

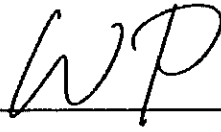
Bienville Parish Recreation District No. 1
Arcadia, Louisiana

Annual Financial Statements
For the Year Ended December 31, 2023

Bienville Parish Recreation District No. 1
Annual Financial Statements
As of and for the Year Ended December 31, 2023
With Supplemental Information Schedules

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Wade & Perry, CPAs
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

Independent Auditor's Report

Board of Commissioners
Bienville Parish Recreation District No. 1
Arcadia, Louisiana

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Bienville Parish Recreation District No. 1 (District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we 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 these 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 17 through 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 29, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on 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.

Wade & Perry

Ruston, Louisiana
October 3, 2024

Bienville Parish Recreation District No. 1
 Governmental Funds Balance Sheet/Statement of Net Position
 December 31, 2023

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and equivalents	\$29,171		\$29,171
Receivables	378,543		378,543
Inventory	21,508		21,508
Capital assets (net)		\$899,793	899,793
TOTAL ASSETS	<u>\$429,222</u>	<u>\$899,793</u>	<u>\$1,329,015</u>
Deferred outflows of resources	0		0
LIABILITIES			
Accounts, salaries, and other payables	\$9,484		\$9,484
Right of use lease payable		53,001	53,001
Total Liabilities	<u>9,484</u>	<u>53,001</u>	<u>62,485</u>
Deferred inflows of resources	0		0
FUND BALANCES			
Unassigned, reported in General fund	419,738	(419,738)	0
Total Fund Balances	<u>419,738</u>	<u>(419,738)</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$429,222</u>		
NET POSITION			
Net investment in capital assets		846,792	846,792
Unrestricted		419,738	419,738
TOTAL NET POSITION		<u>\$1,266,530</u>	<u>\$1,266,530</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Recreation District No. 1
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 December 31, 2023

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

Fund balances, Total governmental funds (Statement A)		\$419,738
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Capital assets used in governmental activities are not financial resources
 and, therefore, are not reported in the governmental funds:

Governmental capital assets	\$1,908,757	
Less accumulated depreciation	<u>(1,031,148)</u>	877,609
Right of use asset	332,523	
Less accumulated amortization	<u>(310,339)</u>	22,184

Long-term liabilities are not due and payable in current period; therefore, are not
 reported in the funds:

Right of use lease liability		<u>(53,001)</u>
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Net Position of Governmental Activities (Statement A)		<u>\$1,266,530</u>
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The accompanying notes are an integral part of this statement.

Bienville Parish Recreation District No. 1
Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balances/
Statement of Activities
For the Year Ended December 31, 2023

	General Fund	Adjustments	Statement of Activities
Expenditures/Expenses			
General government - culture and recreation:			
Personnel services	\$124,468		\$124,468
Operating services	643,020		643,020
Materials and supplies	6,532		6,532
Travel and other charges	2,708		2,708
Depreciation and amortization		110,746	110,746
Debt service	86,404	(82,239)	4,165
Capital outlay	127,575	(127,575)	0
Total Expenditures/Expenses	<u>990,707</u>	<u>(99,068)</u>	<u>891,639</u>
Program Revenues			
Fees, charges, and commissions	360,785		360,785
Concessions	88,449		88,449
Net Program Expense			<u>(442,405)</u>
General Revenues			
Property taxes	376,113		376,113
Use of money and property	4,274		4,274
Other revenues	1,395		1,395
Sale of capital assets/gain (loss) in disposal	0		0
Total General Revenues	<u>381,782</u>	<u>0</u>	<u>381,782</u>
Excess (Deficiency) of Revenues over Expenditures	(159,691)		
Other Financing Sources (Uses)			
Other financing source	0		0
Insurance proceeds	0		0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(159,691)	159,691	
CHANGE IN NET POSITION		(60,623)	(60,623)
FUND BALANCE/NET POSITION:			
Beginning of Year	579,429		1,327,153
Prior period adjustment	0		0
End of Year	<u>\$419,738</u>		<u>\$1,266,530</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Recreation District No. 1
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2023

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

Net Change in Fund Balances, Total governmental funds (Statement C)	(\$159,691)
Governmental funds are not required to report gain or loss on sale of assets.	0
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$127,575) exceed depreciation/amortization (\$110,746) in the current period.	16,829
Debt service payments for principal is an expenditure in the governmental funds, but principal payments reduce long-term liabilities in the Statement of Net Position.	<u>82,239</u>
Change in Net Position of Governmental Activities (Statement C)	<u>(\$60,623)</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bienville Parish Recreation District No. 1 (the District) was created by the Bienville Parish Police Jury as authorized by Louisiana Revised Statute 33:4562. The District is governed by a five member board appointed by the police jury. The District owns and operates recreational facilities and engages in activities designed to encourage recreation and promote the general health and well being of the community's youth.

