

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Financial Statements with Supplementary Information

June 30, 2023

(With Independent Auditors' Report Thereon)

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

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Independent Auditors' Report

**Board of Commissioners
St. Tammany Parish Development District
Mandeville, Louisiana**

Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of St. Tammany Parish Development District (the District), as of and for the eighteen months ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, its major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position for the eighteen months then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of 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 auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with GAAS and Government Auditing Standards, we

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 6 and budgetary comparison information on pages 24 to 33 are presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying information listed as other supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation paid to board members on page 34, schedule of compensation, benefits, and other payments to agency head on page 35, combining balance sheet - non-major funds on page 36, and combining statement of revenues, expenditures, and changes in fund balances - non-major funds on page 37 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 27, 2023, on our consideration of St. Tammany Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Griffin & Furman, LLC

December 27, 2023

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Management's Discussion and Analysis

For the Eighteen Months Ending June 30, 2023

The basic financial statements of the St. Tammany Parish Development District (the District) include government-wide and governmental fund statements. The government-wide statements of net position and statements of activities present information for all the activities of the District's office, from an economic resources measurement focus using the accrual basis of accounting. Primarily, for our office, the difference between these statements and governmental fund statements is that assets are capitalized and depreciated over their estimated useful lives versus expensed in the governmental fund statements. The balance sheets – governmental fund detail the assets and liabilities of the governmental fund while the reconciliation of the governmental fund balance sheets to the statements of net position reflect the difference from the amounts reported in the statements of net position. The statements of revenues, expenditures, and changes in fund balance – governmental fund reflect the current year receipt and disbursement of funds and the reconciliation of the statements of revenues, expenditures, and changes in fund balance of the governmental fund to the statements of activities report the differences in the change in fund balance to the change in net position of the governmental activities. The difference between the adopted budget and the actual activities are reflected in the schedules of revenues, expenditures, and changes in fund balance – budget and actual – general fund.

The District is a subdivision of the State of Louisiana located in St. Tammany Parish. The accompanying financial statements only present information in the funds maintained by the District.

Statements of Net Position and Statements of Activities

The statements of net position and statements of activities report information about the funds maintained by the District as a whole and about its activities in a way which helps answer one of the most important questions asked about the District's finances: "Is the District, as a whole, better off or worse off as a result of the year's activities?" These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting used by most private sector companies. Accrual of the current year's revenues and expenses is taken into account regardless of when the cash was received or paid.

These two statements report the District's net position and the changes in it. This net position, the difference between the assets, deferred outflows, liabilities, and deferred inflows, is one way to measure the District's financial health and, over time, increases or decreases in net position are one indicator of whether its financial health is improving or deteriorating.

The funds maintained by the District are recorded as governmental activities in the statements of net position and statements of activities.

All of the expenses paid from the funds maintained are reported here as governmental activities and consist primarily of insurance, accounting fees, and support payments. A percentage of the state hotel and motel sales tax collections finance the operating activities of the District.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Management's Discussion and Analysis

For the Eighteen Months Ending June 30, 2023

Financial Highlights

During the year, the District decided to change its fiscal year-end from December 31st to June 30th to align its year with the State of Louisiana. The following financial highlights compare assets, liabilities and net position as of December 31, 2021 and June 30, 2023. Changes in net position (revenues and expenditures) are presented for the eighteen months ended June 30, 2023 and the twelve months ended December 31, 2021.

Condensed statements of net position as of June 30, 2023 and December 31, 2021:

| | <u>2023</u> | <u>2021</u> | <u>Change</u> |
|-------------------------------------|---------------------|------------------|------------------|
| Total current assets | \$ 1,631,975 | 1,655,982 | (24,007) |
| Capital assets, net of depreciation | 190,451 | 472,769 | (282,318) |
| Other assets | 3,117 | - | 3,117 |
| Total assets | <u>1,825,543</u> | <u>2,128,751</u> | <u>(303,208)</u> |
| Total current liabilities | 48,146 | 499,998 | (451,852) |
| Long-term liabilities | - | - | - |
| Total liabilities | <u>48,146</u> | <u>499,998</u> | <u>(451,852)</u> |
| Net position | | | |
| Net investment in capital assets | 190,451 | 472,769 | (282,318) |
| Restricted | 80,157 | 103,249 | (23,092) |
| Unrestricted | <u>1,506,789</u> | <u>1,155,984</u> | <u>454,054</u> |
| Total net position | <u>1,777,397</u> | <u>1,628,753</u> | <u>148,644</u> |
| Total liabilities and net position | <u>\$ 1,825,543</u> | <u>2,128,751</u> | <u>(303,208)</u> |

Condensed statements of activities for the eighteen months ended June 30, 2023 and the twelve months ended December 31, 2021:

| | <u>2023</u> | <u>2021</u> | <u>Change</u> |
|----------------------------------|---------------------|------------------|------------------|
| Program revenues | \$ 1,492,980 | 818,981 | 673,999 |
| General revenues | <u>2,098,855</u> | <u>855,348</u> | <u>1,243,507</u> |
| Total revenues | 3,591,835 | 1,674,329 | 1,917,506 |
| Expenditures | <u>3,443,191</u> | <u>1,667,777</u> | <u>1,775,414</u> |
| Change in net position | 148,644 | 6,552 | 142,092 |
| Net position – beginning of year | <u>1,628,753</u> | <u>1,622,201</u> | <u>6,552</u> |
| Net position – end of year | <u>\$ 1,777,397</u> | <u>1,628,753</u> | <u>148,644</u> |

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Management's Discussion and Analysis

For the Eighteen Months Ending June 30, 2023

The District's assets exceeded its liabilities at the close of fiscal year 2023 by \$1,777,397 (net position), which represents a 9% increase over net position at December 31, 2021.

Cash was \$1,091,514 at June 30, 2023, compared to \$519,922 at December 31, 2021. This is an increase of \$571,592, or 110%.

The District's revenue increased by \$2,144,506, or 128%, for the eighteen months ended June 30, 2023 as compared to the twelve months ended December 31, 2021.

The District's expenses for the eighteen months ended June 30, 2023 increased by \$1,384,593, or 83% as compared to expenses for the twelve months ended December 31, 2021.

At June 30, 2023, the District's General Fund had an unassigned fund balance of \$1,506,708.

As a result of subtracting total expenses from total revenue, the District's net position increased by \$148,644 for the eighteen months ended June 30, 2023.

Revenue to the District consisted principally of state hotel and motel sales tax collections, lease income, and administrative fees, and pass-through funds for various projects the District was involved in. Expenditures for the District consisted primarily of salaries and PILOT expenditures.

Capital Assets

For the year ended June 30, 2023, capital assets, net of depreciation, decreased by \$282,318. This decrease was primarily the result of the sale of land with a carrying value of \$400,000.

General Fund Budgetary Highlights

For the twelve months ending December 31, 2022, the annual budget was amended to increase budget revenues by approximately \$37,000 and increase expenditures by approximately \$101,000. Due to the change in fiscal year, the 2023 calendar year budget was amended to reduce budgeted amounts anticipated for the short period from January 1, 2023 to June 30, 2023.

