

ST. TAMMANY PARISH DEVELOPMENT DISTRICT
Financial Statements with Supplementary Information
June 30, 2024
(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, each major fund, and the aggregate remaining fund information of St. Tammany Parish Development District (the District), as of and for the year then ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 opinion.

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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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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 21 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 22, schedule of compensation, benefits, and other payments to agency head on page 23, combining balance sheet - non-major funds on page 24, and combining statement of revenues, expenditures, and changes in fund balances - non-major funds on page 25 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 31, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 31, 2024

Covington, Louisiana

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Management's Discussion and Analysis

June 30, 2024

The basic financial statements of the St. Tammany Parish Development District (the District) include government-wide and governmental fund statements. The government-wide statement of net position and statement of activities present information for all the activities of the District's office, from an economic resource's 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 sheet – governmental fund details the assets and liabilities of the governmental fund while the reconciliation of the governmental fund balance sheet to the statement of net position reflects the difference from the amounts reported in the statement of net position. The statement of revenues, expenditures, and changes in fund balance – governmental fund reflect the current year receipt and disbursement of funds and the reconciliation of the statement of revenues, expenditures, and changes in fund balance of the governmental fund to the statement 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 schedule 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.

Statement of Net Position and Statement of Activities

The statement of net position and statement 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 statement of net position and statement 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

June 30, 2024

Condensed statements of net position as of June 30, 2024:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Total current assets	\$ 1,875,504	1,631,975	243,529
Capital assets, net of depreciation	158,828	190,451	(31,623)
Other assets	-	3117	(3117)
Total assets	<u>2,034,332</u>	<u>1,825,543</u>	<u>208,789</u>
Total current liabilities	89,806	48,146	41,660
Long-term liabilities	-	-	-
Total liabilities	<u>89,806</u>	<u>48,146</u>	<u>41,660</u>
Net position			
Net investment in capital assets	158,828	190,451	(31,623)
Restricted	154,157	80,157	74,000
Unrestricted	<u>1,631,541</u>	<u>1,506,789</u>	<u>124,752</u>
Total net position	<u>1,944,526</u>	<u>1,777,397</u>	<u>167,129</u>
Total liabilities and net position	\$ <u>2,034,332</u>	<u>1,825,543</u>	<u>208,789</u>

Condensed statements of activities for the year ended June 30, 2024:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Program revenues	\$ 1,886,084	1,492,980	393,104
General revenues	<u>1,242,807</u>	<u>2,098,855</u>	<u>(856,048)</u>
Total revenues	3,128,891	3,591,835	(462,944)
Expenses	<u>2,961,762</u>	<u>3,443,191</u>	<u>(481,429)</u>
Change in net position	167,129	148,644	18,485
Net position – beginning of year	<u>1,777,397</u>	<u>1,628,753</u>	<u>148,644</u>
Net position – end of year	\$ <u>1,944,526</u>	<u>1,777,397</u>	<u>167,129</u>

The District's assets exceeded its liabilities at the close of fiscal year 2024 by \$1,944,526 (net position), which represents a 9% increase over net position at June 30, 2023.

Cash was \$1,072,170 at June 30, 2024, compared to \$1,091,514 at June, 30, 2023. This is a decrease of \$19,344, or 2%.

The District's revenue decreased by \$462,944, or 13%, for the year ended June 30, 2024 as compared to the year ended June 30, 2023.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Management's Discussion and Analysis

June 30, 2024

The District's expenses for the year ended June 30, 2024 decreased by \$481,429, or 13% as compared to expenses for the year ended June 30, 2023.

At June 30, 2024, the District's General Fund had an unassigned fund balance of \$1,620,922.

As a result of subtracting total expenses from total revenue, the District's net position increased by \$167,129 for the year ended June 30, 2024.

Revenue to the District consisted principally of state hotel and motel sales tax collections, contributions, and PILOT and administrative service fees. Expenditures for the District consisted primarily of salaries, consulting services, and PILOT expenditures.

Capital Assets

For the year ended June 30, 2024, capital assets, net of depreciation and amortization, decreased by \$31,623. This decrease was the amount by which depreciation and amortization expense exceeded capital asset additions.

