u>
<b>Excess of Revenues over Expenditures</b>	(918,635)	918,635	-
<b>Change in Net Position</b>	-	427,101	427,101
<b>Fund Balance/Net Position</b>			
Beginning of year	2,637,217	914,091	3,551,308
	<u>2,637,217</u>	<u>914,091</u>	<u>3,551,308</u>
End of year	\$ 1,718,582	\$ 2,259,827	\$ 3,978,409
	<u>\$ 1,718,582</u>	<u>\$ 2,259,827</u>	<u>\$ 3,978,409</u>
See notes to financial statements.			

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL  
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE TO THE STATEMENT OF ACTIVITIES**

**Terrebonne Parish Recreation District No. 4**  
Dulac, Louisiana

For the year ended December 31, 2024

**Net Change in Fund Balance - Governmental Fund** **\$ (918,635)**

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

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

Capital outlay	\$ 1,455,854	
Depreciation expense	<u>(45,570)</u>	1,410,284

The net effect of miscellaneous transactions involving  
capital assets, such as disposals, trade-ins, and donations  
is to decrease capital assets.

Loss on disposal of capital assets		(53,719)
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Expenses incurred that do not require the use of current  
financial resources and therefore are not reported in the  
governmental funds.

Increase in compensated absences payable	(11,250)	
Other postemployment benefits	<u>421</u>	<u>(10,829)</u>

**Change in Net Position of Governmental Activities** **\$ 427,101**

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND**

**Terrebonne Parish Recreation District No. 4**  
Dulac, Louisiana

For the year ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<b>Revenues</b>				
Taxes	\$ 572,000	\$ 592,000	\$ 625,443	\$ 33,443
Intergovernmental				
Federal:				
FEMA	-	73,595	-	(73,595)
State of Louisiana:				
State revenue sharing	2,500	2,500	8,037	5,537
Miscellaneous:				
Investment earnings	37,000	118,000	124,205	6,205
Other revenues	-	-	1,918	1,918
	<u>611,500</u>	<u>786,095</u>	<u>759,603</u>	<u>(26,492)</u>
<b>Expenditures</b>				
Current:				
General government:				
Ad valorem tax adjustment	2,844	2,844	6,384	(3,540)
Ad valorem tax deductions	5,290	5,290	20,650	(15,360)
	<u>8,134</u>	<u>8,134</u>	<u>27,034</u>	<u>(18,900)</u>
Culture and recreation:				
Personal services	142,620	141,720	129,405	12,315
Supplies and materials	12,000	8,000	4,604	3,396
Other services and charges	125,700	243,900	41,063	202,837
Repairs and maintenance	162,500	1,398,000	20,278	1,377,722
	<u>442,820</u>	<u>1,791,620</u>	<u>195,350</u>	<u>1,596,270</u>
Capital outlay	<u>406,500</u>	<u>1,194,500</u>	<u>1,455,854</u>	<u>(261,354)</u>
	<u>857,454</u>	<u>2,994,254</u>	<u>1,678,238</u>	<u>1,316,016</u>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	(245,954)	(2,208,159)	(918,635)	1,289,524
<b>Fund Balance</b>				
Beginning of year	<u>2,051,449</u>	<u>2,637,217</u>	<u>2,637,217</u>	<u>-</u>
End of year	<u>\$ 1,805,495</u>	<u>\$ 429,058</u>	<u>\$ 1,718,582</u>	<u>\$ 1,289,524</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Terrebonne Parish Recreation District No. 4**

Dulac, Louisiana

December 31, 2024

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Terrebonne Parish Recreation District No. 4 (the "District") conform to accounting principles generally accepted in the United States of America (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 following is a summary of significant accounting policies:

**a) Reporting Entity**

The District is a component unit of the Terrebonne Parish Consolidated Government (the "Parish") and as such, these financial statements will be included in the Annual Comprehensive Financial Report (ACFR) of the Parish for the year ended December 31, 2024.

GASB No. 14, *"The Financial Reporting Entity"*, GASB No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*, and GASB No. 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34* established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the District and the potential component unit.
4. Imposition of will by the District on the potential component unit.
5. Financial benefit/burden relationship between the District and the potential component unit.