Economic Factors and Next Year's Budget

The District considered many factors when setting the operating budget for its General Fund for the year ending June 30, 2024. The District anticipates increases in certain revenues and expenditures compared to the current year due to the continued development of the Thrive 2023 initiative.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to St. Tammany Parish Development District located at 21489 Koop Drive, Suite 7, Mandeville, Louisiana 70471.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Statement of Net Position

June 30, 2023

| | | Governmental Activities |
|-------------------------------------|----------------------------|------------------------------------|
| | <u>Assets</u> | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,091,572 | |
| Investments | 467,434 | |
| Accounts receivable | 60,889 | |
| Prepaid expenses | 12,080 | |
| Total current assets | | 1,631,975 |
| Capital assets: | | |
| Office furniture and equipment, net | 153,574 | |
| Lease asset, net | 36,877 | |
| Total capital assets | | 190,451 |
| Other asset | | 3,117 |
| | | \$ <u>1,825,543</u> |
| | <u>Liabilities</u> | |
| Current liabilities: | | |
| Accounts payable | \$ 11,147 | |
| Lease liability | 36,999 | |
| Total current liabilities | | 48,146 |
| Non-current liabilities: | | |
| Lease liability | | |
| Total non-current liabilities | | |
| | <u>Net Position</u> | |
| Net investment in capital assets | | 190,451 |
| Restricted | | 80,157 |
| Unrestricted | | 1,506,789 |
| Total net position | | \$ <u><u>1,777,397</u></u> |

See accompanying notes to the financial statements.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Statement of Activities

For the Eighteen Months Ended June 30, 2023

| | <u>Governmental Activities</u> | |
|-----------------------------------|------------------------------------|-------------------------|
| Expenses: | | |
| Economic Development: | | |
| Salaries and benefits | \$ 1,485,278 | |
| Loss on sale of land (See Note 6) | 399,000 | |
| PILOT expense | 331,614 | |
| Consulting | 210,126 | |
| Legal and professional | 144,839 | |
| Marketing | 162,655 | |
| Payroll taxes | 91,305 | |
| Insurance | 28,114 | |
| Travel | 73,893 | |
| Rent | 36,834 | |
| Repairs and maintenance | 53,386 | |
| Staff development | 35,169 | |
| Dues and subscriptions | 80,546 | |
| Other | 40,818 | |
| Communications/outreach | 121,652 | |
| Telephone | 11,654 | |
| Supplies | 13,749 | |
| Printing and reproduction | 15,232 | |
| Depreciation | 76,854 | |
| Amortization | 18,438 | |
| Utilities | 5,573 | |
| Service charges | 5,908 | |
| Meeting | <u>554</u> | |
| Total expenses | | 3,443,191 |
| Program Revenues: | | |
| Administrative fees | 217,209 | |
| PILOT service fees | 356,614 | |
| Contributions | 861,744 | |
| Bond closing fees | 7,693 | |
| Interest income | <u>49,720</u> | |
| Total program revenues | | <u>1,492,980</u> |
| Net expense | | (1,950,211) |
| General Revenues: | | |
| Hotel/Motel tax revenue | <u>2,098,855</u> | |
| Total general revenues | | <u>2,098,855</u> |
| Change in net position | | 148,644 |
| Net position, beginning of year | | <u>1,628,753</u> |
| Net position, end of year | \$ | <u><u>1,777,397</u></u> |

See accompanying notes to the financial statements.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT**Balance Sheet****Governmental Funds****June 30, 2023**

| | <u>General Fund</u> | <u>Non-Major Funds</u> | <u>Total</u> |
|--|--------------------------------|-----------------------------------|---------------------|
| Assets: | | | |
| Cash and cash equivalents | \$ 1,011,415 | 80,157 | 1,091,572 |
| Investments | 467,434 | - | 467,434 |
| Accounts receivable | 35,889 | 25,000 | 60,889 |
| Hotel/Motel tax revenue receivable | - | - | - |
| Prepaid expenses | 12,080 | - | 12,080 |
| Other assets | <u>3,117</u> | | <u>3,117</u> |
| Total assets | <u>\$ 1,529,935</u> | <u>105,157</u> | <u>1,635,092</u> |
| Liabilities: | | | |
| Accounts payable | \$ <u>11,147</u> | <u>-</u> | <u>11,147</u> |
| Total liabilities | <u>11,147</u> | <u>-</u> | <u>11,147</u> |
| Deferred Inflows of Resources: | | | |
| Unavailable revenue | <u>-</u> | <u>25,000</u> | <u>25,000</u> |
| Fund Balance: | | | |
| Nonspendable | 12,080 | - | 12,080 |
| Restricted | - | 80,157 | 80,157 |
| Unassigned | <u>1,506,708</u> | <u>-</u> | <u>1,506,708</u> |
| Total fund balance | <u>1,518,788</u> | <u>80,157</u> | <u>1,598,945</u> |
| Total liabilities, deferred inflows of resources and fund balance | <u>\$ 1,529,935</u> | <u>105,157</u> | <u>1,635,092</u> |

See accompanying notes to financial statements.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

**Reconciliation of the Balance Sheet Fund Balance - Governmental Funds
to the Statement of Net Position**

June 30, 2023

| | |
|--|-----------------------------------|
| Fund balance - governmental funds | \$ 1,598,945 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds | 190,451 |
| Certain revenue is not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the governmental funds | 25,000 |
| Lease liabilities are not due and payable in the current period and therefore are not reported in the funds | <u>(36,999)</u> |
| Net position of governmental activities | \$ <u><u>1,777,397</u></u> |

See accompanying notes to the financial statements.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Statement of Revenues, Expenditures, and Change in Fund Balance

Governmental Fund

For the Eighteen Months Ended June 30, 2023

| | <u>General Fund</u> | <u>Non-Major Funds</u> | <u>Total</u> |
|---|-------------------------|----------------------------|------------------|
| Revenues: | | | |
| Hotel/Motel tax revenue | \$ 2,098,855 | - | 2,098,855 |
| Administrative fees | 217,209 | - | 217,209 |
| PILOT service fees | 356,614 | - | 356,614 |
| Contributions / Grants | 644,012 | 230,001 | 874,013 |
| Bond closing fees | 7,693 | - | 7,693 |
| Interest income | 48,122 | 1,598 | 49,720 |
| Total revenues | <u>3,372,505</u> | <u>231,599</u> | <u>3,604,104</u> |
| Expenditures: | | | |
| Economic Development: | | | |
| Salaries and benefits | 1,485,278 | - | 1,485,278 |
| PILOT expense | 331,614 | - | 331,614 |
| Consulting | 93,500 | 8,099 | 101,599 |
| Marketing | 44,414 | 48,398 | 92,812 |
| Payroll taxes | 91,305 | - | 91,305 |
| Legal and professional | 130,689 | 19,145 | 149,834 |
| Insurance | 28,114 | - | 28,114 |
| Travel | 71,590 | 2,303 | 73,893 |
| Rent | 55,150 | - | 55,150 |
| Repairs and maintenance | 53,386 | - | 53,386 |
| Staff development | 30,174 | - | 30,174 |
| Dues and subscriptions | 80,546 | - | 80,546 |
| Other | 39,140 | - | 39,140 |
| Communications/outreach | 121,652 | - | 121,652 |
| Telephone | 11,654 | - | 11,654 |
| Supplies | 13,309 | 440 | 13,749 |
| Printing and reproduction | 16,910 | - | 16,910 |
| Utilities | 5,573 | - | 5,573 |
| Ecosystem development | - | 70,397 | 70,397 |
| Capacity Support | - | 108,527 | 108,527 |
| Service charges | 5,903 | 5 | 5,908 |
| Capital outlay | 212,974 | - | 212,974 |
| Total expenditures | <u>2,922,875</u> | <u>257,314</u> | <u>3,180,189</u> |
| Excess (deficiency) of revenues over expenditures | 449,630 | (25,715) | 423,915 |
| Other Financing Sources (Uses): | | | |
| Operating transfers in | 326,272 | 50,000 | 376,272 |
| Operating transfers out | (328,895) | (47,377) | (376,272) |
| Proceeds from sale of land | 1,000 | - | 1,000 |
| Lease agreement | 55,315 | - | 55,315 |
| Total other financing sources (uses) | <u>53,692</u> | <u>2,623</u> | <u>56,315</u> |
| Net change in fund balance | 503,322 | (23,092) | 480,230 |
| Fund balance, beginning of year | <u>1,015,466</u> | <u>103,249</u> | <u>1,118,715</u> |
| Fund balance, end of year | \$ <u>1,518,788</u> | <u>80,157</u> | <u>1,598,945</u> |