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999. Certain of the significant changes in the Statement include the following:

- * A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations;
- * Financial statements prepared using full accrual accounting for all of the District's activities; and
- * A change in the fund financial statements to focus on the major funds.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Bienville Parish Police Jury is the financial reporting entity for Bienville Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Bienville Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

Because the police jury appoints all board members of the District and can impose its will on the District, the District was determined to be a component unit of the Bienville Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

Governmental Funds

Governmental funds account for all or most of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District. The following are the District's governmental funds:

General Fund - The primary operating fund of the District, it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policy.

D. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The district maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets and related expenses are recorded in the Statement of Net Position and Statement of Activities, respectively, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements	20-40 years
Buildings	25 years
Equipment	5-15 years

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

E. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations.

The amounts reflected in the General Fund of Statements A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January through the tax sale of the ensuing year. Interest income on interest bearing demand deposits is recorded at the end of the month when credited by the bank. Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Based on the above criteria, ad valorem taxes and state revenue sharing have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for compensated absences, which are recognized when paid.

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

F. CASH AND CASH EQUIVALENTS

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2023, the District has cash and cash equivalents (book balances) totaling \$29,171, as follows:

Petty cash	\$732
Demand deposits	28,439
Time deposits	<u>0</u>
Total	<u>\$29,171</u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the 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 or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the town that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

These deposits are secured as follows:

Bank balances	<u>\$33,627</u>
Federal deposit insurance	\$33,627
Pledged securities (uncollateralized)	<u>0</u>
Total	<u>\$33,627</u>

G. INVENTORY

Inventory in the General Fund consists of expendable supplies held for consumption. Inventories are valued at the lower of cost (first-in, first-out) or market.

H. RISK MANAGEMENT

The District is exposed to various risk of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the District maintains commercial insurance policies covering: property and commercial general liability insurance, crime, and inland marine. Also, the District maintains director and officer liability, worker's compensation, a mobile home policy, and employers liability insurance. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amount.

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

I. FUND EQUITY

In the government wide statements, net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Proprietary fund equity is classified in the same manner as in the government-wide statements. In the fund financial statements, governmental fund equity is classified as fund balance.

The Town adopted GASB 54 in the year ended December 31, 2011. As such, fund balances of the governmental funds are classified as follow:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors contributors, or laws or regulations of other governments.

Committed - amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

Assigned - amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned - all other spendable amounts.

As of December 31, 2023, General fund balance is composed of the following:

Nonspendable:	
Prepaid items	\$0
Restricted:	
Other purposes	0
Unassigned	<u>419,738</u>
Total fund balances	<u>\$419,738</u>

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

J. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

K. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

The District adopted GASB Statement No. 87, *Leases*. Under this Statement, lease contracts, as defined, are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, and a lessee recognizes a lease liability and intangible right-to-use asset, thereby enhancing the relevance and consistency of information about governments' leasing activities. Lease receivables as well as lease liabilities are measured at the present value of lease payments over the term of each respective contract. Options to renew the lease are included in the lease term if reasonably certain to be exercised.

2. LEVIED TAXES

The District has an authorized tax millage of 3.52 mills which is restricted by tax proposition, to operation and maintenance of the recreational facilities of the District. The tax is due to expire with the 2023 tax roll. For the year ended December 31, 2023, the District levied 3.37 mills as a result of reassessments of taxable property as required by Article 7, Section 18 of the Louisiana Constitution of 1974.

The following are the principal taxpayers for the parish and their 2023 assessed valuation (amounts expressed in thousands):

Taxpayer	Assessed Valuation	% of Total Assessed Valuation
Bear Creek Storage Co	12,554,650	11.25%
Regency Intrastate	11,236,588	10.07%
Arcadia Gas Storage LLC	6,650,001	5.96%
Haynes International Inc	5,898,278	5.28%
Total	<u>36,339,517</u>	<u>32.56%</u>

3. RECEIVABLES

The receivables of \$378,543 at December 31, 2023 consist solely of ad valorem taxes.

4. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in capital assets for the year ended December 31, 2023:

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

	<u>12/31/2022</u>				<u>12/31/2023</u>
	<u>Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$400,000				\$400,000
Total capital assets not being depreciated	<u>400,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>400,000</u>
Capital assets being depreciated:					
Buildings	157,452				157,452
Improvements	270,346		\$22,750		293,096
Equipment	953,385		104,825		1,058,210
Total capital assets being depreciated	<u>1,381,183</u>	<u>0</u>	<u>127,575</u>	<u>0</u>	<u>1,508,758</u>
Less:					
accumulated depreciation	<u>1,000,211</u>		<u>30,939</u>		<u>1,031,150</u>
Total capital assets being depreciated, net	<u>\$780,973</u>	<u>\$0</u>	<u>\$96,636</u>	<u>\$0</u>	<u>\$877,609</u>
	<u>12/31/2022</u>				<u>12/31/2023</u>
	<u>Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Governmental activities:					
Capital leases being amortized:					
Equipment	332,523				332,523
Total capital leases being amortized	<u>332,523</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>332,523</u>
Less:					
accumulated amortization	<u>230,532</u>		<u>79,807</u>		<u>310,339</u>
Total capital leases being amortized, net	<u>\$101,991</u>	<u>\$0</u>	<u>(\$79,807)</u>	<u>\$0</u>	<u>\$22,184</u>

5. LEASES

In April, 2017, the District entered into a 48-month lease for 2 John Deere pieces of equipment. The lease requires 48 monthly payments of \$1,569 each beginning in April, 2017. The District recognized a right of use asset and lease liability in the amount of \$40,167 as of January 1, 2023. A discount rate of 3.8% was used to determine the present value of future expected lease payments. Interest expense of \$781 was recognized as an outflow.

In May, 2020, the District entered into a 48-month lease for 40 golf carts. The lease requires 48 monthly payments of \$4,088 each beginning in May, 2020. The District recognized a right of use asset and lease liability in the amount of \$109,111 as of January 1, 2023. A discount rate of 4% was used to determine the present value of future expected lease payments. Interest expense of \$1,681 was recognized as an outflow.

In September, 2019, the District entered into a 48-month lease for a New Holland tractor. The lease requires 48 monthly payments of \$504 each beginning in September, 2019. The District recognized a right of use asset and lease liability in the amount of \$16,140 as of January 1, 2023. A discount rate of 0% was used to determine the present value of future expected lease payments. Interest expense was considered immaterial for the year and thus not recorded.

In April, 2021, the District entered into a 48-month lease for a John Deere triplex greensmower. The lease requires 48 monthly payments of \$1,345 each beginning in April, 2021. The District recognized a right of use asset and lease liability in the amount of \$49,107 as of January 1, 2023. A discount rate of 4% was used to determine the present value of future expected lease payments. Interest expense of \$1,703 was recognized as an outflow.

At December 31, 2023, the future minimum lease payments are summarized as follows:

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
As of and for the Year Ended December 31, 2023

Fiscal year ending December 31:	<u>Principal</u>	<u>Interest</u>
2024	\$48,994	\$886
2025	<u>4,007</u>	<u>27</u>
Total minimum lease payments	<u>\$53,001</u>	<u>\$913</u>

6. LITIGATION AND CLAIMS

The District is not involved in any litigation at December 31, 2023, nor is it aware of any unasserted claims.

7. RETIREMENT PLAN

All employees of the District are eligible to be members of the eligible deferred compensation plan. This retirement plan is managed by Nationwide Retirement Solutions. The employee contribution amount for 2023 was \$9,788. The District matches the employee contribution.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 3, 2024. This date represents the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