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.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Basis of Presentation**

The District's 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. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

**Fund Financial Statements**

The daily accounts and operations of the District are organized on the basis of a fund and account 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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 and report all financial resources not accounted for and reported in another fund.

**c) Measurement Focus and Basis of Accounting**

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

**Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Measurement Focus and Basis of Accounting (Continued)**

**Fund Financial Statements**

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

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2024 property taxes which are being levied to finance the 2024 budget will be recognized as revenue in 2025. The 2024 tax levy is recorded as unavailable revenue in the District's 2024 financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

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

**d) 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.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Operating Budgetary Data**

As required by 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 that are not expended or obligated through contracts lapse at year-end.

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

The General Fund budget presentation is included in the financial statements.

**f) Accounts Receivable**

The financial statements for the District do not contain an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

**g) Investments**

Investments consist of certificates of deposit which are stated at cost, the approximate market value.

**h) Capital Assets**

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

**Government-Wide Financial Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$350 or more and a useful life greater than one year are valued at historical cost, or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h) Capital Assets (Continued)**

**Government-Wide Financial Statements (Continued)**

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	10 - 40 years
Improvements other than buildings	10 - 30 years
Machinery and equipment	5 - 25 years
Office furniture, fixtures, and equipment	5 - 20 years

**Fund Financial Statements**

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

**i) Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has deferred outflows of resources related to other postemployment benefits.

The District reports deferred inflows of resources in the governmental fund financial statements and government-wide financial statements when resources associated with imposed non-exchange revenue transactions are received or reported as a receivable before (a) the period for which property taxes are levied; or (b) the period when resources are required to be used or when use is first permitted for all other imposed non-exchange revenues in which the enabling legislation includes time requirements. The District has deferred inflows of resources related to ad valorem taxes and other postemployment benefits.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j) Personal and Sick Leave**

Employees of the District can earn from 96 to 240 hours of personal leave, depending on their length of employment. Accumulated personal leave is due to the employee at the time of termination. The personal leave policy provides that their anniversary date the employee will be allowed to carry over any remaining hours earned to the following year. Any hours above what the employee earns in the calendar year will be transferred to sick leave subject to the maximum hours of sick leave. Excess personal leave hours not transferred to sick leave shall be lost. Employees of the District earn 56 hours sick leave per year and are permitted to accumulate a maximum of 480 hours. Sick hours will no longer accrue until the balance falls below the maximum of 480 hours. Upon retirement, termination, or death, employees will be allowed to either be compensated at 50% up to a maximum 240 hours of accumulated sick leave or remain on District payroll until the 240 hours of sick leave are exhausted.

**k) Equity**

**Government-Wide Statements**

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including 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, if any. As of December 31, 2024 the District had no outstanding borrowings.
- b. Restricted net position - Consists of assets and deferred outflow of resources less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2024 and for the year then ended, the District did not have or receive restricted resources.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Equity (Continued)**

**Fund Financial Statements**

Government fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the District's Board of Commissioners. Commitments may be established, modified, or rescinded only through resolutions approved by the District's Board of Commissioners.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Assignments may be established, modified, or rescinded by the Chairman of the Board of Commissioners or his representative.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available. The District's fund balance was classified as assigned and unassigned as of December 31, 2024. Fund balance assigned for subsequent year's expenditures is to finance the proposed operating deficit in the budget for the year ending December 31, 2025.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1) New GASB Statements**

During the year ended December 31, 2024, the District implemented the following GASB Statements:

Statement No. 99, "*Omnibus 2022*" provides objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial report for financial guarantees. This Statement did not affect the financial statements for the year ended December 31, 2024.

Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*" provides guidance 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. This Statement did not affect the financial statements for the year ended December 31, 2024.