See accompanying notes to the financial statements.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Fund to the Statement of Activities**

For the Eighteen Months Ended June 30, 2023

Net change in fund balance - governmental fund **\$ 480,230**

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

**Governmental funds report capital outlays as expenditures and
sales proceeds involving capital assets as other financing sources.
However, in the statement of activities the cost of assets is allocated
over their estimated useful lives and reported as depreciation expense
and a gain or loss is recorded on the sale of capital assets:**

| | |
|-----------------------------------|------------------|
| Capital asset additions | 212,974 |
| Depreciation expense | (76,854) |
| Amortization expense | (18,438) |
| Proceeds from sale of land | (1,000) |
| Loss on sale of land | (399,000) |

**Revenues in the government-wide statement of activities include
economic resources that are not reported as revenues in the
governmental fund operating statement. This is the amount by which
prior year deferred inflows of resources in the governmental funds
of \$37,269 was more than current year deferred inflows of resources
in the governmental funds of \$0**

(12,269)

**Debt proceeds provided current financial resources to the governmental
funds, but issuing debt is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the Statement of Net
Position.**

| | |
|-------------------------------------|-----------------|
| Issuance of lease | (55,315) |
| Principal payments on leases | 18,316 |

Change in net position of governmental activities **\$ 148,644**

See accompanying notes to the financial statements.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to the Financial Statements

June 30, 2023

(1) Summary of Significant Accounting Policies

(a) Organization

St. Tammany Parish Development District (the District) was established for the purpose of promoting and encouraging the development of economic and industrial opportunities, stimulating the economy, and utilizing and developing the natural and human resources of St. Tammany Parish. The District was created by the State of Louisiana Revised Statutes (LRS) 33.130.401 to 33.130.409. It was reestablished as a separate political body under the provisions of Article VI, Section 44 of the Constitution of Louisiana. The District is governed by a Board of Commissioners (the Board), consisting of eleven voting members, nominated by the District and submitted to the St. Tammany Parish Council for confirmation. Commissioners serve 3-year terms.

(b) Reporting Entity

Governmental accounting standards established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. A component unit is a government that is financially accountable to another government or one for which another government can exert influence over its budget and operations. As St. Tammany Parish only confirms, but does not appoint, the District's Commissioners, the District is not considered to be a component unit of St. Tammany Parish. The District has no component units.

(c) Basic Financial Statements - Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. There were no activities of the District categorized as business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

(d) Basic Financial Statements - Fund Financial Statements

The District uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain government functions or activities. A fund is defined as a separate accounting entity with a self-balancing set of accounts. Funds are ordered into three major categories: governmental, proprietary, and fiduciary, which are grouped by fund type in the financial statements. Governmental fund types are those through which general governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to the Financial Statements

June 30, 2023

(e) Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to various governmental funds according to the purpose for which they may or may not be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reported the following major governmental fund:

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

(f) Basis of Accounting

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 the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using a 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

(g) Budget Policies

The District adopts an annual budget for the General Fund on the cash basis of accounting. The budget is legally adopted and amended as necessary by the District. All budgeted amounts which are not expended or obligated through contracts lapse at year-end.

(h) Cash and Cash Equivalents

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 and the District's investment policy allow the entity to invest in collateralized certificates

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to the Financial Statements

June 30, 2023

of deposit, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

(i) Receivables

All receivables are shown net of an allowance for uncollectible. Intergovernmental receivables represent amounts due from the State for hotel/motel tax revenue. The District believes that all receivables are collectible at June 30, 2023.

(j) Capital Assets

Capital assets which include land and office furniture and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets of the governmental funds are recorded as expenditures at the time they purchased or constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets, except for land, are defined by the District as assets with an initial individual cost of more than \$1,000. Land is not depreciated. Office furniture and equipment is depreciated using the straight-line method over useful lives of 5 - 7 years.

(k) Use of Estimates

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

(l) Fund Balance

In fund financials, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components, as follows:

1. **Nonspendable-** This component consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
2. **Restricted -** This component consists of amounts that have constraints placed on them either externally by third-parties (bond creditors) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to the Financial Statements

June 30, 2023

- 3. Committed - This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.**
- 4. Assigned - This component consists of amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.**
- 5. Unassigned - This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund.**

The District has no committed or assigned fund balances as of June 30, 2023. As of June 30, 2023, the District has \$105,157 of restricted fund balances. These fund balances are restricted for the Healthscape, Startup, and EDA Grant programs. As of June 30, 2023, nonspendable fund balance amounted to \$8,963.

The Board of Commissioners, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment by formal vote at a public board meeting. For assigned fund balance the Board of Commissioners authorizes management to assign amounts for a specific purpose.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted resources first, then unrestricted as needed. When committed, assigned or unassigned fund balances are available for use it is the District's policy to use committed resources first, then assigned resources and unassigned resources as they are needed.

(m) Net Position

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

- 1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.**
- 2. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.**
- 3. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt”.**

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. As of June 30, 2023 and for the year then ended, the District has \$105,157 of net position restricted for the Northshore Healthscape, StartUp Northshore, and EDA Grant programs.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to the Financial Statements

June 30, 2023

(n) New Accounting Pronouncements Adopted

As of January 1, 2022, the District adopted GASB Statement No. 87, Leases. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right-to-use leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. As a result of implementing this standard the District recognized a right-to-use leased asset and lease liability of \$55,315. There was no restatement of net position. The additional disclosures required by this standard are included in Note 8.

In May of 2020, the GASB Statement No. 96, Subscription-Based Information Technology Arrangements, was issued. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, or an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding SBITA. To the extent relevant, the standards for SBITA are based on the standards established in Statement No. 87, Leases, as amended. The District implemented this standard during the current period and it had no effect on the District's financial statements.

(o) New Accounting Pronouncements Not Yet Adopted

In June of 2022, GASB Statement No. 101, Compensated Absences, was issued. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025. The Statement will replace the existing Statement No. 16, Accounting for Compensated Absences, and will align recognition and measurement guidance for all types of compensated absences under a unified model, resulting in greater consistency and improved comparability. The District is reviewing this Statement and will implement in an upcoming reporting period. The District is currently evaluating the impact that will result from adopting this Standard and is therefore unable to disclose the effects that this Standard may have on the District's financial position and the results of its operations when the Statement is adopted.

(2) Cash and Cash Equivalents

At June 30, 2023, the District had cash and cash equivalents (book balances) totaling \$1,109,789, which were demand deposits at two local financial institutions. 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 June 30, 2023, the District had \$1,133,722, in deposits (collected bank balances). Of these deposits, \$250,000 was secured by federal deposit insurance, and the remaining \$883,722 was properly collateralized.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to the Financial Statements

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(3) Investments

At June 30, 2023 the District had investments of \$467,434, which is stated at market using published quotes and consist entirely of investments in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in a pool of funds and, therefore, not evidenced by securities that exist in physical or book-entry form.

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

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- **Credit risk:** LAMP is rated AAAm by Standard & Poor's.
- **Custodial credit risk:** LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- **Concentration of credit risk:** Pooled investments are excluded from the 5 percent disclosure requirement.
- **Interest rate risk:** LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 47 days as of June 30, 2023.
- **Foreign currency risk:** Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

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Notes to the Financial Statements

June 30, 2023

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

(4) Receivables

Management of the District considers all receivables to be fully collectible.

(5) State Act Income and Unearned Income

The District receives hotel/motel taxes which are appropriated by the State. Based on the approved appropriations, the District records a receivable and unearned income for the anticipated amount that will be received. Unearned income is then amortized monthly for the appropriation year (July to June).

For the 2021-2022 appropriation of \$836,775, the District recognized income of \$418,387 during the current year and recognized the other \$418,387 in prior year. For the 2022-2023 appropriation of \$1,680,467 the District recognized the entire amount during the period due to the District changing its fiscal year end to June 30, 2023.