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, 2025. The District anticipates increases in certain revenues and expenditures compared to the current year due to the continued development of the StartUp Northshore 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 1001 Hwy 190 East Service Road, Suite 202, Covington, Louisiana 70433.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Statement of Net Position

June 30, 2024

		Governmental Activities
	<u>Assets</u>	
Current assets:		
Cash and cash equivalents	\$ 1,072,170	
Investments	493,011	
Accounts receivable	165,608	
Hotel/Motel tax revenue receivable	134,096	
Prepaid expenses	<u>10,619</u>	
Total current assets		1,875,504
Capital assets:		
Office furniture and equipment, net	<u>158,828</u>	
Total capital assets		<u>158,828</u>
Total assets		\$ <u>2,034,332</u>
	<u>Liabilities</u>	
Current liabilities:		
Accounts payable	\$ <u>89,806</u>	
Total liabilities		<u>89,806</u>
	<u>Net Position</u>	
Net investment in capital assets	158,828	
Restricted	154,157	
Unrestricted	<u>1,631,541</u>	
Total net position		\$ <u><u>1,944,526</u></u>

See accompanying notes to the financial statements.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT**Statement of Activities****For the Year Ended June 30, 2024**

		Governmental Activities
<hr/>		
Expenses:		
Economic Development:		
Salaries and benefits	\$	1,101,757
PILOT expense		388,048
Consulting		598,323
Legal and professional		63,315
Marketing		34,108
Payroll taxes		69,799
Insurance		74,507
Travel		51,478
Rent		14,486
Grants		127,402
Repairs and maintenance		60,958
Staff development		32,093
Dues and subscriptions		65,948
Other		68,074
Communications/outreach		61,280
Telephone		8,386
Supplies		6,092
Printing and reproduction		4,700
Depreciation		84,935
Amortization		36,877
Utilities		3,631
Service charges		5,554
Meetings		11
Total expenses		<hr/> 2,961,762
 Program Revenues:		
Administrative fees		142,155
PILOT service fees		420,848
Contributions		1,159,318
Interest income		76,485
Grant income		87,278
Total program revenues		<hr/> 1,886,084
 Net expense		 (1,075,678)
 General Revenues:		
Hotel/Motel tax revenue		1,242,807
Total general revenues		<hr/> 1,242,807
 Change in net position		 167,129
 Net position, beginning of year		 <hr/> 1,777,397
 Net position, end of year		 \$ <hr/> <hr/> 1,944,526

See accompanying notes to the financial statements.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT**Balance Sheet****Governmental Funds****June 30, 2024**

	<u>General Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 1,037,635	34,535	1,072,170
Investments	493,011	-	493,011
Accounts receivable	45,986	119,622	165,608
Hotel/Motel tax revenue receivable	134,096	-	134,096
Prepaid expenses	10,619	-	10,619
Total assets	\$ <u>1,721,347</u>	<u>154,157</u>	<u>1,875,504</u>
Liabilities:			
Accounts payable	\$ 89,806	-	89,806
Total liabilities	<u>89,806</u>	<u>-</u>	<u>89,806</u>
Fund Balances:			
Nonspendable	10,619	-	10,619
Restricted	-	154,157	154,157
Unassigned	1,620,922	-	1,620,922
Total fund balances	<u>1,631,541</u>	<u>154,157</u>	<u>1,785,698</u>
Total liabilities and fund balances	\$ <u>1,721,347</u>	<u>154,157</u>	<u>1,875,504</u>

See accompanying notes to financial statements.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

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

June 30, 2024

Fund balances - governmental funds	\$ 1,785,698
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>158,828</u>
Net position of governmental activities	<u><u>\$ 1,944,526</u></u>

See accompanying notes to the financial statements.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Statement of Revenues, Expenditures, and Change in Fund Balances