Statement No. 101, "*Compensated Absences*" provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement did not affect the financial statements for the year ended December 31, 2024.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 102, "*Certain Risk Disclosures*" defines concentrations and constraints. The Statement also requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Additional disclosures are to be included if reporting criteria is met which will provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1) New GASB Statements (Continued)**

Statement No. 103, "*Financial Reporting Model Improvements*" provides objectives to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 104, "*Disclosure of Certain Capital Assets*" provides users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in Statement No. 87, and intangible right-to-use assets recognized in accordance with Statement No. 94, should be disclosed separately by major class of underlying asset in the capital asset note disclosure. Subscription assets recognized in accordance with Statement No. 96 also should be separately disclosed. This Statement also requires additional disclosure for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**Note 2 - DEPOSITS AND INVESTMENTS**

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

**Bank Deposits:**

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

**Note 2 - DEPOSITS AND INVESTMENTS (Continued)**

**Bank Deposits (Continued)**

The year-end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Reported Amounts</u>
Cash	\$ 875,738	\$ 786,967
Investments - certificates of deposit	<u>1,104,924</u>	<u>1,104,924</u>
Totals	<u>\$ 1,980,662</u>	<u>\$ 1,891,891</u>

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk that is similar to state law. As of December 31, 2024, \$1,230,662 of the District's bank balance of \$1,980,662 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and are deemed to be held in the District's name in accordance with state statutes.

As of December 31, 2024, cash and certificates of deposit in excess of FDIC insurance were adequately collateralized in accordance with state law, by securities held by unaffiliated banks for the account of the District. The 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.

**Investments**

State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

**Note 2 - DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

As a means of limiting its exposure to fair value losses arising from interest rates, the District's investment policy emphasized maintaining liquidity to match specific cash flows.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy requires the application of the prudent-person rule. This policy states, investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income be derived. Primary emphasis shall be placed upon the safety of principal, secondly to maintain liquidity to meet operating requirements and finally to obtain the most favorable rate of return. The District's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAm.

For an investment, custodial credit risk is that risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. 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 LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

**Note 2 - DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

To provide for the required liquidity for withdrawals from LAMP, all investments shall have, at the time of purchase, a maximum remaining maturity of 397 days or 762 days for U.S. Government floating/variable-rate investments, and the dollar weighted-average maturity of LAMP shall not generally exceed 60 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP as of December 31, 2024, amounted to \$774,859 and are classified on the Statement of Net Position and Governmental Fund Balance Sheet as "Cash and Cash Equivalents".

**Reconciliation**

A reconciliation of deposits and investments as shown on the Statement of Net Position and Governmental Fund Balance Sheet for the District is as follows:

Bank deposits	\$ 786,967
Investment in LAMP	<u>774,859</u>
 Total cash and cash equivalents	 <u><u>\$ 1,561,826</u></u>

**Note 3 - PROPERTY TAXES**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A statewide reevaluation of all property is required to be completed no less than every four years. The last statewide reevaluation was completed for the list of January 1, 2024. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2024 was \$6.91 per \$1,000 of assessed valuation on property within Recreation District No. 4 for the purpose of maintaining and operating recreational facilities within the District. As indicated in Note 1c, taxes levied November 1, 2024 are for budgeted expenditures in 2025 and will be recognized as revenues in 2025.



**Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units as of December 31, 2024 consisted of the following:

State of Louisiana - State revenue sharing	\$ 5,264
Terrebonne Parish Tax Collector - December 2024 collections remitted to the District in January 2025:	
Ad valorem taxes	487,324
State revenue sharing	<u>2,632</u>
Total	<u>\$ 495,220</u>

**Note 5 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions	Deletions/ Transfers	Balance December 31, 2024
Capital assets not being depreciated:				
Land	\$ 265,390	\$ -	\$ -	\$ 265,390
Construction in progress	<u>-</u>	<u>1,368,702</u>	<u>-</u>	<u>1,368,702</u>
	265,390	1,368,702	-	1,634,092
Capital assets being depreciated:				
Buildings	681,665	-	193,330	488,335
Improvements other than buildings	736,283	-	534,005	202,278
Machinery and equipment	373,225	87,152	75,818	384,559
Office furniture, fixtures, and equipment	<u>27,370</u>	<u>-</u>	<u>22,126</u>	<u>5,244</u>
Total capital assets being depreciated	<u>1,818,543</u>	<u>87,152</u>	<u>825,279</u>	<u>1,080,416</u>
Less accumulated depreciation for:				
Buildings	(267,235)	(12,325)	(193,330)	(86,230)
Improvements other than buildings	(542,159)	(13,276)	(486,454)	(68,981)
Machinery and equipment	(251,547)	(18,502)	(72,604)	(197,445)
Office furniture, fixtures, and equipment	<u>(20,202)</u>	<u>(1,467)</u>	<u>(19,172)</u>	<u>(2,497)</u>
Total accumulated depreciation	<u>(1,081,143)</u>	<u>(45,570)</u>	<u>(771,560)</u>	<u>(355,153)</u>
Total capital assets being depreciated, net	<u>737,400</u>	<u>41,582</u>	<u>53,719</u>	<u>725,263</u>
Total capital assets, net	<u>\$ 1,002,790</u>	<u>\$ 1,410,284</u>	<u>\$ 53,719</u>	<u>\$ 2,359,355</u>

