

ST. TAMMANY PARISH RECREATION DISTRICT NO. 11
ABITA SPRINGS, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2022



**Hebert Johnson
& Associates, Inc.**
Certified Public Accountants

A Professional Accounting Corporation

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Annual Financial Statements
As of and for the Year Ended December 31, 2022
With Supplemental Information Schedules**

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St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2022
With Supplemental Information Schedules

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A P R O F E S S I O N A L A C C O U N T I N G C O R P O R A T I O N

Independent Auditor's Report

Board of Commissioners
St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and the general fund of St. Tammany Parish Recreation District No. 11, Abita Springs, Louisiana, a component unit of the St. Tammany Parish Council, as of and for the fiscal year ended December 31, 2022, 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 St. Tammany Parish Recreation District No. 11, Abita Springs, Louisiana, a component unit of the St. Tammany Parish Council, as of December 31, 2022, and the respective changes in financial position, and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the St. Tammany Parish Recreation District No. 11 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the St. Tammany Parish Recreation

District No. 11's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 St. Tammany Parish Recreation District No. 11'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.

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 Supplemental Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 31 and 32, Schedule of Proportionate Share of the Net Pension Liability on page 33, and the Schedule of Contributions on page 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the

information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Tammany Parish Recreation District No 11's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head are 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 March 21, 2023, on our consideration of the St. Tammany Parish Recreation District No. 11's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of St. Tammany Parish Recreation District No. 11'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 St. Tammany Parish Recreation District No. 11's internal control over financial reporting and compliance.

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Ponchatoula, Louisiana
March 21, 2023

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Basic Financial Statements
Government-Wide Financial Statements

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

Statement A

**Statement of Net Position
December 31, 2022**

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$ 138,888
Ad Valorem Tax Receivable, Net	724,688
Other Receivable	4,684
Prepaid Insurance	12,310
Utility Deposit	150
Restricted Cash	18
Net Pension Asset	79,244
Land	642,390
Construction in Progress	65,626
Capital Assets, Net of Depreciation	<u>2,736,854</u>
Total Assets	<u>4,404,852</u>
 Deferred Outflows of Resources	
Pension Related	<u>21,522</u>
Total Deferred Outflows of Resources	<u>21,522</u>
Total Assets and Deferred Outflows of Resources	<u>4,426,374</u>
 Liabilities	
Accounts Payable	4,118
Accrued Salaries	2,218
Accrued Interest	1,398
Payroll Liabilities	650
Pension Payable	23,953
Noncurrent Liabilities:	
Bonds Payable Due Within One Year	<u>235,000</u>
Total Liabilities	<u>267,337</u>
 Deferred Inflows of Resources	
Pension Related	<u>74,897</u>
Total Deferred Inflows of Resources	<u>74,897</u>
Total Liabilities and Deferred Inflows of Resources	<u>342,234</u>
 Net Position	
Net Investment in Capital Assets	3,209,870
Restricted	18
Unrestricted	<u>874,252</u>
Total Net Position	<u>\$ 4,084,140</u>

The notes to the financial statements are an integral part of this statement.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

Statement B

**Statement of Activities
December 31, 2022**

Functions/Programs	Expenses
Governmental Activities:	
Recreation Expenses	\$ 553,776
Interest on Long-Term Debt	4,220
Total Governmental Activities	557,996
Program Revenues:	
Charges for Services	162,242
General Revenues:	
Property Taxes	747,909
Revenue Sharing	21,278
Interest Income	251
Gym Rental	18,593
Other	24,863
Total Revenues	975,136
Change in Net Position	417,140
Net Position, Beginning	3,667,000
Net Position, Ending	\$ 4,084,140

The notes to the financial statements are an integral part of this statement.