Bienville Parish Recreation District No. 1
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balances - Budget and Actual (Non-GAAP)
 For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts Cash Basis	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Program revenues:				
Fees, charges, and commissions	\$343,000	\$343,000	\$360,785	\$17,785
Concessions	70,000	70,000	88,449	18,449
General revenues:				
Ad valorem taxes	300,000	300,000	326,931	26,931
Use of money and property	500	500	4,274	3,774
Other revenues	1,500	1,500	1,395	(105)
Total Revenues	715,000	715,000	781,834	66,834
EXPENDITURES				
General government - culture and recreation:				
Personnel services	120,000	120,000	124,468	(4,468)
Operating services	487,600	610,100	659,081	(48,981)
Materials and supplies	10,000	10,000	6,532	3,468
Travel and other charges	3,000	5,500	2,708	2,792
Debt service	84,100	84,100	86,404	(2,304)
Capital outlay	10,000	130,000	127,575	2,425
Total Expenditures	714,700	959,700	1,006,768	(47,068)
Excess (Deficiency) of Revenues over (under) Expenditures	300	(244,700)	(224,934)	19,766
Other Financing Sources (Uses)				
Other financing sources				0
Total other financing sources (uses)	0	0	0	0
Excess (deficiency) of Revenues and other sources over expenditures and other financing uses	300	(244,700)	(224,934)	19,766
Fund Balance (Deficit) at Beginning of Year	0	0	590,885	590,885
Fund Balance (Deficit) at End of Year	\$300	(\$244,700)	\$365,951	\$610,651

Notes to the Schedule

(1) method of budgetary accounting - non-GAAP

(2) explanation of material variances - management did not adopt a balanced budget with approved expenditures not exceeding the total estimated funds available.

Bienville Recreation District No. 1
Notes to the Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Non-GAAP)
For the Year Ended December 31, 2023

NOTE A - BUDGETARY POLICIES

The proposed budget for the General Fund, prepared on the cash basis of accounting, is published in the official journal at least ten days prior to the public hearing and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. A public hearing is held at the District's office for comments from taxpayers. The budget is then legally adopted by the District and amended during the year, as necessary. The budget is established and controlled by the District at the object level of expenditure. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended. All changes in the budget must be approved by the District.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the budget comparison accompanying the financial statements include the original adopted budget amount and all subsequent amendments. Encumbrance accounting is not used by the District.

NOTE B – EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

Source/inflows of resources

Actual amounts (budgetary basis) "Total Revenues" from Schedule 1.	\$781,834
--	-----------

Differences - budget to GAAP:

The District budgets for property tax revenue only to the extent expected to be received, rather than on the modified accrual basis.	<u>49,182</u>
--	---------------

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$831,016</u>
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Uses/outflows of resources

Actual amounts (budgetary basis) "Total Expenditures" from the Schedule 1.	\$1,006,768
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Differences - budget to GAAP:

The District budgets for operating expenditures only to the extent expected to be paid, rather than on the modified accrual basis.	<u>16,061</u>
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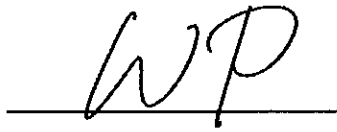
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$990,707</u>
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Bienville Parish Recreation District #1
Schedule of Compensation, Benefits and Other Payments
to Agency Head
For the Year Ended December 31, 2023

Schedule 2

Agency Head Name: Jonathan Harris

Purpose	Amount
Salary	\$57,889
Benefits-retirement	5,183
Car allowance	2,708
Benefits-medicare	818



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Report on Compliance and Other Matters and on Internal Control
over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Commissioners
Bienville Recreation District No. 1
Arcadia, 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 of Bienville Recreation District No. 1 ("District") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 3, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be significant deficiencies. 2022-01, 2022-02 and 2022-03.

Compliance and Other Matters

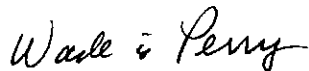
As part of obtaining reasonable assurance about whether District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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 which are described in the accompanying schedule of findings and responses as item 2023-04 and 2023-05.

District's Response to Findings

District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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



Ruston, Louisiana

October 3, 2024

Bienville Recreation District No. 1
Schedule of Findings and Responses
For the Year Ended December 31, 2023

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the general purpose financial statements of the Bienville Parish Recreation District No. 1.
2. Two instances of noncompliance material to the financial statements of the Bienville Parish Recreation District No. 1 was disclosed during the audit.
3. Three significant deficiencies relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

B. Financial Statements Findings2023-01. Lack of segregation of duties

Condition: The District does not have an adequate segregation of duties regarding its accounting and reporting system to maintain a complete system of internal control. This is a repeat finding.

Criteria: Considered good business practice to have segregation of duties wherever possible.

Cause: Small district with limited personnel available

Effect: Potential misstatements in financial statements may not be detected and is at risk for fraud.

Recommendation: We recommend the District implement a system of checks and balances. Segregation of duties should include collection of monies, recording deposits in general ledger, taking deposits to the bank, preparing checks and disbursements, signing checks, mailing checks, and reconciling the bank account.