Governmental Fund

For the Year Ended June 30, 2024

	<u>General Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>
Revenues:			
Hotel/Motel tax revenue	\$ 1,242,807		1,242,807
Administrative fees	142,155	-	142,155
PILOT service fees	400,548	-	400,548
Contributions / grants	757,002	514,594	1,271,596
Bond closing fees	20,300	-	20,300
Interest income	75,585	900	76,485
Total revenues	<u>2,638,397</u>	<u>515,494</u>	<u>3,153,891</u>
Expenditures:			
Economic Development:			
Salaries and benefits	1,101,757	-	1,101,757
PILOT expense	388,048	-	388,048
Consulting	227,992	370,331	598,323
Legal and professional	63,315	-	63,315
Marketing	11,888	22,220	34,108
Payroll taxes	69,799	-	69,799
Insurance	74,507	-	74,507
Travel	51,022	-	51,022
Rent	14,084	456	14,540
Grants	78,926	-	78,926
Repairs and maintenance	60,958	48,476	109,434
Staff development	32,093	-	32,093
Dues and subscriptions	65,948	-	65,948
Other	67,162	-	67,162
Communications/outreach	61,280	-	61,280
Telephone	8,386	-	8,386
Supplies	6,092	-	6,092
Printing and reproduction	5,612	-	5,612
Utilities	3,631	-	3,631
Service charges	5,554	-	5,554
Meetings	-	11	11
Lease - principal	36,999	-	36,999
Lease - interest	402	-	402
Capital outlay	90,189	-	90,189
Total expenditures	<u>2,525,644</u>	<u>441,494</u>	<u>2,967,138</u>
Excess of revenues over expenditures	<u>112,753</u>	<u>74,000</u>	<u>186,753</u>
Net change in fund balances	112,753	74,000	186,753
Fund balances, beginning of year	<u>1,518,788</u>	<u>80,157</u>	<u>1,598,945</u>
Fund balances, end of year	<u>\$ 1,631,541</u>	<u>154,157</u>	<u>1,785,698</u>

See accompanying notes to the financial statements.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

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

For the Year Ended June 30, 2024

Net change in fund balances - governmental fund	\$	186,753
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**Amounts reported for governmental activities in the 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	90,189
Depreciation expense	(84,935)
Amortization expense	(36,877)

Revenues in the government-wide Statement of Activities do not include revenues that were recorded as deferred inflows of resources in the prior year that were recognized as revenue in the current year governmental fund operating statement.	(25,000)
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Principal payments on lease liabilities is recorded as an expense in the governmental funds, but reduces long-term liabilities in the Statement of Net Position	36,999
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Change in net position of governmental activities	\$	167,129
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See accompanying notes to the financial statements.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to the Financial Statements

June 30, 2024

(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, 2024

(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, 2024

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, 2024.

(j) Capital Assets

Capital assets which include the District's website 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. The District's website is depreciated using the straight-line method over a 3 year useful life.

(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

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to the Financial Statements

June 30, 2024

(compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

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, 2024. As of June 30, 2024, the District has \$154,157 of restricted fund balances. These fund balances are restricted for the Healthscape, Startup, and EDA Grant programs. As of June 30, 2024, The District had \$10,619 of nonspendable fund balances.

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”.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to the Financial Statements

June 30, 2024

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, 2024 and for the year then ended, the District has \$154,157 of net position restricted for the Northshore Healthscape, StartUp Northshore, and EDA Grant programs.

(2) Cash and Cash Equivalents

At June 30, 2024, the District had cash and cash equivalents (book balances) totaling \$1,072,170, 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, 2024, the District had \$1,171,993, in deposits (collected bank balances). Of these deposits, \$250,000 was secured by federal deposit insurance, and the remaining \$921,993 was properly collateralized.

(3) Investments

At June 30, 2024 the District had investments of \$493,011, 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.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to the Financial Statements

June 30, 2024

- **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 70 days as of June 30, 2024.
- **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.

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

(4) 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 2023-2024 appropriation of \$1,242,807, the District recognized the entire amount during the year ended June 30, 2024.