Basic Financial Statements
Governmental Fund Financial Statements

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

Statement C

**Balance Sheet
Governmental Fund
December 31, 2022**

	<u>General Fund</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 138,888
Ad Valorem Tax Receivable, Net	724,688
Other Receivable	4,684
Prepaid Insurance	12,310
Utility Deposit	150
Total Current Assets	<u>880,720</u>
Noncurrent Assets:	
Restricted Cash	18
Total Noncurrent Assets	<u>18</u>
Total Assets	<u>\$ 880,738</u>
 Liabilities and Fund Balance	
Current Liabilities:	
Accounts Payable	\$ 4,118
Accrued Salary	2,218
Payroll Liabilities	650
Pension Payable	23,953
Total Current Liabilities/Total Liabilities	<u>30,939</u>
 Deferred Inflow of Resources	
Unavailable Ad Valorem Taxes	<u>22,291</u>
Total Deferred Inflow of Resources	<u>22,291</u>
 Fund Balance	
Nonspendable, Prepaid Insurance	12,310
Restricted for Debt Service	18
Unassigned Fund Balance	<u>815,180</u>
Total Fund Balance	<u>827,508</u>
Total Liabilities/Deferred Inflows and Fund Balance	<u>\$ 880,738</u>

The notes to the financial statements are an integral part of this statement.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

Statement D

**Reconciliation of the Governmental Fund Balance Sheet to
the Government-Wide Statement of Net Position
December 31, 2022**

Fund Balances, Governmental Funds, Statement C \$ 827,508

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

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

Land	642,390
Construction in Progress	65,626
Capital Assets, Net of Depreciation	2,736,854

Deferred inflows of resources - unavailable ad valorem taxes are not reported on government-wide financial statements.	22,291
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Limited Tax Certificates, Series 2013	(125,000)
Limited Tax Certificates, Series 2015	(110,000)
Accrued Interest Payable	(1,398)
Net Pension Asset	79,244
Deferred Outflow of Resources	21,522
Deferred Inflow of Resources	(74,897)

Net Position, Governmental Activities, Statement A \$ 4,084,140

The notes to the financial statements are an integral part of this statement.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

Statement E

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2022**

	General Fund
Revenues	
Property Taxes	\$ 751,460
Revenue Sharing	21,278
Interest Income	251
Park Revenue	162,242
Gym Rental	18,593
Other	23,471
Total Revenues	977,295
 Expenditures	
Accounting	13,950
Adult Class	2,225
Advertising	416
Assessor	1,150
Automobile	5,011
Baseball & Softball	46,026
Basketball	13,643
Cheerleader	2,000
Concession	20,909
Employee Benefit - Health	3,124
Facilities Maintenance	7,993
Field Maintenance	13,829
Football	6,013
Insurance	51,166
Miscellaneous	4,255
Office Supplies	9,009
Payroll	152,431
Pension, Sheriff's	23,953
Postage	156
Professional	2,840
Retirement	12,730
Soccer	25,685
Training	818
Utilities	45,056
Volleyball	785
Website	22

The notes to the financial statements are an integral part of this statement.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

Statement E

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2022**

	General Fund
Capital Outlay	\$ 261,253
Debt Service:	
Retirement of Principal	350,000
Interest	6,459
Total Expenditures	<u>1,082,907</u>
Net Change in Fund Balance	(105,612)
Fund Balance, Beginning	933,120
Fund Balance, Ending	<u>\$ 827,508</u>

The notes to the financial statements are an integral part of this statement.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

Statement F

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022**

Net Change in Fund Balance, Governmental Funds, Statement E **\$ (105,612)**

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

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

Capital Outlay	261,253
Depreciation Expense	(114,666)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in Unavailable Ad Valorem Taxes	(3,551)
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Accrued interest expense on long-term debt is reported in the government-wide statements of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest is not reported as expenditures in government funds.

Change in Accrued Interest Payable	2,239
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Repayment of Bond Principal	350,000
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Non-employer contributions to cost-sharing plan	1,392
Change in Pension Expense per GASB 68	26,085

Change in Net Position, Governmental Activities, Statement B	\$ 417,140
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The notes to the financial statements are an integral part of this statement.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

Introduction

St. Tammany Parish Recreation District No. 11 was created by ordinance of the St. Tammany Parish Council for the purpose of acquiring, maintaining, and operating recreation facilities and equipment within the District. The District operates under the direction of a five-member board appointed by the St. Tammany Parish Council.

Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," as amended by GASB 39, "Determining Whether Certain Organizations Are Component Units", established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the St. Tammany Parish Recreation District No. 11 is considered a component unit of the St. Tammany Parish Council. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the St. Tammany Parish Recreation District No. 11.