(6) Capital Assets

Capital assets and depreciation activity as of and for the eighteen months ended June 30, 2023 for the primary government is as follows:

| | Balance January 1, 2022 | Increases | Decreases | Balance June 30, 2023 |
|--|-------------------------------|-----------|-----------|-----------------------------|
| Capital assets not being depreciated | | | | |
| Land | \$ 400,000 | - | (400,000) | - |
| Capital assets being depreciated | | | | |
| Website | 57,900 | 129,591 | - | 187,491 |
| Office furniture and equipment | 51,230 | 28,068 | - | 79,298 |
| Total capital assets being depreciated | 109,130 | 157,659 | - | 266,789 |
| Less accumulated depreciation | (36,361) | (76,854) | - | (113,215) |
| Total capital assets being depreciated, net | 72,769 | 80,805 | - | 153,574 |
| Total capital assets, net | \$ 472,769 | 80,805 | (400,000) | 153,574 |

The District recorded \$76,854 of depreciation expense on its capital assets for the eighteen months ending June 30, 2023.

During the year ending December 31, 2000, the District received a \$400,000 grant from the Louisiana Department of Economic Development as part of an incentive package for a local company to remain in Louisiana and expand in St. Tammany Parish. The grant was used to “purchase” land from the local company. Upon the purchase, the land was immediately leased back to the company with monthly rentals of \$1,000 and an option to purchase the land from the District for \$1,000. This lease has since expired

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to the Financial Statements

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and in July 2022, the company repurchased the land from the District for \$1,000. As a result of this transaction, a loss of \$399,000 was recognized in the current period government-wide financial statements even though the District realized no actual loss as a result of these collective transactions.

(7) Conduit Debt Obligations

The District has issued taxable revenue bonds to provide funding for the construction of facilities for private companies. The bonds are secured by the property and facilities of the private companies. Neither the District nor the State of Louisiana is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2023, the following conduit debt obligations were outstanding:

| <u>Series</u> | <u>Issued</u> | <u>Mature</u> | <u>Balance at June 30, 2023</u> |
|---------------|---------------|---------------|-------------------------------------|
| 2003 | 06/2003 | 08/2023 | 25,000,000 |
| 2006A | 12/2006 | 12/2036 | 4,185,000 |
| 2008 | 03/2008 | 03/2033 | 4,315,000 |
| 2008 | 04/2008 | 04/2034 | 2,640,000 |
| 2008 | 04/2008 | 07/2038 | 35,330,000 |
| 2011 | 09/2011 | 09/2041 | 72,138,163 |

The District has entered into agreements with private companies to issue taxable revenue bonds of up to \$873,183,843. At June 30, 2023, no bonds have been issued on these agreements.

(8) Leases

In January 2023, the Board entered into a one-year lease as a lessee for the use of an office building which contains the option to renew for an additional 180 days. It is reasonably certain that the Board will exercise the renewal option. An initial lease liability was recorded in the amount of \$55,315 during the current fiscal year. As of June 30, 2023, the value of this lease liability is \$36,877. The Board is required to make monthly principal and interest payments of \$3,117. The lease has an interest rate of 2.00%. The value of the right-to-use asset as of the end of the current fiscal year is \$36,877 which includes accumulated amortization of \$18,438.

The future principal and interest payments on the lease as of June 30, 2023, were as follows:

| <u>Fiscal Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------------|------------------|-----------------|--------------|
| 2024 | \$ 36,999 | 402 | 37,401 |

Pursuant to the taxable revenue bonds described in Note 7, the District has entered into lease agreements with private companies as follows:

The District entered into a lease agreement with a private company, dated as of June 1, 2003, in connection with the issuance of \$25 million of bonds issued for the benefit of the company. The lease expires on the earlier of August 1, 2023, or when the said bonds are retired. Under the lease, the company is required to pay an annual fee of \$2,500 to the District by April 1st of each year, as well as paying the

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to the Financial Statements

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reasonable fees and expenses of the Trustee under the trust indenture under which the bonds are issued. Also, so long as the Lease remains in effect and the project financed with the said bonds is owned by the District, the project is exempt from ad valorem tax. The lease requires that the company make an annual payment on December 1st of each year, through and including December 1, 2022 with a final payment on June 1, 2023, in an amount based on a formula with a minimum of \$55,000 and a maximum of \$75,000. The District is required to pay 80% of this payment to St. Tammany Parish Fire Protection District No. 3 and 20% to St. Tammany Parish Recreation District No. 4. The land upon which this project was constructed was purchased by the company and donated to the District. As the District considers the value of the land to be insignificant, the land has not been recorded as an asset of the District. Upon payment in full of the bonds, the company has the option to purchase the property financed with the bonds for an amount equal to \$1,000, plus any of the District's fees.

The District entered into a lease agreement with a private company, dated as of April 1, 2008, in connection with the issuance of \$45 million of bonds issued for the benefit of the company. The lease expires on the earlier of April 1, 2038, or when the said bonds are retired. Under the lease, the company is required to pay an annual fee of \$2,500 to the District by February 1st of each year, commencing on February 1, 2009, as well as paying the reasonable fees and expenses of the Trustee under the trust indenture under which the bonds are issued. Also, so long as the lease remains in effect and the project financed with the said bonds is owned by the District, the project is exempt from the ad valorem tax.

The lease requires that the company make an annual payment on February 1st of each year, through and including February 1, 2024, in the amount of \$50,000, which the District intends to pay to the local fire protection district to defray the costs of fire protection. After February 1, 2024 and until all bonds are retired, the company will make an annual payment in lieu of taxes on February 1st of each year in the amount equal to 100% of ad valorem taxes that would otherwise be due with respect to the project with PILOT payment shall be paid directly to the applicable municipal and/or parish tax collector for distribution to the applicable taxing bodies based on their then current millage rates. Upon payment in full of the bonds, the company has the option to purchase the property financed with the bonds for an amount equal to \$1,000, plus an of the District's fees.

The District entered into a lease agreement with a private company, dated as of September 1, 2011, in connection with the issuance of \$75 million of bonds issued for the benefit of the company (the 2011 Bonds). The lease expires on the earlier of September 1, 2041, or when the 2011 Bonds are retired. Under the lease, the company is required to pay an annual fee of \$25,000 to the District by February 1st of each year, as well as paying the reasonable fees and expenses of the Trustee under the trust indenture under which the 2011 Bonds are issued. Also, so long as the lease remains in effect and the project financed with the 2011 Bonds is owned by the District, the project is exempt from ad valorem tax. The lease requires that the company make an annual payment on February 1st of each year, through and including February 1, 2032, in the amount of \$75,000, to be distributed by the District to such taxing authorities located in the area of the project, and according to such allocation formula as the District may determine from time to time. The District also entered into a lease agreement and agreement to issue bonds with the same private company dated as of June 1, 2015, in connection with the expansion of the company's facility (the 2015 Lease). Although no new bonds were issued, the District agrees in the 2015 lease to issue bonds in the future under certain circumstances. Under the 2015 lease, the company is required to continue paying the \$25,000 annual fee described above. Additionally, the 2015 Lease requires that the company make an annual payment on February 1st of each year, through and including February 1, 2032, in the amount of \$15,500, to be distributed to all taxing bodies ratably based on their then current millage rates. After February 1, 2032 and until the 2011 Bonds are retired, the company will make an annual payment in lieu of taxes on February 1st of each year in the amount equal to 100% of ad valorem

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

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taxes that would otherwise be due with respect to the project which PILOT payment shall be paid directly to the applicable municipal and/or parish tax collector for distribution to the applicable taxing bodies based on their then current millage rates. Upon payment in full of the 2011 Bonds, the company has the option to purchase the property financed with the 2011 Bonds for an amount equal to \$5,000, plus any of the District's fees.