(5) Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2024 for the primary government is as follows:

	Balance July 1, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2024</u>
Capital assets being depreciated:				
Website	187,491	80,950	-	268,441
Office furniture and equipment	79,298	9,239	-	88,537
Total capital assets being depreciated	266,789	90,189	-	356,978
Less accumulated depreciation	(113,215)	(84,935)	-	(198,150)

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to the Financial Statements

June 30, 2024

Total capital assets being depreciated, net	153,574	5,254	-	158,828
Total capital assets, net	\$ 153,574	5,254	-	158,828

The District recorded \$84,935 of depreciation expense on its capital assets for the year ending June 30, 2024.

(6) 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, 2024, the following conduit debt obligations were outstanding:

<u>Series</u>	<u>Issued</u>	<u>Mature</u>	<u>Balance at June 30, 2024</u>
2006A	12/2006	12/2036	4,055,000
2008	03/2008	03/2033	3,960,000
2008	04/2008	04/2034	2,540,000
2008	04/2008	07/2038	30,780,000
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, 2024, no bonds have been issued on these agreements.

(7) Leases

Pursuant to the taxable revenue bonds described above, the District enters into lease agreements with private companies in connection with the bonds listed in Note 6 for the benefit of the companies. Leases generally will expire at the either the end of the lease or the when the related bonds are retired. Upon execution of each lease, the companies pay administrative fees and payments in lieu of taxes (PILOT) annually. As long as the leases remain in effect and the project is still owned by the District, the companies are exempt from ad valorem tax in St. Tammany Parish.

The District also has entered into a series of Bareboat Charters and Agreements to issue bonds with a private company and several affiliated companies under common ownership. Under these charters and agreements, the District acquired a portion of the companies' fleet of vessels (primarily tow boats and barges used by the companies on domestic inland waterways) and the companies are required to pay annual PILOT payments. So long as the various charters and 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 companies have the right to purchase the respective vessels for an amount equal to \$1,000 per vessel, plus any of the District's fees.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to the Financial Statements

June 30, 2024

(8) Subsequent Events

The District evaluated subsequent events through December 31, 2024, the date which the financial statements were available to be issued.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances Budget to Actual - General Fund

For the Year Ended June 30, 2024

	Budget			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Hotel/Motel tax revenue	836,775	1,242,807	1,242,807	-
Administrative fees	135,195	149,805	142,155	(7,650)
PILOT service fees	140,500	400,548	400,548	-
Contributions	663,855	653,510	757,002	103,492
Bond closing fees	25,000	34,150	20,300	(13,850)
Interest income	20,000	72,000	75,585	3,585
Total revenue	1,821,325	2,552,820	2,638,397	85,577
Expenditures:				
Salaries and benefits	1,051,297	1,036,080	1,101,757	(65,677)
PILOT expense	128,000	388,048	388,048	-
Consulting	85,000	131,600	227,992	(96,392)
Marketing	11,888	11,888	11,888	-
Payroll taxes	72,575	72,920	69,799	3,121
Legal and professional	40,000	45,000	63,315	(18,315)
Insurance	83,438	79,314	74,507	4,807
Travel	51,050	45,000	51,022	(6,022)
Rent	37,400	37,400	14,084	23,316
Grants	-	80,000	78,926	1,074
Repairs and maintenance	40,700	59,788	60,958	(1,170)
Staff development	34,075	30,000	32,093	(2,093)
Dues and subscriptions	40,830	32,000	65,948	(33,948)
Other	82,672	193,382	67,162	126,220
Communications/outreach	31,500	60,500	61,280	(780)
Telephone	7,900	7,600	8,386	(786)
Supplies	7,000	5,500	6,092	(592)
Printing and reproduction	5,000	4,700	5,612	(912)
Utilities	4,000	3,500	3,631	(131)
Service charges	7,000	7,116	5,554	1,562
Capital outlay	-	100,000	90,189	9,811
Total expenditures	1,821,325	2,431,336	2,488,243	(56,907)
Excess (deficiency) of revenues over expenditures	-	121,484	150,154	28,670
Net change in fund balance	-	121,484	150,154	28,670
Fund balance, beginning of period	1,178,964	1,178,964	1,518,788	339,824
Fund balance, end of period	\$ 1,178,964	1,300,448	1,668,942	368,494