Response: Management is aware of the problem of segregation of duties and will continue to develop and implement internal control procedures to offset this inherent problem associated with being a small entity.

2023-02. Inadequate internal controls for disbursements

Condition: From the forty selected disbursements, 15 disbursements did not have supporting documentation; 4 of which were payroll related. 513 missing checks not listed in the general ledger could not be located for examination. One section of missing checks included 477 in a check sequence. This is a repeat finding.

Criteria: Internal controls should be set up for all areas.

Cause: All supporting documentation is not maintained in a central location.

Effect: Internal control violation and potential errors in disbursements.

Recommendation: Maintain adequate support for all disbursements in central location.

Response: Management concurs with the recommendation and will implement as soon as possible.

2023-03. Significant deficiency in internal control over financial reporting

Condition: Management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare their annual financial statements. This condition is intentional by management based upon the District's cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. In relation to this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. This is a repeat finding.

Criteria: Considered material weakness if entity cannot apply generally accepting accounting principles.

Cause: The District does not have staff capable of preparing report and notes and applying generally accepting accounting principles.

Effect: Potential misstatements in financial statements may not be detected

Recommendation: No recommendation is made for this deficiency. Management must determine whether the benefit from an internal control exceeds its cost, and therefore it may be impractical to correct all deficiencies.

Response: Management concurs with the recommendation and will consider costs and benefits.

2023-04. Failing to comply with local budget act pursuant to R.S. 39:1309

Condition: For the year ended December 31, 2023, the General fund did not adopt a balanced budget with approved expenditures not exceeding the total estimated funds available. No copy of the resolution or ordinance adoption instrument was provided to review.

Criteria: According to LRS 39:1309, the adopted budget shall be balanced with approved expenditures not exceeding the total estimated funds available.

Cause: Management did not include beginning fund balance for a total estimated funds available.

Effect: Noncompliance with local budget law.

Recommendation: Management should monitor budget and actual figures and amend as necessary.

Response: Management concurs with the recommendation and will implement as soon as possible.

2023-05. Late report submission

Condition: The District submitted the audit report after June 30, 2024.

Criteria: LRS 24:513A(5)(a)(I)

Cause: Financial information not readily available to the auditor in order to have the audit performed timely.

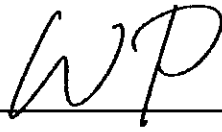
Effect: Misstatements in the financial statements may not be detected and the District management could not make educated, informed decisions.

Recommendation: We recommend the District have all financial information available to the auditor in order to have the audit performed timely.

Response: Management concurs with the recommendation and will implement as soon as possible.

Bienville Recreation District No. 1
Summary of Prior Year Findings
For the Year Ended December 31, 2023

- 2022-01. Lack of segregation of duties
Status: Unresolved - see 2023-01
- 2022-02. Inadequate internal controls over disbursements
Status: Unresolved - see 2023-02
- 2022-03. Significant deficiency in internal control over financial reporting
Status: Unresolved - see 2023-03
- 2022-04. Budget violation
Status: Unresolved - see 2023-04



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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2023

To the Governing Board of the Bienville Parish Recreation District #1 and the Louisiana Legislative Auditor:

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

The Bienville Parish Recreation District #1 has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

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

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

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) **Ethics²**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and

² The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

(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.

Written policies and procedures were obtained and address the functions listed above except as noted. The purchasing policies and procedures do not mention how purchases are initiated or how vendors are added to vendor list. The travel and expense reimbursements policies and procedures do not mention dollar thresholds by category of expense, no mention of documentation requirements, and no mention of required approvers. The sexual harassment policy makes no mention of annual employee training or annual reporting. There are no written policies and procedures regarding disbursements, receipts/collections, payroll/personnel, ethics policy, debt service, or disaster recover/business continuity.

2) Board or Finance Committee³

1. 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.

No exceptions
 - 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 comparisons, at a minimum, on all proprietary funds⁴, and semi-annual budget-to-actual comparisons, 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 funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Budget to actual comparisons are not mentioned in the meeting minutes provided.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

⁴ Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

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.

No exceptions

- 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.⁶

None of the board meeting minutes provided refer to resolving any of the 2022 audit findings.

3) Bank Reconciliations

1. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁷ (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);

No exceptions

- 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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

There is no evidence that the bank reconciliations were reviewed.

- 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.