**Note 5 - CHANGES IN CAPITAL ASSETS (Continued)**

Depreciation amounting to \$45,570 was recorded as cultural and recreation expenses for the year ended December 31, 2024. Asset additions include new playground equipment and various facility improvements which were still in progress at year end.

**Construction Commitments**

The District has one active construction contract as of December 31, 2024. As of December 31, 2024, the District's construction commitment is as follows:

<u>Project</u>	<u>Incurred to Date</u>	<u>Remaining Commitment</u>
Hurricane Ida Improvements	<u>\$ 1,198,952</u>	<u>\$ 722,648</u>

**Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenditures as of December 31, 2024 consisted of the following:

Vendors	\$ 910,710
Payroll taxes	<u>3,005</u>
Total governmental funds	<u>\$ 913,715</u>

**Note 7 - LONG-TERM OBLIGATIONS**

The following is a summary of changes in the long-term obligations of the District for the year ended December 31, 2024:

	<u>Payable January 1, 2024</u>	<u>Obligations</u>		<u>Payable December 31, 2024</u>	<u>Due Within One Year</u>
		<u>Retired</u>	<u>Generated</u>		
Compensated absences	\$ -	\$ -	\$ 11,250	\$ 11,250	\$ -
Other postemployment benefits	<u>1,988</u>	<u>(1,222)</u>	<u>-</u>	<u>766</u>	<u>-</u>
Totals	<u>\$ 1,988</u>	<u>\$ (1,222)</u>	<u>\$ 11,250</u>	<u>\$ 12,016</u>	<u>\$ -</u>

Compensated absences are described in Note 1j. See Note 9 for further explanation of the other postemployment benefits (OPEB), obligation.

**Note 8 - RISK MANAGEMENT**

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

<u>Coverage Policy</u>	<u>Limits</u>
General Liability	\$12,000,000
Workers' Compensation	Statutory

Coverage for general liability claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, then secondly by the District.

The Parish is self-insured for the first \$175,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2023 was \$14,308,716. Insurance contracts cover the excess liability on individual claims. There is no lifetime maximum claims limit for covered employees. Coverage for group health claim liabilities are to be funded first by assets of the Parish's group health internal service fund, \$2,117,304 as of December 31, 2023, then secondly by the District. Workers' compensation claims in excess of \$850,000 are covered under an insurance contract for claims aggregate up to limits are to be funded first by assets of the Parish's workers' compensation internal service fund. As of December 31, 2024, the District had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverages during the year ended December 31, 2024 totaled \$31,311.

**Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS**

**Plan Description**

The District administers a single employer defined benefit healthcare plan (the "Plan"). The Plan provides for the payment of medical, dental, and life insurance premiums for eligible employees, retirees, and their dependents as approved by the Board of Commissioners. Louisiana Revised Statute 33:5161 grants the authority to establish and amend the benefit terms and financing requirements to the Board of Commissioners. No

**Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Eligible retirees can continue their health coverage by an election at retirement. Retirees are not eligible to rejoin at any other time. For employees retired January 1, 2005, the District funds the entire premium for all benefits on employees retiring with at least ten years of service upon retiring from the formal retirement systems.