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Schedule of Compensation Paid to Board Members

June 30, 2024

<u>Board Member</u>	<u>Compensation</u>
Dr. William Wainright, President	\$ -
Elder Brown, III	-
Mimi Dossett	-
Joan Coffman	-
Paul Myers, IV	-
Albert M. Hamauei	-
Eric Schouest	-
Bruce Javery	-
Louis Ochoa	-
Ross Lagarde	-
	\$ <u>-</u>

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

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

For the Year Ended June 30, 2024

Agency Head Name: Chris Masingill, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 252,001
Benefits - Insurance	14,927
Benefits - Retirement	10,440
Benefits - Others	30,000
Car Allowance	9,000
Per Diem	1,001
Reimbursements	1,759
Registration Fees	12,289
Conference Travel	22,894
	<u>\$ 354,311</u>

ST. TAMMANY PARISH DEVELOPMENT DISTRICT**Combining Balance Sheet - Non-Major Funds****Governmental Funds****June 30, 2024**

	<u>Northshore Healthscape Fund</u>	<u>StartUp Northshore Fund</u>	<u>EDA Grant Fund</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 7,207	55,549	(28,221)	34,535
Accounts receivable	<u>80,000</u>	<u>-</u>	<u>39,622</u>	<u>119,622</u>
Total assets	<u>\$ 87,207</u>	<u>55,549</u>	<u>11,401</u>	<u>154,157</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	87,207	55,549	11,401	154,157
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>87,207</u>	<u>55,549</u>	<u>11,401</u>	<u>154,157</u>
Total fund balances	<u>\$ 87,207</u>	<u>55,549</u>	<u>11,401</u>	<u>154,157</u>

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

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

Governmental Fund

For the Year Ended June 30, 2024

	<u>Northshore Healthscape Fund</u>	<u>StartUp Northshore Fund</u>	<u>EDA Grant Fund</u>	<u>Total</u>
Revenues:				
Contributions / Grants	\$ 130,000	181,000	116,316	427,316
Grant income	-	87,278	-	87,278
Interest income	<u>114</u>	<u>537</u>	<u>249</u>	<u>900</u>
Other income				
Total revenues	<u>130,114</u>	<u>268,815</u>	<u>116,565</u>	<u>515,494</u>
Expenditures:				
Economic Development:				
Consulting	48,006	183,695	138,630	370,331
Marketing	7,500	14,720	-	22,220
Travel	-	-	456	456
Grants	-	48,476	-	48,476
Meetings	<u>11</u>	<u>-</u>	<u>-</u>	<u>11</u>
Total expenditures	<u>55,517</u>	<u>246,891</u>	<u>139,086</u>	<u>441,494</u>
Excess (deficiency) of revenues over expenditures	<u>74,597</u>	<u>21,924</u>	<u>(22,521)</u>	<u>74,000</u>
Net change in fund balance	74,597	21,924	(22,521)	74,000
Fund balances, beginning of period	<u>12,610</u>	<u>33,625</u>	<u>33,922</u>	<u>80,157</u>
Fund balances, end of period	\$ <u><u>87,207</u></u>	<u><u>55,549</u></u>	<u><u>11,401</u></u>	<u><u>154,157</u></u>



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Racheal D. Alvey

Michael R. Choate, CPA

American Society of Certified Public Accountants
Society of Louisiana CPAs

**Independent Auditors' Report on 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, each major fund, and the aggregate remaining fund information of the St. Tammany Parish Development District (the District), as of and for the year ended June 30, 2024, 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 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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.

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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.

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 31, 2024

Covington, Louisiana

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Schedule of Findings and Management Corrective Action Plan

June 30, 2024

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 - No**
- 4. Management Letter - No**

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Status of Prior Findings

June 30, 2024

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.

***Status:* Resolved.**

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 (the 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 July 1, 2023 to June 30, 2024.

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: Procedures performed without exception

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: Procedure performed without exception.

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: Procedure performed without exception..

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

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- i. Hired before June 9, 2020 - completed the training; and
 - ii. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

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

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: *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 31, 2024

Covington, Louisiana