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

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, as amended. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net position (or balance sheet), and a statement of activities. The definition of composition of these statements, as originally defined in GASB Statement No. 34, as amended by GASB Statements included in the following paragraph. Management has elected to omit the Management's Discussion and Analysis.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

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 as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net position includes assets, deferred outflows of resources, liabilities and deferred inflows of resources.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Ad Valorem taxes collected 60 days after year end are recorded as a deferred inflow of resources on the government fund balance sheet. All other revenue items are considered to be measurable and available only when cash is received by the government. At December 31, 2022 the District has Deferred Inflow of Resources for Unavailable Ad Valorem Taxes of \$22,291.

The District reports the following governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

Amounts reported as program revenues include registration fees for baseball, basketball, football, soccer, cheer, concessions and entrance fees. Likewise, general revenues include all taxes, revenue sharing and interest income.

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.

C. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law allows the District to invest in collateralized certificates of deposit, government-backed

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

securities, commercial paper, the state-sponsored investment pool and mutual funds consisting solely of government-backed securities. The District has not formally adopted deposit and investment policies that limit the government's allowable deposits or investments and address the specific types of risk to which the government is exposed.

D. Inventories

The District utilizes the "purchase method" of accounting for supplies in governmental funds whereby expendable operating supplies are recognized as expenditures when purchased. The District did not record any inventory at December 31, 2022, since the amount is not material.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the District. Purchased assets are recorded as expenditures in the fund financial statements and are capitalized at cost on the government-wide statement of net position. In the case of gifts or contributions, such assets are recorded at fair market value at the time received.

The District has not adopted a formal capitalization policy. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capitals assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	15 - 20 Years
Equipment	3 - 10 Years

G. Compensated Absences

General leave for the District includes vacation pay. General leave is based on the employee working full-time for the District. All full-time employees receive one week of vacation each year beginning on January 1. At December 31, 2022 there was no accrued vacation.

H. Long-Term Debt

In the fund-level financial statements, governmental funds report the face amount of debt issued, as well as any premiums (discounts) as other financing sources (uses). In the government-wide financial

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

statements, long-term debt is reported as liabilities in the statement of net position. Debt issuance costs are expended in the governmental funds and government-wide financial statements.

With the implementation of GASB 65, *Items Previously Reported as Assets and Liabilities*, bond issuance costs are expended in the period incurred.

I. Fund Equity

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

1. Non-spendable fund balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted fund balance – amounts that can be spent only for specific purposes because of the Constitution of the State of Louisiana, other state and federal laws, or externally imposed conditions by grantors, creditors, or voter approved propositions.
3. Committed fund balance – amounts that can be used only for specific purposes determined by a formal action by the District.
4. Assigned fund balance – amounts that are constrained by the District’s intent that they will be used for specific purposes.
5. Unassigned fund balance – all other amounts not included elsewhere.

The District considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The District also considers committed fund balances to be spent first when other unrestricted fund balance classifications are available for use. The District has a policy to have a minimum fund balance between five and fifteen percent of operating revenues.

J. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

K. Estimates

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

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

L. Reconciliation of Government-Wide and Fund Financial Statements

Explanations of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanations of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

M. Pension Plans

The St. Tammany Parish Recreation District No. 11 participates in the Parochial Employees' Retirement System of Louisiana.

2. Stewardship, Compliance and Accountability

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-14. The major requirements of the Local Government Budget Act are summarized as follows:

1. The District must adopt a budget each year for the general fund and each special revenue fund, if applicable.
2. The manager must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District has jurisdiction.
3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on December 28, 2021.
4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The District amended the budget on November 29, 2022.

The District's actual expenditures of \$1,062,829 exceeded its final budgeted expenditures of \$961,300. The variance is greater than 5% and will result in a budget violation.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

5. The District uses the cash basis of accounting to report actual inflows and outflows. The reconciliation below shows how the modified cash basis differs from GAAP.