There is no evidence that outstanding items over 12 months old have been researched.

⁶ No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

⁷ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

4) Collections (excluding electronic funds transfers)⁸

- A. Obtain a listing of deposit sites⁹ 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).

Management represented that the list obtained was complete.

- B. For each deposit site selected, obtain a listing of collection locations¹⁰ 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;
Employees do share a cash register.
 - 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;
No exceptions
 - 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
No exceptions
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
No exceptions

⁸ The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

⁹ A deposit site is a physical location where a deposit is prepared and reconciled.

¹⁰ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

- 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.

There is not a policy for theft.

- 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.¹¹
No exceptions
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions
- iv. Observe that the deposit was made within one business day of receipt¹² 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*).
One of the two deposits tested had a deposit date 11 days later than the deposit date on the deposit slip.
- v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions.

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

1. 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).
2. 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

¹¹ The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

¹² As required by Louisiana Revised Statute 39:1212.

about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
At least two employees are not involved in initiating a purchase request.
- ii. At least two employees are involved in processing and approving payments to vendors;
No exceptions
- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
The employee responsible for processing payments can also add/modify vendor files.
- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
No exceptions
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
No exceptions

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

3. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
Supporting documentation was not provided for 1 of the 5 disbursements selected.
 - 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.

Supporting documentation was not provided for 1 of the 5 disbursements selected.

4. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

Supporting documentation was not provided for 3 of the 5 disbursements selected.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards¹³. Obtain management's representation that the listing is complete.

Management represented the list obtained was complete.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No evidence supporting documentation was reviewed and approved by someone other than authorized card holder.

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

No exceptions

¹³ Including cards used by school staff for either school operations or school activity fund operations.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection)¹⁴. 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.
- 1) An original itemized receipt was missing for 3 of the 4 items tested.
 - 2) Written documentation was not present on any of the 4 items tested.
 - 3) None of the items tested were for meals.

7) Travel and Travel-Related Expense Reimbursements¹⁵ (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
- Obtained a listing and management stated that the listing was complete.
- 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);
No exceptions
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
No exceptions
 - 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

¹⁴ For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

¹⁵ Non-travel reimbursements are not required to be inspected under this category.

other documentation required by Written Policies and Procedures procedure #1A(vii); and

Reimbursements are a set amount each month and are not supported by any documentation.

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

No exceptions

8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁶ (e.g., solicited quotes or bids, advertised), if required by law;

No exceptions

- 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);

No exceptions

- 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

No exceptions

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions

¹⁶ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" (R.S. 38:2211 *et seq*) with "Louisiana Procurement Code."

9) Payroll and Personnel

- A. Obtain a listing of employees and officials¹⁷ 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.
- Management represented that the listing obtained was complete.
- 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 officials¹⁸ documented their daily attendance and leave (e.g., vacation, sick, compensatory);
No exceptions
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
No exceptions
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
No exceptions
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
No authorized pay rates were provided.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- An authorized pay rate was not provided for the one terminated employee.
- 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.

¹⁷ "Officials" would include those elected, as well as board members who are appointed.

¹⁸ Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

No exceptions

10) Ethics¹⁹

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
2 of the 5 employees selected did not receive training
 - b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
No exceptions; no change in policy
2. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.
No exceptions

11) Debt Service²⁰

- 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.
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).
No exceptions

¹⁹ The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

²⁰ This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

12) Fraud Notice²¹

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No exceptions

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

No exceptions

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and

²¹ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs. The notice is available for download at www.lla.la.gov/hotline

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

We performed the procedure 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 Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

No exceptions

- 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. 42:1267²². The requirements are as follows:

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

Only 1 of the 5 employees chosen has completed the training.

14) Prevention of Sexual Harassment²³

- 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.

Only 1 of 5 employees completed the training.

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

²² While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

²³ While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

The district does not have their sexual harassment policy and complaint procedure posted anywhere.

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

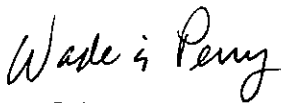
No report was completed.

- i. Number and percentage of public servants in the agency who have completed the training requirements;
No report was completed.
- ii. Number of sexual harassment complaints received by the agency;
No report was completed.
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
No report was completed.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
No report was completed.
- v. Amount of time it took to resolve each complaint.
No report was completed.

We were engaged by the Bienville Parish Recreation District #1 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 the Bienville Parish Recreation District #1 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.



Ruston, LA
October 3, 2024