

TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT
GRETN, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED
MARCH 31, 2023



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

CONTENTS

EXHIBIT **PAGE**

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT: 1 – 4

REQUIRED SUPPLEMENTARY INFORMATION:

Management’s Discussion and Analysis (Unaudited) 5 – 8

BASIC FINANCIAL STATEMENTS:

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

Statement of Net Position A 9

Statement of Revenues, Expenses, and Changes in Net Position B 10

Statement of Cash Flows C 11 – 12

NOTES TO FINANCIAL STATEMENTS 13 – 24

OTHER SUPPLEMENTARY INFORMATION:

Schedule of General and Administrative Expenses 1 25

Schedule of Compensation, Benefits, and Other Payments to Agency Head... 2 26

OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS:

Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 27 – 28

Schedule of Findings and Responses 29

Summary Schedule of Prior Year Findings 30



INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Timberlane Neighborhood Improvement and Beautification District
Gretna, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Timberlane Neighborhood Improvement and Beautification District (the District), as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Timberlane Neighborhood Improvement and Beautification District, as of March 31, 2023, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Board of Commissioners
Timberlane Neighborhood Improvement and Beautification District
September 18, 2023

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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



To the Board of Commissioners
Timberlane Neighborhood Improvement and Beautification District
September 18, 2023

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the District's basic financial statements. The accompanying Schedule of General and Administrative Expenses is presented for purposes of additional analysis and is not a part of the basic financial statements. The accompanying Schedule of Compensation, Benefits and Other Payments to Agency Head is presented to comply with the Act 706 of the 2014 Louisiana Legislative Session 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of General and Administrative Expenses and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



To the Board of Commissioners
Timberlane Neighborhood Improvement and Beautification District
September 18, 2023

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 18, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Timberlane Neighborhood Improvement and Beautification District's internal control over financial reporting and compliance.

September 18, 2023
New Orleans, Louisiana

A handwritten signature in cursive script that reads "Ericksen Krentel, LLP".

Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED MARCH 31, 2023**

This section of the Timberlane Neighborhood Improvement and Beautification District’s (the District) annual financial report presents management’s analysis of the District’s financial performance for the year ended March 31, 2023. This analysis should be read in conjunction with the audited financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The District’s net position increased by \$415,597.
- The operating revenues of the District were \$893,787 and general revenues were \$1,206,476.
- The total expenditures/expenses and other financing uses of the District were \$1,684,666.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three sections: Management’s Discussion and Analysis, audited financial statements and supplementary information. The financial statements also include notes that provide additional detail of the information included in the financial statements.

Government Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*, provides that special purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of:

- Management’s Discussion and Analysis (MD&A)
- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements
- RSI other than MD&A, if applicable

Enterprise Fund Financial Statements

The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows.

The statement of net position and the statement of revenues, expenses and changes in net position provide information to present the change in the District’s financial condition for the current year’s operations. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most businesses. The current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

These two statements report the District's net position and its changes. Net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – is a measure of the financial position of the District. Increases or decreases in the District's net position are an indicator of whether the District's financial position is improving or deteriorating.

The statement of cash flows provides information on the changes in cash during the year. This statement reports the net cash provided or used by operating, non-capital financing activities, capital and related financing activities, and investing activities.

FINANCIAL ANALYSIS OF THE ENTITY

The following presents condensed financial information of the District:

CONDENSED STATEMENTS OF NET POSITION
AS OF MARCH 31, 2023 AND 2022

	<u>ASSETS</u>	
	March 31, 2023	March 31, 2022
Current assets	\$ 1,940,204	\$ 1,551,752
Right of use assets – financing leases, net	353,954	-
Capital assets, net	<u>1,711,395</u>	<u>1,652,679</u>
Total assets	<u>4,005,553</u>	<u>3,204,431</u>
	<u>LIABILITIES</u>	
Current liabilities	731,275	692,272
Long-term liabilities	<u>1,406,185</u>	<u>1,059,663</u>
Total liabilities	<u>2,137,460</u>	<u>1,751,935</u>
	<u>NET POSITION</u>	
Net investment in capital assets	444,451	232,213
Unrestricted	<u>1,423,642</u>	<u>1,220,283</u>
Total net position	<u>\$ 1,868,093</u>	<u>\$ 1,452,496</u>

Total assets increased by \$801,122 (25%) primarily due to positive cash flows generated through operating results and property tax receipts and the recognition of right of use assets during the implementation of GASB 87. Total liabilities increased by \$385,525 (22%) primarily due to recognition of additional lease liabilities through the implementation of GASB 87 and increases in payments due to a tenant. The District is currently withholding payment until the tenant becomes compliant with its obligations under the lease as more fully described in Note 12 to the financial statements. Net position increased by \$415,597 (29%) as a result of operations and an increase in capital grants from FEMA related to damages from Hurricane Ida.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

CONDENSED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Operating revenues	\$ 893,787	\$ 745,474
Operating expenses	<u>(1,624,262)</u>	<u>(1,463,295)</u>
Operating loss	(730,475)	(717,821)
General revenues	1,206,476	1,135,452
Interest expense	<u>(60,404)</u>	<u>(56,915)</u>
Total nonoperating income	1,146,072	1,078,537
Changes in net position	415,597	360,716
Beginning net position	<u>1,452,496</u>	<u>1,091,780</u>
Ending net position	<u>\$ 1,868,093</u>	<u>\$ 1,452,496</u>

Operating revenues increased \$148,313 (20%) primarily due to increases in Timberlane Golf Course membership, favorable weather comparative to the prior year, and increased pricing power on green fees. Operating expenses increased \$160,967 (11%) primarily due to increased maintenance costs. General revenues increased \$71,024 (6%) due to hurricane recovery grants.