Net Change in Fund Balance (Schedule E)	\$	(105,612)
Add: Prior Year Receivables, Net		699,658
Prior Year Prepaid Insurance		8,436
Current Year Payables		26,545
Current Year Deferred Inflow of Resources		22,291
Less: Current Year Receivables, Net		(724,688)
Current Year Prepaid Insurance		(12,310)
Prior Year Payables		(25,312)
Prior Year Deferred Inflow of Resources		(25,842)
Net Change in Fund Balance (Schedule 1)	\$	<u>(136,834)</u>

3. Cash and Cash Equivalents

At December 31, 2022, the District had cash and cash equivalents (book balances) totaling \$138,906 as follows:

Demand Deposits	\$	<u>138,906</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2022, the District had \$149,094 in demand deposits (collected bank balances). All bank balances of the District are fully insured.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2022**

4. Receivables

The receivables of \$724,688 at December 31, 2022, are as follows:

Class of Receivable	General Fund
Ad Valorem Tax Receivable	\$ 742,688
Allowance for Uncollectible	(18,000)
Ad Valorem Tax Receivable, Net	\$ 724,688

5. Levied Taxes

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

	Authorized	Levied
General Fund	9.23	9.23

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District during the year and are billed to taxpayers and become due in November. Billed taxes become delinquent on December 31st of each year. Revenues from ad valorem taxes are budgeted in the year billed and are recognized as revenue when billed. The St. Tammany Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the St. Tammany Parish Assessor. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2022, the District levied 9.23 mills for a total tax levy of \$754,464. At December 31, 2022, the ad valorem tax receivable was \$742,688. An allowance for uncollectible property taxes is recorded in the amount of \$18,000.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

6. Capital Assets

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 642,390	\$ -	\$ -	\$ 642,390
Construction in Progress	65,626	-	-	65,626
Total Capital Assets Not Being Depreciated	<u>708,016</u>	<u>-</u>	<u>-</u>	<u>708,016</u>
Other Capital Assets:				
Buildings & Improvements	3,072,649	209,022	-	3,281,671
Equipment	151,320	52,231	-	203,551
Total Capital Assets	<u>3,223,969</u>	<u>261,253</u>	<u>-</u>	<u>3,485,222</u>
Less Accumulated Depreciation:				
Buildings & Improvements	(480,205)	(94,494)	-	(574,699)
Equipment	(153,497)	(20,172)	-	(173,669)
Total Accumulated Depreciation	<u>(633,702)</u>	<u>(114,666)</u>	<u>-</u>	<u>(748,368)</u>
Other Capital Assets, Net	<u>2,590,267</u>	<u>146,587</u>	<u>-</u>	<u>2,736,854</u>
Governmental Activities Capital, Net	<u>\$ 3,298,283</u>	<u>\$ 146,587</u>	<u>\$ -</u>	<u>\$ 3,444,870</u>

Depreciation was charged to governmental functions as follows:

Recreation Expenditures	\$ <u>114,666</u>
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**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2022**

7. Long-Term Debt

At December 31, 2022, bonds payable consisted of the following individual issues:

	Interest Rate %	Issue Date	Maturity Date	Outstanding
Limited Tax Certificates, Series 2013	1.0 - 1.75	3/20/2013	3/1/2023	125,000
Limited Tax Certificates, Series 2015	1.5 - 1.825	9/25/2015	3/1/2023	110,000
				<u>\$ 235,000</u>

Transactions for the year ended December 31, 2022 are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Limited Tax Certificates, Series 2012	\$ 125,000	\$ -	\$ 125,000	\$ -	\$ -
Limited Tax Certificates, Series 2013	245,000	-	120,000	125,000	125,000
Limited Tax Certificates, Series 2015	215,000	-	105,000	110,000	110,000
	<u>\$ 585,000</u>	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ 235,000</u>	<u>\$ 235,000</u>

The annual aggregate maturities for the years subsequent to December 31, 2022, are as follows:

Year Ending December 31	Principal	Interest	Total
2023	\$ 235,000	\$ 2,098	\$ 237,098
Total	<u>\$ 235,000</u>	<u>\$ 2,098</u>	<u>\$ 237,098</u>

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2022**

8. Compensated Absences

The District does not have employees that accumulate or vest benefits.

9. Compensation of Board Members Commissioners

The St. Tammany Parish Recreation District No. 11 paid no compensation to its board members as of and for the year ended December 31, 2022.

10. Judgements, Claims, and Similar Contingencies

St. Tammany Parish Recreation District No. 11 is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of commercial insurance.

11. Pension Plan

Employees participate in the Parochial Employees' Retirement System of Louisiana. This system is a public defined benefit pension plan which provides retirement allowances and other benefits, operating pursuant to LSA-R.S. 11:1901 through 2025. The retirement system has the powers and privileges of a corporation.

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Plan A was designed for employers out of Social Security. Plan B was designed for those employers that remained in Social Security.

The employees participate in Plan A.

Plan A Benefits.