The District entered into a lease agreement with a private company, dated as of January 1, 2021, in connection with the issuance of \$18,794,000 of bonds issued for the benefit of the company. The lease expires on December 31, 2030, or when the said bonds are retired. On or before the effective date of the Lease, the company shall pay closing fees in the amount of \$9,397 and legal fees of \$45,000. Under the lease, the company is required to pay 35% of the estimated full PILOT payment on or before December 31 of each year. Also, so long as the Lease remains in effect and the Project is still owned by the Lessor, the company shall be exempt from ad valorem tax. Upon execution of the Lease, the company shall pay an annual administrative fee of \$18,794 commencing February 1 of each year, starting February 1, 2022 through February 1, 2030.

The District entered into a lease agreement with a private company, dated as of April 14, 2022, in connection with the issuance of \$11,770,000 of bonds issued for the benefit of the company. The lease expires on December 31, 2031, or when the said bonds are retired. On or before the effective date of the Lease, the company shall pay closing fees in the amount of \$5,885 and legal fees of \$36,080. Under the lease, the company is required to pay the amount of ad valorem tax assessed prior to the commencement of this lease. These payments are due on February 1st of each year through 2031 with the final payment due December 31, 2031. Also, so long as the Lease remains in effect and the Project is still owned by the Lessor, the company shall be exempt from ad valorem tax. Upon execution of the Lease, the company shall pay an annual administrative fee of \$11,770 commencing February 1 of each year, starting February 1, 2022 through February 1, 2030 with a final payment due on December 31, 2031.

The District has entered into a series of Bareboat Charters and Agreements to Issue Bonds with a private company, and several affiliated companies under common ownership, dated as of December 1, 2013, December 1, 2014, December 1, 2015, December 1, 2016, December 31, 2017, December 31, 2018, December 31, 2019, December 31, 2020, and December 31, 2021 in connection with the acquisition by the company of the fleet of vessels (primarily tow boats and barges comprising a portion of the company's total fleet of vessels) used by the company on domestic inland waterways. These agreements expire with respect to each of the vessels on December 31st of the years 2023 through 2031. Under the various agreements, as of June 30, 2023, the company is required to pay an annual fee of \$63,131 to the District by November 1st of each year as a payment in lieu of taxes (PILOT). Also, so long as the various agreements remain in effect and the vessels are owned by the District, those vessels are exempt from ad valorem tax in St. Tammany Parish. At the end of the respective charter terms, the company has the option to purchase the respective vessels for an amount equal to \$1,000 per vessel, plus any of the District's fees. As of January 2023, 226 vessels remained in this PILOT program. In March 2023, the company entered into a new master credit agreement that required the existing vessels in the program be purchased back by company so that security interests in favor of the new lenders could be placed on such vessels. This effectively terminated all of the previous Bareboat Charter Agreements since the District no longer owned any of these vessels upon this transfer. The purchase price of \$1,000 per vessel was waived by the District for this refinancing transaction. After the refinancing transaction closed, the District and the company entered into a new lease agreement that placed 204 of the remaining vessels back into the program under substantially the same terms as they were originally under, subject to the security interests granted by the new master credit agreement.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

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(9) Subsequent Events

The District evaluated subsequent events through December 27, 2023, the date which the financial statements were available to be issued.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual - General Fund

For the Twelve Months Ended December 31, 2022

| | Budget | | | Variance with Final Budget Favorable (Unfavorable) |
|--|-------------------|------------------|------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Hotel/Motel tax revenue | \$ 836,775 | 836,775 | 1,258,622 | 421,847 |
| Administrative fees | 151,039 | 124,515 | 150,145 | 25,630 |
| PILOT service fees | 358,000 | 358,000 | 216,114 | (141,886) |
| Contributions | 134,000 | 172,366 | 353,173 | 180,807 |
| Bond closing fees | 19,375 | 35,320 | 7,093 | (28,227) |
| Interest income | 800 | 10,450 | 11,544 | 1,094 |
| Total revenue | 1,499,989 | 1,537,426 | 1,996,691 | 459,265 |
| Expenditures: | | | | |
| Salaries and benefits | 1,011,591 | 999,311 | 984,903 | 14,408 |
| PILOT expense | 203,000 | 203,000 | 203,614 | (614) |
| Consulting | 50,000 | 80,000 | 51,050 | 28,950 |
| Marketing | 49,675 | 49,675 | 35,516 | 14,159 |
| Entrepreneurial programming | 40,000 | 40,000 | - | 40,000 |
| Payroll taxes | 68,600 | 59,809 | 58,540 | 1,269 |
| Legal and professional | 40,700 | 58,475 | 64,864 | (6,389) |
| Insurance | 19,405 | 19,352 | 11,645 | 7,707 |
| Travel | 31,000 | 43,730 | 43,294 | 436 |
| Rent | 36,450 | 36,450 | 36,450 | - |
| Repairs and maintenance | 29,244 | 18,700 | 26,702 | (8,002) |
| Staff development | 23,590 | 17,275 | 13,154 | 4,121 |
| Dues and subscriptions | 44,640 | 46,225 | 44,742 | 1,483 |
| Other | - | - | 23,077 | (23,077) |
| Communications/outreach | 7,625 | 19,000 | 35,560 | (16,560) |
| Telephone | 7,000 | 7,400 | 7,620 | (220) |
| Supplies | 15,500 | 27,956 | 6,759 | 21,197 |
| Printing and reproduction | 2,850 | 10,500 | 10,887 | (387) |
| Utilities | 4,000 | 3,850 | 3,877 | (27) |
| Service charges | 4,350 | 4,910 | 4,520 | 390 |
| Capital outlay | 49,980 | 95,100 | 163,796 | (68,696) |
| Total expenditures | 1,739,200 | 1,840,718 | 1,830,570 | 10,148 |
| Excess (deficiency) of revenues over expenditures | (239,211) | (303,292) | 166,121 | 469,413 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | - | - | 106,272 | 106,272 |
| Operating transfers out | - | (582,900) | (108,895) | 474,005 |
| Proceeds from sale of land | - | - | 1,000 | 1,000 |
| Total other financing sources (uses) | - | (582,900) | (1,623) | 581,277 |
| Net change in fund balance | (239,211) | (886,192) | 164,498 | 1,050,690 |
| Fund balance, beginning of period | 1,015,466 | 1,015,466 | 1,015,466 | - |
| Fund balance, end of period | \$ 776,255 | 129,274 | 1,179,964 | 1,050,690 |

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual - General Fund

For the Six Months Ended June 30, 2023

| | Budget | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|--|-------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Hotel/Motel tax revenue | \$ 836,775 | 418,387 | 840,233 | 421,846 |
| Administrative fees | 122,671 | 64,064 | 67,064 | 3,000 |
| PILOT service fees | 215,500 | 140,500 | 140,500 | - |
| Contributions | 331,540 | 214,320 | 290,839 | 76,519 |
| Bond closing fees | 25,000 | 5,000 | 600 | (4,400) |
| Interest income | 10,450 | 25,210 | 36,578 | 11,368 |
| Total revenue | 1,541,936 | 867,481 | 1,375,814 | 508,333 |
| Expenditures: | | | | |
| Salaries and benefits | 1,241,190 | 535,970 | 500,375 | 35,595 |
| PILOT expense | 203,000 | 128,000 | 128,000 | - |
| Consulting | 42,500 | 65,070 | 42,450 | 22,620 |
| Marketing | 85,060 | 36,790 | 8,898 | 27,892 |
| Payroll taxes | 79,110 | 34,077 | 32,765 | 1,312 |
| Legal and professional | 53,000 | 63,600 | 65,825 | (2,225) |
| Insurance | 69,510 | 45,179 | 16,469 | 28,710 |
| Travel | 38,850 | 27,500 | 28,296 | (796) |
| Rent | 36,450 | 22,400 | 18,700 | 3,700 |
| Repairs and maintenance | 30,520 | 31,485 | 26,684 | 4,801 |
| Staff development | 41,806 | 25,000 | 17,020 | 7,980 |
| Dues and subscriptions | 40,000 | 30,000 | 35,804 | (5,804) |
| Other | 1,000 | 1,000 | 16,063 | (15,063) |
| Communications/outreach | 57,660 | 102,400 | 86,092 | 16,308 |
| Telephone | 7,400 | 4,250 | 4,034 | 216 |
| Supplies | 7,000 | 3,000 | 6,550 | (3,550) |
| Printing and reproduction | 5,000 | 4,000 | 6,023 | (2,023) |
| Utilities | 4,000 | 2,500 | 1,696 | 804 |
| Service charges | 8,880 | 1,725 | 1,383 | 342 |
| Miscellaneous / contingency | 7,500 | 3,500 | - | 3,500 |
| Capital outlay | 109,800 | 86,800 | 49,178 | 37,622 |
| Total expenditures | 2,169,236 | 1,254,246 | 1,092,305 | 161,941 |
| Excess (deficiency) of revenues over expenditures | (627,300) | (386,765) | 283,509 | 670,274 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | - | - | 220,000 | 220,000 |
| Operating transfers out | - | - | (220,000) | (220,000) |
| Lease agreement | - | - | 55,315 | 55,315 |
| Total other financing sources (uses) | - | - | 55,315 | 55,315 |
| Net change in fund balance | (627,300) | (386,765) | 338,824 | 725,589 |
| Fund balance, beginning of period | 1,178,964 | 1,178,964 | 1,178,964 | - |
| Fund balance, end of period | \$ 551,664 | 792,199 | 1,517,788 | 725,589 |