Post-retirement group health insurance benefits shall be available to eligible retiring employees hired on or after January 1, 2013 with a minimum of 30 years of service and who are at least 60 years of age at retirement. Post-retirement group health insurance benefits shall be available to eligible retiring employees hired prior to January 1, 2013, having at least 10 years of permanent, full-time creditable service with the District and who are at least 60 years of age shall be eligible to continue participation in group health insurance benefits with a subsidy ranging from 27.5% with 10 years of service to 80% with 25 or greater years of service. The District currently has one active employee and no retirees in the Plan. The District does not issue a publicly available financial report on the Plan.

**Total OPEB Liability**

The District's total OPEB liability of \$766 was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2024.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability as of December 31, 2024 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless, otherwise specified:

<b>Measurement Date</b>	December 31, 2024
<b>Actuarial Valuation Date</b>	January 1, 2024
<b>Inflation</b>	2.50%
<b>Salary Increases, Including Inflation</b>	3.00%
<b>Discount Rate</b>	4.28%
<b>Healthcare Cost Trend Rates</b>	Medical - 6.00% in year one decreasing in decrements of 0.25% per year until 5.00% through year seven.  Dental - 3.50% in year one decreasing in decrements of 0.25% per year until 2.50% through year five.

**Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

The discount rate was based on the December 31, 2024 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Employee Mortality Tables, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Mortality rates for retirees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance as of December 31, 2023	\$ 1,988
Changes for the year:	
Service cost	11
Interest	25
Difference between expected and actual experience	52
Changes in assumptions and other inputs	31
Change in proportion	(1,304)
Benefit payments	<u>(37)</u>
Net changes	<u>(1,222)</u>
Balance as of December 31, 2024	<u>\$ 766</u>

**Sensitivity to Total OPEB Liability to Change in the Discount Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

	1.00% Decrease <u>(3.28%)</u>	Current Discount Rate <u>(4.28%)</u>	1.00% Increase <u>(5.28%)</u>
Total OPEB Liability	<u>\$ 891</u>	<u>\$ 766</u>	<u>\$ 666</u>

**Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Sensitivity to Total OPEB Liability to Change in the Health Cost Trend Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate.

	<u>1.00%</u> <u>Decrease</u>	<u>Current</u> <u>Healthcare</u> <u>Cost</u> <u>Trend Rate</u>	<u>1.00%</u> <u>Increase</u>
Total OPEB Liability	<u>\$ 657</u>	<u>\$ 766</u>	<u>\$ 907</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2024 the District recognized an OPEB benefit of \$421. As of December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 72	\$ (1)
Change in assumptions	27	(135)
Change in proportion	<u>32,819</u>	<u>(120,294)</u>
Totals	<u>\$ 32,918</u>	<u>\$ (120,430)</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2025	\$ (26,533)
2026	(33,618)
2027	(13,574)
2028	<u>(13,787)</u>
Total	<u>\$ (87,512)</u>

**Note 10 - DEFERRED COMPENSATION PLAN**

The District offers its director participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397. The District's contribution to the Plan for the year ended December 31, 2024 was \$5,671.

**Note 11 - COMPENSATION OF BOARD MEMBERS**

The following amounts were paid to Board Members for the year ended December 31, 2024 are as follows:

<u>Board Members</u>	<u>Number of Meetings Attended</u>	<u>Per Diem</u>
Pamela Carlos	10	\$ 250
Lawrence Gautier	10	250
Coy Verdin	8	200
Janie Voisin	10	250
Kirby Verret	12	300
Total		<u>\$ 1,250</u>

**Note 12 - STATE OF LOUISIANA TAX ABATEMENTS**

The District's ad valorem tax revenues were reduced by \$5,982 under agreements entered into by the State of Louisiana.