A. Normal Retirement Benefits - The retirement allowance is equal to three percent of the member's final average compensation multiplied by his years of creditable service. Final average compensation shall be defined as the average of the highest consecutive 36 month salary for members hire prior to 1/1/07. For members hired 1/1/07 and later, final average compensation shall be defined as the average of the highest consecutive 60 month's salary.

Eligibility Provisions for Active Members Hired 1/1/07 and Later are as follows:

- 7 years of service, age 67
- 10 years of service, age 62
- 30 years of service, age 55

Membership. All permanent employees working at least 28 hours per week shall become members on the date of employment.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2022**

Effective July 1, 1997, new employees age 55 and older and who have 40 quarters or more of Social Security participation have an option to join the Parochial System. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. When a decision is made, an election form must be completed and sent to the retirement system office. If the employee elects to join the system, the standard Personal History form should be completed as well. If the employee begins work before the election is made, the employee should be enrolled in Social Security or in a deferred compensation plan until the retirement determination is made.

Vesting. Seven years of service credit is required to be eligible for a normal retirement benefit at age 65 if the member was an active member of either plan on December 31, 2006. For employees hired after 1/1/07 and later, vesting occurs with seven years of service credit; however, those members must attain age 67 before becoming eligible for normal retirement. Eligibility to actually begin receiving benefits is a function of fulfilling the eligibility provisions of age and service.

Funding Policy. The system is funded primarily by employer and employee contributions which are expressed as percentages of payroll. The amount of employee contributions is fixed by law. Currently, the Plan A employee rate is 9.5% and the Plan B employee rate is 3.0%. Employer contributions are actuarially determined every fiscal year according to statutory process. Written notice of these rates is provided to employers annually. In 2022, the employer rates were 11.5% for Plan A and 7.50% for Plan B.

The St. Tammany Recreation District No. 11 contributions to the System under Plan A for the years ending December 31, 2022, 2021 and 2020 were \$12,730, \$13,827, and \$14,359 respectfully equal to the required contributions.

A statement of accumulated member contributions is provided to all members with a balance following the close of each plan year.

Requests for further information should be directed to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619.

Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the District reported an asset of \$79,244 for its proportionate share of the net pension liability of the System. The net pension asset measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's portion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At December 31, 2021, the District's proportion was 0.0168%, which was a decrease of .0007% from the proportion measured as of December 31, 2020.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2022**

For the year ended December 31, 2021, the District recognized pension expense of -\$13,355 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,788	\$ 5,743
Changes of Assumptions	4,133	-
Net difference between projected and actual earnings on pension plan investments	-	68,544
Changes in proportion and differences between Employer contributions and proportionate share of contributions	38	610
Employer contributions subsequent to the measurement date	12,563	-
Total	\$ 21,522	\$ 74,897

The District reported a total of \$12,563 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2021 which will be recognized as a reduction in net pension liability in the year ended December 31, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year			
2022	\$	(13,112)	
2023		(27,142)	
2024		(18,271)	
2025		(7,346)	
	\$	(65,871)	

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2021 is as follows:

Valuation Date	December 31, 2021
Actuarial Cost Method	Plan A - Entry Age Normal Plan B - Entry Age Normal
Investment Rate of Return	6.40% (Net of investment expense)
Expected Remaining Service lives	4 years
Projected Salary Increases	Plan A – 4.75% Plan B – 4.25%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Inflation Rate	2.30%

The discount rate used to measure the total pension liability was 6.40% for Plan A and 6.40% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2022**

The long-term expected real rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future rate of real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of re-balancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2021.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	33%	0.85%
Equity	51%	3.23%
Alternatives	14%	0.71%
Real Assets	2%	0.11%
Totals	100%	4.90%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.00%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2022**

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the District calculated using the discount rate of 6.40%, as well as what the employers' net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate.

	1% Decrease 5.40%		Current Discount Rate 6.40%		1% Increase 7.40%
PERSLA					
Rates of St. Tammany					
Parish Recreation District No. 11 of NPA	\$ 14,128	\$	(79,244)	\$	(157,459)

12. Subsequent Events

Subsequent events have been evaluated by management through March 21, 2023, the date the financial statements were available to be issued. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2022.