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - Northshore Healthscape Fund**

For the Twelve Months Ended December 31, 2022

| | <u>Budget</u> | | | Variance with Final Budget Favorable (Unfavorable) |
|-----------------------------------|-------------------------|----------------------|----------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Contributions | \$ 175,000 | 175,000 | 130,000 | (45,000) |
| Interest income | - | - | 174 | 174 |
| Total revenue | <u>175,000</u> | <u>175,000</u> | <u>130,174</u> | <u>(44,826)</u> |
| Expenditures: | | | | |
| Capacity support | 25,000 | 25,000 | 24,536 | 464 |
| Ecosystem development | 65,000 | 65,000 | 68,002 | (3,002) |
| Workforce and talent | 5,000 | 5,000 | - | 5,000 |
| Strategic implementation | 1,000 | 1,000 | - | 1,000 |
| Marketing | - | - | 217 | (217) |
| Total expenditures | <u>96,000</u> | <u>96,000</u> | <u>92,755</u> | <u>3,245</u> |
| Net change in fund balance | 79,000 | 79,000 | 37,419 | (41,581) |
| Fund balance, beginning of period | - | - | - | - |
| Fund balance, end of period | \$ <u><u>79,000</u></u> | <u><u>79,000</u></u> | <u><u>37,419</u></u> | <u><u>(41,581)</u></u> |

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - Northshore Healthscape Fund**

For the Six Months Ended June 30, 2023

| | <u>Budget</u> | | | Variance with Final Budget Favorable (Unfavorable) |
|-----------------------------------|---------------------------|------------------------|----------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Contributions | \$ - | - | - | - |
| Other income | - | - | 86 | 86 |
| | <u>-</u> | <u>-</u> | <u>86</u> | <u>86</u> |
| Total revenue | <u>-</u> | <u>-</u> | <u>86</u> | <u>86</u> |
| Expenditures: | | | | |
| Capacity support | 25,000 | 25,000 | 22,500 | 2,500 |
| Ecosystem development | 10,000 | 10,000 | 2,395 | 7,605 |
| Workforce and talent | 25,000 | 25,000 | - | 25,000 |
| Strategic implementation | 19,000 | 19,000 | - | 19,000 |
| | <u>79,000</u> | <u>79,000</u> | <u>24,895</u> | <u>54,105</u> |
| Total expenditures | <u>79,000</u> | <u>79,000</u> | <u>24,895</u> | <u>54,105</u> |
| Net change in fund balance | (79,000) | (79,000) | (24,809) | 54,191 |
| Fund balance, beginning of period | - | - | 37,419 | 37,419 |
| Fund balance, end of period | \$ <u><u>(79,000)</u></u> | <u><u>(79,000)</u></u> | <u><u>12,610</u></u> | <u><u>91,610</u></u> |

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - StartUp Northshore Fund**

For the Twelve Months Ended December 31, 2022

| | <u>Budget</u> | | | Variance with Final Budget Favorable (Unfavorable) |
|--|-------------------|----------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Contributions | \$ 170,000 | 170,000 | 90,001 | (79,999) |
| Interest income | - | - | 301 | 301 |
| | <u>170,000</u> | <u>170,000</u> | <u>90,302</u> | <u>(79,698)</u> |
| Total revenue | <u>170,000</u> | <u>170,000</u> | <u>90,302</u> | <u>(79,698)</u> |
| Expenditures: | | | | |
| Capacity Support | 62,500 | 62,500 | 22,191 | 40,309 |
| Marketing | 3,000 | 3,000 | 31,584 | (28,584) |
| Supplies | - | - | 426 | (426) |
| | <u>65,500</u> | <u>65,500</u> | <u>54,201</u> | <u>11,299</u> |
| Total expenditures | <u>65,500</u> | <u>65,500</u> | <u>54,201</u> | <u>11,299</u> |
| Excess (deficiency) of revenues over expenditures | <u>104,500</u> | <u>104,500</u> | <u>36,101</u> | <u>(68,399)</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | - | - | 50,000 | 50,000 |
| | <u>-</u> | <u>-</u> | <u>50,000</u> | <u>50,000</u> |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>50,000</u> | <u>50,000</u> |
| Net change in fund balance | <u>104,500</u> | <u>104,500</u> | <u>86,101</u> | <u>(18,399)</u> |
| Fund balance, beginning of period | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance, end of period | <u>\$ 104,500</u> | <u>104,500</u> | <u>86,101</u> | <u>(18,399)</u> |

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - StartUp Northshore Fund**

For the Six Months Ended June 30, 2023

| | <u>Budget</u> | | | Variance with Final Budget Favorable (Unfavorable) |
|--|---------------------------|------------------------|----------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Contributions | \$ 10,000 | 10,000 | 10,000 | - |
| Interest income | <u>-</u> | <u>-</u> | <u>277</u> | <u>277</u> |
| Total revenue | <u>10,000</u> | <u>10,000</u> | <u>10,277</u> | <u>277</u> |
| Expenditures: | | | | |
| Capacity Support | 52,500 | 52,500 | 39,300 | 13,200 |
| Marketing | 62,000 | 62,000 | 16,597 | 45,403 |
| Legal and professional | - | - | 4,995 | (4,995) |
| Travel | - | - | 1,842 | (1,842) |
| Supplies | - | - | 14 | (14) |
| Service charges | <u>-</u> | <u>-</u> | <u>5</u> | <u>(5)</u> |
| Total expenditures | <u>114,500</u> | <u>114,500</u> | <u>62,753</u> | <u>51,747</u> |
| Excess (deficiency) of revenues over expenditures | <u>(104,500)</u> | <u>(104,500)</u> | <u>(52,476)</u> | <u>52,024</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | (104,500) | (104,500) | (52,476) | 52,024 |
| Fund balance, beginning of period | <u>74,500</u> | <u>74,500</u> | <u>86,101</u> | <u>11,601</u> |
| Fund balance, end of period | \$ <u><u>(30,000)</u></u> | <u><u>(30,000)</u></u> | <u><u>33,625</u></u> | <u><u>63,625</u></u> |

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - Sports Tourism Complex Fund**