**Note 13 - SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 5, 2025, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION SECTION**



**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL  
OPEB LIABILITY AND RELATED RATIOS**

**Terrebonne Parish Recreation District No. 4  
Dulac, Louisiana**

For the seven years ended December 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:							
Service cost	\$ 11	\$ 30	\$ 6,556	\$ (463)	\$ 1,961	\$ 1,995	\$ 4,433
Interest	25	79	26	2,028	2,261	2,720	6,460
Difference between expected and actual experience	52	14	105	(331)	(9,900)	3,995	(958)
Changes in assumptions or other inputs	31	(18)	(504)	1,147	(7,122)	23,821	(6,684)
Change in proportion	(1,304)	935	(108,204)	36,660	(40,559)	3,000	(96,840)
Benefit payments	<u>(37)</u>	<u>(89)</u>	<u>(37)</u>	<u>(2,671)</u>	<u>(7,760)</u>	<u>(3,478)</u>	<u>(2,687)</u>
Net change in total OPEB liability	(1,222)	951	(102,058)	36,370	(61,119)	32,053	(96,276)
Total OPEB liability, beginning of year	<u>1,988</u>	<u>1,037</u>	<u>103,095</u>	<u>66,725</u>	<u>127,844</u>	<u>95,791</u>	<u>192,067</u>
Total OPEB liability, end of year	<u>\$ 766</u>	<u>\$ 1,988</u>	<u>\$ 1,037</u>	<u>\$ 103,095</u>	<u>\$ 66,725</u>	<u>\$ 127,844</u>	<u>\$ 95,791</u>
Covered employee payroll	<u>\$ 63,007</u>	<u>\$ 52,807</u>	<u>\$ 51,607</u>	<u>\$ 51,007</u>	<u>\$ 51,007</u>	<u>\$ 58,910</u>	<u>\$ 50,644</u>
Total OPEB liability as a percentage of covered employee payroll	<u>1.22%</u>	<u>3.76%</u>	<u>2.01%</u>	<u>202.12%</u>	<u>130.82%</u>	<u>217.02%</u>	<u>189.15%</u>

Notes to schedule:

Changes of benefit terms:

Effective January 1, 2019, a Medicare Advantage plan was introduced as an option for eligible retirees.

Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period:

<u>4.28%</u>	<u>3.77%</u>	<u>4.05%</u>	<u>1.84%</u>	<u>2.00%</u>	<u>2.75%</u>	<u>3.71%</u>
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The schedule is provided beginning with the District's year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be reported as they become available.

## **SUPPLEMENTARY INFORMATION**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Terrebonne Parish Recreation District No. 4  
Dulac, Louisiana**

For the year ended December 31, 2024

**Agency Head Name:** Craig Luke, Director

**Purpose**

Salary	\$ 64,477
Benefits - insurance	21,316
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Travel	-
Reimbursements - mileage	5,105
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	<u><u>\$ 90,898</u></u>

**Note:**

Craig Luke is the Director of the District and functions as the Chief Executive Officer.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

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

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 4,  
Dulac, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Terrebonne Parish Recreation District No. 4 (the "District") a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's financial statements and have issued our report thereon dated June 5, 2025.

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

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

As part of obtaining reasonable assurance about whether 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*.

### **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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
June 5, 2025.

## **SCHEDULE OF FINDINGS AND RESPONSES**

### **Terrebonne Parish Recreation District No. 4 Dulac, Louisiana**

For the year ended December 31, 2024

#### **Section I - Summary of Auditor's Results**

##### **a) Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes X No
- Significant deficiency(ies) identified that are not considered to be a material weakness? \_\_\_\_\_ Yes X None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes X No

##### **b) Federal Awards**

Terrebonne Parish Recreation District No. 4 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2024 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

#### **Section II - Financial Statement Findings**

No financial statement findings were noted during the audit for the year ended December 31, 2024.

#### **Section III Federal Award Findings and Questioned Costs**

Not applicable.

## **REPORTS BY MANAGEMENT**



## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

### **Terrebonne Parish Recreation District No. 4 Dulac, Louisiana**

For the year ended December 31, 2024

#### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements**

##### **Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit for the year ended December 31, 2023.

No significant deficiencies were reported during the audit for the year ended December 31, 2023.

##### **Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2023.

#### **Section II - Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Recreation District No. 4 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2023 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

#### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2023.

# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

## **Terrebonne Parish Recreation District No. 4 Dulac, Louisiana**

For the year ended December 31, 2024

### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements**

#### **Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit for the year ended December 31, 2024.

No significant deficiencies were reported during the audit for the year ended December 31, 2024.

#### **Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2024.

### **Section II - Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Recreation District No. 4 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2024 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2024.