Required Supplemental Information

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Modified Cash Basis) and Actual
For the Year Ended December 31, 2022

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable (Unfavorable)
Property Taxes	\$ 678,875	\$ 685,000	\$ 636,147	\$ (48,853)
Revenue Sharing	20,000	16,000	21,278	5,278
Interest Income	400	200	251	51
Park Revenue	136,500	160,700	162,242	1,542
Gym Rental	8,000	20,000	18,593	(1,407)
Other	1,000	34,000	23,471	(10,529)
Total Revenues	844,775	915,900	861,982	(53,918)
Expenditures				
Accounting	16,000	5,600	13,950	(8,350)
Adult Class	1,000	2,100	2,225	(125)
Advertising	900	400	416	(16)
Assessor	2,000	1,100	1,150	(50)
Automobile	2,700	5,000	5,011	(11)
Baseball & Softball	27,000	51,000	46,026	4,974
Basketball	12,000	12,000	13,643	(1,643)
Cheerleader	3,000	2,200	2,000	200
Concession	19,000	21,300	20,909	391
Employee Benefit - Health	3,300	3,300	3,124	176
Facilities Maintenance	16,000	8,000	7,993	7
Field Maintenance	7,000	13,000	13,829	(829)
Football	6,000	6,200	6,013	187
Insurance	45,000	55,000	55,041	(41)
Miscellaneous	5,300	5,400	4,255	1,145
Office Supplies	6,500	6,900	9,009	(2,109)
Payroll	175,000	175,000	152,431	22,569
Postage	220	200	156	44
Professional	-	-	2,840	(2,840)
Retirement	-	12,700	12,730	(30)
Soccer	23,000	23,000	25,685	(2,685)
Training	3,000	600	818	(218)
Utilities	45,000	49,000	45,056	3,944
Volleyball	700	800	785	15
Website	4,000	-	22	(22)

See independent auditor's report.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Modified Cash Basis) and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Capital Outlay	\$ 70,665	\$ 145,000	\$ 261,253	\$ (116,253)
Debt Service:				
Retirement of Principal	345,000	350,000	350,000	-
Interest	5,490	6,500	6,459	41
Total Expenditures	844,775	961,300	1,062,829	(101,529)
Excess (Deficiency) of Revenues over Expenditures	-	(45,400)	(200,847)	47,611
Other Financing Sources				
Insurance Reimbursement	-	-	64,013	64,013
Total Other Financing Sources and (Uses)	-	-	64,013	64,013
Net Change in Fund Balance	-	(45,400)	(136,834)	111,624
Fund Balance, Beginning	261,753	261,753	261,753	-
Fund Balance, Ending	\$ 261,753	\$ 216,353	\$ 124,919	\$ 111,624

See independent auditor's report.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

Schedule 2

**Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended December 31, 2022**

Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
December 31, 2015	0.0119%	\$ 3,249	\$ 74,207	4.3783%	99.15%
December 31, 2016	0.0119%	\$ 32,627	\$ 87,527	37.2765%	92.23%
December 31, 2017	0.0148%	\$ 30,396	\$ 79,984	38.0026%	94.15%
December 31, 2018	0.0165%	\$ (12,271)	\$ 107,305	-11.4356%	101.98%
December 31, 2019	0.0176%	\$ 79,260	\$ 110,976	71.4208%	88.86%
December 31, 2020	0.0175%	\$ 824	\$ 117,215	0.7030%	99.89%
December 31, 2021	0.0175%	\$ (30,772)	\$ 113,856	-27.0271%	104.00%
December 31, 2022	0.0168%	\$ (79,244)	\$ 112,368	-70.5219%	110.00%

Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available

See independent auditor's report.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

Schedule 3

**Schedule of Contributions – Retirement Plan
For the Year Ended December 31, 2022**

<u>Actuarial Valuation Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions Relations to Contractual Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
December 31, 2015	\$ 10,760	\$ 10,760	\$ -	\$ 71,071	15.1398%
December 31, 2016	\$ 11,720	\$ 11,720	\$ -	\$ 87,528	13.3900%
December 31, 2017	\$ 10,300	\$ 10,300	\$ -	\$ 79,984	12.8776%
December 31, 2018	\$ 12,363	\$ 12,363	\$ -	\$ 109,443	11.2963%
December 31, 2019	\$ 12,842	\$ 12,842	\$ -	\$ 110,976	11.5719%
December 31, 2020	\$ 14,359	\$ 14,359	\$ -	\$ 117,215	12.2501%
December 31, 2021	\$ 13,827	\$ 13,827	\$ -	\$ 113,856	12.1443%
December 31, 2022	\$ 12,563	\$ 12,563	\$ -	\$ 109,244	11.4999%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report.