For the Twelve Months Ended December 31, 2022

| | <u>Budget</u> | | | <u>Variance with Final Budget Favorable (Unfavorable)</u> |
|--|-----------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Interest income | \$ - | - | 202 | 202 |
| Total revenue | - | - | 202 | 202 |
| Expenditures: | | | | |
| Legal and professional | 14,000 | 14,000 | 14,150 | (150) |
| Total expenditures | 14,000 | 14,000 | 14,150 | (150) |
| Excess (deficiency) of revenues over expenditures | (14,000) | (14,000) | (13,948) | 52 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers out | (47,375) | (47,375) | (47,377) | (2) |
| Total other financing | (47,375) | (47,375) | (47,377) | (2) |
| Net change in fund balance | (61,375) | (61,375) | (61,325) | 50 |
| Fund balance, beginning of period | 61,375 | 61,375 | 61,325 | (50) |
| Fund balance, end of period | \$ - | - | - | - |

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - Sports Tourism Complex Fund**

For the Six Months Ended June 30, 2023

| | <u>Budget</u> | | | Variance with Final Budget Favorable (Unfavorable) |
|--|-----------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Interest income | \$ - | - | - | - |
| Total revenue | - | - | - | - |
| Expenditures: | | | | |
| Legal and professional | - | - | - | - |
| Total expenditures | - | - | - | - |
| Excess (deficiency) of revenues over expenditures | - | - | - | - |
| Other Financing Sources (Uses): | | | | |
| Operating transfers out | - | - | - | - |
| Total other financing sources | - | - | - | - |
| Net change in fund balance | - | - | - | - |
| Fund balance, beginning of period | - | - | - | - |
| Fund balance, end of period | \$ - | - | - | - |

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - Economic Development Administration Grant Fund**

For the Twelve Months Ended December 31, 2022

| | <u>Budget</u> | | | Variance with Final Budget Favorable (Unfavorable) |
|-----------------------------------|------------------|---------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Interest income | \$ - | - | 389 | 389 |
| Total revenue | - | - | 389 | 558 |
| Expenditures: | | | | |
| Consulting | 8,099 | 8,099 | 8,099 | - |
| Travel | 461 | 461 | 461 | - |
| Total expenditures | 8,560 | 8,560 | 8,560 | - |
| Net change in fund balance | (8,560) | (8,560) | (8,171) | 558 |
| Fund balance, beginning of period | 41,924 | 41,924 | 41,924 | - |
| Fund balance, end of period | \$ <u>33,364</u> | <u>33,364</u> | <u>33,753</u> | <u>558</u> |

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - Economic Development Administration Grant Fund**

For the Six Months Ended June 30, 2023

| | <u>Budget</u> | | | Variance with Final Budget Favorable (Unfavorable) |
|-----------------------------------|------------------|---------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Interest income | \$ - | - | 169 | 169 |
| Total revenue | - | - | 169 | 169 |
| Expenditures: | | | | |
| Consulting | - | - | - | - |
| Travel | - | - | - | - |
| Total expenditures | - | - | - | - |
| Net change in fund balance | - | - | 169 | 169 |
| Fund balance, beginning of period | 33,364 | 33,364 | 33,753 | 389 |
| Fund balance, end of period | \$ <u>33,364</u> | <u>33,364</u> | <u>33,922</u> | <u>558</u> |

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Schedule of Compensation Paid to Board Members

June 30, 2023

| <u>Board Member</u> | <u>Compensation</u> |
|---|----------------------------|
| Dr. William Wainright, President | \$ - |
| Mike Gambrell, Vice President | - |
| Mimi Dossett | - |
| Joan Coffman | - |
| Mike Tillman | - |
| Albert M. Hamauei | - |
| Eric Schouest | - |
| Bruce Javery | - |
| Bill Newton | - |
| Ross Lagarde | - |
| | \$ <u>-</u> |

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Schedule of Compensation, Benefits, and Other Payments to Agency Head

For the Eighteen Months Ended June 30, 2023

Agency Head Name: Chris Masingill, Executive Director

| <u>Purpose</u> | <u>Amount</u> |
|----------------------|-------------------|
| Salary | \$ 349,583 |
| Benefits- Insurance | 15,999 |
| Benefits- Retirement | 10,488 |
| Benefits- Others | 30,000 |
| Car Allowance | 13,500 |
| Per Diem | 2,572 |
| Reimbursements | 3,356 |
| Registration Fees | 15,506 |
| Conference Travel | 26,030 |
| | <u>\$ 467,034</u> |

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

**Combining Statement of Revenues, Expenditures, and Change in
Fund Balance - Non-Major Funds**

Governmental Fund

For the Eighteen Months Ended June 30, 2023

| | <u>Northshore Healthscape Fund</u> | <u>StartUp Northshore Fund</u> | <u>Sports and Tourism Complex Fund</u> | <u>EDA Grant Fund</u> | <u>Total</u> |
|--|--|--|--|---------------------------|-----------------|
| Revenues: | | | | | |
| Contributions / Grants | \$ 130,000 | 100,001 | - | - | 230,001 |
| Interest income | 260 | 578 | 202 | 558 | 1,598 |
| Other income | | | | | |
| Total revenues | <u>130,260</u> | <u>100,579</u> | <u>202</u> | <u>558</u> | <u>231,599</u> |
| Expenditures: | | | | | |
| Economic Development: | | | | | |
| Capacity support | 47,036 | 61,491 | - | - | 108,527 |
| Ecosystem development | 70,397 | - | - | - | 70,397 |
| Consulting | - | - | - | 8,099 | 8,099 |
| Marketing | 217 | 48,181 | - | - | 48,398 |
| Legal and professional | - | 4,995 | 14,150 | - | 19,145 |
| Travel | - | 1,842 | - | 461 | 2,303 |
| Supplies | - | 440 | - | - | 440 |
| Service charges | - | 5 | - | - | 5 |
| Total expenditures | <u>117,650</u> | <u>116,954</u> | <u>14,150</u> | <u>8,560</u> | <u>257,314</u> |
| Excess (deficiency) of revenues over expenditures | <u>12,610</u> | <u>(16,375)</u> | <u>(13,948)</u> | <u>(8,002)</u> | <u>(25,715)</u> |
| Other Financing Sources (Uses): | | | | | |
| Operating transfers in | - | 50,000 | - | - | 50,000 |
| Operating transfers out | - | - | (47,377) | - | (47,377) |
| Total other financing sources (uses) | <u>-</u> | <u>50,000</u> | <u>(47,377)</u> | <u>-</u> | <u>2,623</u> |
| Net change in fund balance | 12,610 | 33,625 | (61,325) | (8,002) | (23,092) |
| Fund balance, beginning of period | - | - | 61,325 | 41,924 | 103,249 |
| Fund balance, end of period | <u>\$ 12,610</u> | <u>33,625</u> | <u>-</u> | <u>33,922</u> | <u>80,157</u> |

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Combining Balance Sheet - Non-Major Funds

Governmental Funds

June 30, 2023

| | <u>Northshore Healthscape Fund</u> | <u>StartUp Northshore Fund</u> | <u>Sports and Tourism Complex Fund</u> | <u>EDA Grant Fund</u> | <u>Total</u> |
|---|--|--|--|-------------------------------|----------------|
| Assets: | | | | | |
| Cash and cash equivalents | \$ 12,610 | 33,625 | - | 33,922 | 80,157 |
| Accounts receivable | <u>25,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,000</u> |
| | | | | | - |
| Total assets | <u>\$ 37,610</u> | <u>33,625</u> | <u>-</u> | <u>33,922</u> | <u>105,157</u> |
| Liabilities: | | | | | |
| Accounts payable | \$ - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources: | | | | | |
| Unavailable revenue | <u>25,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,000</u> |
| Fund Balance: | | | | | - |
| Nonspendable | - | - | - | - | - |
| Restricted | 12,610 | 33,625 | - | 33,922 | 80,157 |
| Unassigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balance | <u>12,610</u> | <u>33,625</u> | <u>-</u> | <u>33,922</u> | <u>80,157</u> |
| | | | | | - |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 37,610</u> | <u>33,625</u> | <u>-</u> | <u>33,922</u> | <u>105,157</u> |

**Independent Auditors' Report - Internal Control Over Financial Reporting
and 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 Development District
Mandeville, Louisiana

We have audited, 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, the financial statements of the governmental activities and major fund of the St. Tammany Parish Development District (the District), as of and for the eighteen months ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 27, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for their purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or 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. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 are described in the accompanying schedule of findings as item 2023-1.