## **STATEWIDE AGREED-UPON PROCEDURES**

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

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 4,  
Dulac,, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2024 through December 31, 2024. Terrebonne Parish Recreation District No. 4 (the "District") management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

Houma, Louisiana,  
June 5, 2025.

**SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS**  
**OF THE STATEWIDE AGREED-UPON PROCEDURES**

**Terrebonne Parish Recreation District No. 4**  
Dulac, Louisiana

For the year ended December 31, 2024

The required procedures and our findings are as follows:

**1. Procedures Performed on the District's Written Policies and Procedures:**

A. 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:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for purchasing.

Exceptions: There were exceptions noted due to the policy lacking provisions for how vendors are added to the vendor list and documentation required to be maintained for all bids and price quotes.

iii. ***Disbursements***, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iv. ***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).

Performance: Obtained and read the written policy for receipts.

Exceptions: There were exceptions noted due to the policy lacking provisions for receiving and recording deposits.

**1. Procedures Performed on the District's Written Policies and Procedures: (Continued)**

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.  
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.  
Performance: Obtained and read the written policy for contracting.  
Exceptions: There were exceptions noted due to the policy lacking provisions on the approval process.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.  
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- viii. ***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).  
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above. The District does not maintain, obtain, or use credit cards.  
Exceptions: There were no exceptions noted.
- ix. ***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.  
Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- x. ***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 issue debt.  
Exceptions: There were no exceptions noted.

**1. Procedures Performed on the District's Written Policies and Procedures: (Continued)**

- xi. *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: Obtained and read the written policy for information technology disaster recovery/business continuity and found it to address all functions listed above.

Exceptions: There were no exceptions noted.

- xii. *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.

Performance: Obtained and read the written policy for sexual harassment and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

**2. Procedures Performed on the District's Board or Finance Committee:**

Prior year testing resulted in no exceptions related to the board of finance committee. Therefore, testing not required in the current year.

**3. Procedures Performed on the District's Bank Reconciliations:**

Prior year testing resulted in no exceptions related to bank reconciliations. Therefore, testing not required in the current year.

**4. Procedures Performed on the District's Collections (excluding electronic funds transfers):**

Prior year testing resulted in no exceptions related to collections. Therefore, testing not required in the current year.

**5. Procedures Performed on the District's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases):**

Prior year testing resulted in no exceptions related to non-payroll disbursements. Therefore, testing not required in the current year.



**6. Procedures Performed on the District's Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (cards):**

Prior year testing resulted in no exceptions related to credit cards. Therefore, testing not required in the current year.

**7. Procedures Performed on the District's Travel and Travel-Related Expense Reimbursements (excluding card transactions):**

Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing not required in the current year.

**8. Procedures Performed on the District's Contracts:**

Prior year testing resulted in no exceptions related to contracts. Therefore, testing not required in the current year.

**9. Procedures Performed on the District's Payroll and Personnel:**

Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing not required in the current year.

**10. Procedures Performed on the District's Ethics:**

Prior year testing resulted in no exceptions related to ethics. Therefore, testing not required in the current year.

**11. Procedures Performed on the District's Debt Service:**

Prior year testing resulted in no exceptions related to debt service. Therefore, testing not required in the current year.

**12. Procedures Performed on the District's Fraud Notice:**

Prior year testing resulted in no exceptions related to fraud notice. Therefore, testing not required in the current year.

**13. Procedures Performed on the District's Information Technology Disaster Recovery/Business Continuity:**

Prior year testing resulted in no exceptions related to information technology disaster recovery/business continuity. Therefore, testing not required in the current year.

**14. Procedures Performed on the District's Prevention of Sexual Harassment:**

Prior year testing resulted in no exceptions related to sexual harassment. Therefore, testing not required in the current year.

**Management's Overall Response to Exceptions:**

- 1)A.ii. The District will adopt the new Parish-wide recreation policies and procedures manual when available which will include the required provisions in the purchasing policy.
- 1)A.iv. The District will adopt the new Parish-wide recreation policies and procedures manual when available which will include the required provisions in the receipts/collections policy.
- 1)A.vi. The District will adopt the new Parish-wide recreation policies and procedures manual when available which will include the required provisions in the contracting policy.