Supplemental Information

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Schedule 4

Schedule of Compensation, Benefits, and
Other Payments to Agency Head
For the Year Ended December 31, 2022

Agency Head: Lisa Palisi

Purpose	Amount
Salary	\$ 57,365
Retirement Benefits	6,238
Reimbursements	1,470
Conference	101
Total Payments	\$ <u>65,174</u>

See independent auditor's report.

Other Independent Auditor's Report

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CHRISTOPHER S. JOHNSON, CPA, MBA

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MEMBER

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A P R O F E S S I O N A L A C C O U N T I N G C O R P O R A T I O N

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
St. Tammany Parish Recreation District No. 11
Abita Springs, 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 the St. Tammany Parish Recreation District No. 11, Abita Springs, Louisiana, a component unit of the St. Tammany Parish Council, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise St. Tammany Parish Recreation District No. 11's basic financial statements, and have issued our report thereon dated March 21, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Tammany Parish Recreation District No. 11's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Tammany Parish Recreation District No. 11's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Tammany Parish Recreation District No. 11's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses as item 2022-1 that we consider to be a significant deficiency.

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Tammany Parish Recreation District No. 11's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses as items 2022-2 and 2022-3.

St. Tammany Parish Recreation District No. 11 Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on St. Tammany Parish Recreation District No. 11's response to the findings identified in our audit and described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses. St. Tammany Parish Recreation District No. 11's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Ponchatoula, Louisiana
March 21, 2023

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended December 31, 2022**

We have audited the basic financial statements of the St. Tammany Parish Recreation District No. 11 as of and for the year ended December 31, 2022, and have issued our report thereon dated March 21, 2023. 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 audit of the financial statements as of December 31, 2022 resulted in an unmodified opinion.

Section I - Summary of Auditor's Reports

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

Internal Control

Material Weakness, No Significant Deficiencies, Yes

Compliance

Compliance Material to Financial Statements, Yes

b. Federal Awards

Not Applicable

Was a management letter issued? No

Section II - Financial Statement Findings

Internal Control

2022-1 Overpayment to Vendor

Criteria:

The District should have internal controls over financial reporting in place to prevent, or detect and correct misstatements on a timely basis.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended December 31, 2022**

Condition:

During our disbursement testing, we noted the District overpaid a vendor for sports uniforms by \$4,684.

Cause:

The District's accountant miscalculated the amount owed to the vendor and printed the check for the incorrect amount. The District's check signers signed the check and mailed the payment to the vendor for the incorrect amount.

Effect:

The District overpaid the vendor by \$4,684.

Recommendation:

We recommend the District's check signers review all supporting documentation before signing checks. Check signers should match the payee and amount on the check to the supporting documentation accompanying the printed checks. Check signers should continue to initial the supporting documentation as part of their review. The District should request a refund for the overpayment from the vendor.

Management's Response:

The District agrees with the auditor's recommendation. The District received a credit for \$4,684 off of its invoice in March 2023. Responsible party is Responsible Party is Board President, Brandon Harrell (985) 888-6547.

Compliance

2022-2 Violation of the Louisiana Local Government Budget Act

Criteria:

The Local Government Budget Act (LSA-RS 39:1301-15) requires a political subdivision to adopt a budget amendment in an open meeting when total actual expenditures are exceeding total budgeted expenditures by a variance greater than five percent.

Condition:

The District did not comply with certain provisions of the Local Government Budget Act, which requires the District to amend its budget when actual expenditures exceed total budgeted expenditures by a variance greater than five percent.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended December 31, 2022**

Cause:

This was an oversight by management.

Effect:

The District was in violation of the Local Government Budget Act.

Recommendation:

We recommend the District review its budget to actual revenues and expenditures on a monthly basis and amend the budget as necessary in an open meeting.

Management's Response

The District will take measures to ensure the budget is amended according to state law. The District has hired a certified public accountant to help with this process. Responsible Party is Board President, Brandon Harrell (985) 888-6547

2022-3 Ethics and Sexual Harassment Training

Criteria:

LRS 42:1170 requires public servants to receive a minimum of one hour of education and training on the Code of Governmental Ethics during each year of his public employment or term of office.