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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Griffin & Furman, LLC

December 27, 2023

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Schedule of Findings and Management Corrective Action Plan

June 30, 2023

Summary of Audit Results:

- 1. Type of Report Issued – Unmodified**
- 2. Internal Control Over Financial Reporting**
 - a. Significant Deficiencies – No**
 - b. Material Weaknesses - No**
- 3. Compliance and Other Matters – Yes (2023-1)**
- 4. Management Letter - No**

Finding 2023-1:

Criteria:

Management is responsible for complying with Louisiana Revised Statutes 39:1301 - 39:1315 (the local government budget act)

Condition & Cause:

For two new special revenue funds, the budgets were not amended for revenue shortfalls exceeding 5% of budgeted amounts for the calendar year period reported in the financial statements. This was due to confusion over the change in fiscal years and how those changes impacted the budgeting process.

Effect:

The District was not in compliance with the local government budget act's requirement to amend the budget when actual revenues fall short of budgeted revenues by 5% or more.

Recommendation:

We recommend the District monitor its actual results as compared to budgeted amounts and amend their budgets when actual revenues plus remaining anticipated revenues will fall short of budgeted amounts by 5% or more and/or when actual expenditures plus remaining anticipated expenditures will exceed budgeted expenditures by 5% or more.

Management Corrective Action:

Management will closely monitor these budgets and actual results and amend budgets as required by the act.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Status of Prior Findings

June 30, 2023

Finding 2021-1:

Criteria: In accordance with Louisiana Revised Statute 39:1305 (the local government budget act), management is responsible for adopting an annual budget for each special revenue fund.

Condition & Cause: The District did not adopt a budget for two special revenue funds that were established in the current year. Upon learning the District would be receiving restricted funds they did seek advice from their auditors regarding how they should account for the funds, however the subject of budgeting was not discussed at that time. As a result, the District was unaware of this requirement.

Effect: The District was not in compliance with the local government budget act.

Recommendation: We recommend the District adopt a budget for these special revenue funds going forward.

Management Corrective Action: Management has already adopted a budget for one of the special revenue funds and the other fund will be closed out during next year.

Status: Resolved.

Finding 2021-2:

Criteria: In accordance with Louisiana Revised Statute 39:1218 any bank selected as the fiscal agency of any depositing authority, or any bank with whom a private contract is entered into shall give security for the safekeeping and payment of deposits.

Condition & Cause: At December 31, 2021 the District had \$223,473 of funds on deposit that were not insured or collateralized. In November 2021 the District entered into an agreement with a financial institution to handle its banking needs. This financial institution proposed to maintain the District's funds in an "Insured Cash Sweep" program whereby all deposits in the District's account would be covered by deposit insurance. However, the insured cash sweep feature of the account was not implemented until January 2022.

Effect: The District was not in compliance with Louisiana Revised Statute 39:1218.

Recommendation: We recommend the District ensure all deposits are fully insured / collateralized at all times.

Management Corrective Action: As stated above, the insured cash sweep feature of the District's account was implemented in January 2022 and all District funds are fully insured / collateralized.

Status: Resolved.

**ST. TAMMANY PARISH
DEVELOPMENT DISTRICT**

Agreed-Upon Procedures

For the Year Ending June 30, 2023

**ST. TAMMANY PARISH
DEVELOPMENT DISTRICT**

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
St. Tammany Parish Development District
Mandeville, Louisiana

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable."

Management of the St. Tammany Parish Development District, is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of the Board and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the District's compliance with certain laws and regulations during the period of January 1, 2022 to June 30, 2023.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Written Policies and Procedures

1. Obtain and inspect the District's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the District'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 District'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.

Finding: For all procedures except procedure j), procedures performed without exception. Procedure j) is not applicable.

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.

Finding: Procedure performed without exception.

- 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 District's collections during the fiscal period.*

Finding: Procedure performed without exception.

- 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.

Finding: Procedure performed without exception.

- 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.

Finding: Not applicable. There were no findings recorded in the prior year audit report.

Bank Reconciliations

- A. Obtain a listing of District bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the District's main operating account. Select the District'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);

Finding: Procedure performed without exception.

- 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

Finding: Procedure performed without exception.

- 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.

Finding: Not applicable. None of the reconciling items on any of the bank reconciliations were outstanding for more than 12 months.

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).

Finding: Procedure performed without exception.

- 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.

Finding: For all procedures except procedure i., procedures performed without exception. Procedure i. is not applicable since the District does not have cash drawers/registers on site.

- 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.

Finding: Procedure performed without exception.

- 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.

Finding: Procedures performed without exception.

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

- A. 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).

Finding: Procedure performed without exception.

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

Finding: Procedures performed without exception.

- C. For each location selected under procedure #5A above, obtain the District'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 District, 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.

Finding: Procedure performed without exception.

- D. Using the District'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 District's policy, and (b) approved by the required number of authorized signers per the District'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.

Finding: The electronic disbursement tested did not have a signature noting approval.

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.

Finding: Procedure performed without exception.

- 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

Finding: Procedure performed without exception.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Finding: Procedure performed without exception.

- C. Using the monthly statements or combined statements selected under procedure #6B 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.

Finding: Procedure performed without exception.

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

- 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.

Finding: Procedures performed without exception.

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.

Finding: Procedures performed without exception.

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.

Finding: Procedure performed without exception.

- 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 District'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.

Finding: Procedures performed without exception.

- 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 District'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 District policy.

Finding: Not applicable. No employees or officials were terminated nor received termination payments.

- 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.

Finding: Procedure performed without exception.

Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. 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

Finding: Procedure performed without exception.

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

Finding: Not applicable. There were no changes to the District's ethics policy during the fiscal period.

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

Finding: Procedure performed without exception.

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.

Finding: Not applicable.

- 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).

Finding: Not applicable.

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 District reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the District is domiciled as required by R.S. 24:523.

Finding: Not applicable. The District did not have any misappropriations of public funds and assets during the fiscal period.

- B. Observe that the District 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.

Finding: Procedure performed without exception.

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 District'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 District'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 District'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.

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

- 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.

Finding: Not applicable. No employees were terminated during the fiscal period.

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 District has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the District's premises if the District does not have a website).
- C. Obtain the District'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.

Finding: All procedures performed without exception.

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

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

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

Griffin & Furman, LLC

December 27, 2023

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Schedule of Findings

For the Year Ended June 30, 2023

2023-1 – Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

Procedure: Using the District'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 District's policy, and (b) approved by the required number of authorized signers per the District'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.

Finding: The electronic disbursement tested did not have a signature noting approval.

Recommendation: We recommend that all ACH payments have proof of proper approval before payment.



ST. TAMMANY CORPORATION

The Economic Development Organization for St. Tammany

December 27, 2023

Griffin & Furman, LLC
205 East Lockwood Street
Covington, Louisiana 70433

Re: FY 2023 Agreed Upon Procedures Schedule of Findings

Dear Mr. Furman,

In response to the above referenced Schedule of Findings, the St. Tammany Parish Development District acknowledges the finding and agrees to take the following corrective actions.

2023-1 – Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

Procedure: Using the District'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 District's policy, and (b) approved by the required number of authorized signers per the District'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.

Finding: The electronic disbursement tested did not have a signature noting approval.

Recommendation: We recommend that all ACH payments have proof of proper approval before payment.

St. Tammany Parish Development District corrective action: This was an isolated incident in which the District failed to document a singular transaction. The District has policies and procedures in place that sufficiently address proper authorization of ACH payments.

Sincerely,

Chris Masingill
Chief Executive Officer