LRS 42:343 requires public servants to receive a minimum of one hour of education and training preventing sexual harassment during each full calendar year of the public servant's term of office.

Condition:

The District did not have documentation of the required ethics and sexual harassment training for one board member and one employee for the year ending December 31, 2022.

Cause:

The board member did not complete the ethics or sexual harassment course. The employee completed the ethics course but did not have the certificate for the sexual harassment course.

Effect:

Noncompliance with the revised statutes listed in the criteria.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended December 31, 2022**

Recommendation:

The District should ensure all employees and board members complete the required training each year. The District should set a completion deadline for all board members and employees to complete the required training.

Management's Response

Management will have all employees and board members complete each training as soon as possible. Responsible Party is Board President, Brandon Harrell (985) 888-6547.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Schedule of Prior Year Findings
For the Year Ended December 31, 2022

2021-1 Accountant Cannot Prepare Financial Statements Condition

The District's accountant cannot draft the District's financial statements.

Recommendation:

We recommend the District review the cost benefit of hiring an accountant with the technical skills to prepare the accompanying financial statements of the governmental activities, and the general fund of the St. Tammany Parish Recreation District No. 11.

Resolved:

Fully

2021-2 Violation of the Louisiana Local Government Budget Act

Condition:

The District did not comply with certain provisions of the Local Government Budget Act, which requires the District to amend its budget when actual expenditures exceed total budgeted expenditures by a variance greater than five percent.

Recommendation:

We recommend the District review its budget to actual revenues and expenditures on a monthly basis and amend the budget as necessary in an open meeting.

Resolved:

Unresolved, See Finding 2022-2

2021-3 Ethics and Sexual Harassment Training

Condition:

The District did not have documentation of the required ethics and sexual harassment training for one board member and one employee for the year ending December 31, 2021.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Schedule of Prior Year Findings
For the Year Ended December 31, 2022**

Recommendation:

The District should ensure all employees and board members complete the required training during each year. The District should set a completion deadline for all board members and employees to complete the required training.

Resolved:

Partially Resolved, See Finding 2022-3

ST. TAMMANY PARISH RECREATION DISTRICT NO. 11

STATEWIDE AGREED-UPON PROCEDURES REPORT

Fiscal Period January 1, 2022 through December 31, 2022



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A Professional Accounting Corporation

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A P R O F E S S I O N A L A C C O U N T I N G C O R P O R A T I O N

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of
St. Tammany Parish Recreation District No. 11
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. St. Tammany Parish Recreation District No. 11's management is responsible for those C/C areas identified in the SAUPs.

St. Tammany Parish Recreation District No. 11 has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception: The District had all applicable written policies and procedures except for contracting.

Management's Response: The District will adopt the policies and procedures for contracting.

2) Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions were found as a result of these procedures.

3) Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exception: The District has items on its bank reconciliation that have been outstanding for longer than 12 months. There is no evidence that management has reviewed these reconciling items.

Management's Response: The District will review these items and send to unclaimed properties if necessary.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Exceptions: The employees do share cash drawers. Cash drawers are used for registration fees and concession fees. Total collections are matched to the daily reports.

The District does not have an insurance policy for theft.

Management's Response: Due to the small size of the organization the District will continue to allow employees to share cash drawers. The District will continue to match daily deposits to the total collection reports.

Management has looked into an insurance policy for theft but believes the cost outweighs the risk of the minimal dollars collected daily.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

- ii. At least two employees are involved in processing and approving payments to vendors;
- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

- 10. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions were found as a result of these procedures.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions were found as a result of these procedures.

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

(These procedures are not applicable to the District.)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes

- the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of these procedures.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found as a result of these procedures.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions were found as a result of these procedures.

11) Debt Service

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

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

No exceptions were found as a result of these procedures.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were found as a result of these procedures.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Exception: One out of the five employees tested did not have its sexual harassment certificate. The District did not have its sexual harassment certificate posted.

Management's Response: The District will take measures to ensure the sexual harassment training course will be taken timely.

We were engaged by St. Tammany Parish Recreation District No. 11 to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of St. Tammany Parish Recreation District No. 11 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.

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Ponchatoula, Louisiana
March 21, 2023