CAPITAL ASSETS, RIGHT OF USE ASSETS, AND DEBT ADMINISTRATION

Capital assets

As of March 31, 2023 and 2022, the District had \$444,451 and \$232,213, respectively, invested in capital assets net of related debt and liabilities. Capital assets include land, construction in progress, buildings and structures, equipment, and right of use assets. The 2023 amount represents a net increase (including additions, disposals, and payments of debt and financing leases) of \$212,238 over the last year.

The District's capital assets had cumulative original cost of \$1,783,518 and \$1,692,519 at March 31, 2023 and 2022, respectively. Accumulated depreciation at the end of 2023 and 2022 was \$72,123 and \$39,840, respectively. For additional information on capital asset activity, see Note 4 in the Financial Statements section.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

Right of Use Assets

As of April 1, 2022, the District has implemented GASB 87 and capitalized right of use equipment acquired through financing leases with a cost of \$522,389 and corresponding accumulated amortization of \$168,435 as of March 31, 2023. Financing leases payable were \$369,763 as of March 31, 2023. For additional information on right of use assets and financing lease activity, see Note 5 in the Financial Statements section.

Debt Administration

The District had \$1,251,135 and \$1,404,370 in debt outstanding as of March 31, 2023 and 2022, respectively. The District assumed the debt in its acquisition of the golf course, driving range, and club house. Additional information concerning the debt is disclosed in Note 7 in the Notes to the Financial Statements.

ECONOMIC FACTORS AND A LOOK AT NEXT YEAR

The commissioners have implemented a 10-year vision to accomplish the stated desired result of the ordinance creating the TNIBD, specifically for “the purpose of promoting and encouraging the improvement, beautification and overall betterment of the Timberlane Neighborhood, in order to add to the quality of life of the residents thereof by maintaining property values, increasing the tax base, fostering economic growth and providing for recreational activities.”

The District's property, including the clubhouse and pool, experienced damage from Hurricane Ida in September 2021 and significant repairs are expected to continue in the year ending March 31, 2024. Such repairs are expected to be primarily paid for by the District's tenant. The District expects the property to be fully operational in the 2024 fiscal year.

CONTACTING THE DISTRICT'S MANAGEMENT

This report is designed to provide a general overview of the District and to demonstrate the District's accountability for its finances. If you have any questions about this report or need additional information, please contact the District's Board of Commissioners Chairperson at P.O. Box 1788. Gretna, Louisiana 70054.

BASIC FINANCIAL STATEMENTS

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT
STATEMENT OF NET POSITION
MARCH 31, 2023**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 1,770,969
Property tax receivable	54,677
Accounts receivable	7,495
Inventory	77,798
Prepaid expenses	<u>29,265</u>
 Total current assets	 <u>1,940,204</u>

RIGHT OF USE ASSETS - FINANCING LEASES, NET:

353,954

PROPERTY & EQUIPMENT, NET:

1,711,395

Total long-term assets 2,065,349

Total assets 4,005,553

LIABILITIES AND NET POSITION

CURRENT LIABILITIES:

Accounts payable	88,456
Accrued liabilities	411,615
Other current liabilities	16,491
Current portion of long-term financing leases	162,251
Current portion of long-term debt	<u>52,462</u>
 Total current liabilities	 <u>731,275</u>

LONG-TERM LIABILITIES:

Long-term financing leases, net	207,512
Long-term debt	<u>1,198,673</u>

Total long-term liabilities 1,406,185

Total liabilities 2,137,460

NET POSITION:

Net investment in capital assets	444,451
Unrestricted	<u>1,423,642</u>

Total net position \$ 1,868,093

The accompanying notes are an integral part of this statement

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2023

OPERATING REVENUES:

Membership dues	\$ 205,785
Green fees	198,571
Cart fees	320,050
Driving range fees	44,707
Merchandise sales	88,762
Other revenues	<u>35,912</u>
 Total operating revenues	 <u>893,787</u>

OPERATING EXPENSES:

Golf course management	106,102
Golf course maintenance	714,718
Cart expense	157,246
Driving range expense	9,345
Golf shop	130,814
Merchandise expense	72,831
Depreciation	32,283
General and administrative expenses	<u>400,923</u>

Total operating expenses 1,624,262

Net operating (loss) (730,475)

NONOPERATING REVENUES AND (EXPENSES):

Tax revenues	1,005,917
Interest income	29,042
Capital grants	171,517
Interest expense	<u>(60,404)</u>

Total nonoperating revenues and (expenses) 1,146,072

Net change in net position 415,597

Net position - beginning 1,452,496

Net position - ending \$ 1,868,093

The accompanying notes are an integral part of this statement

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023**

<u>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:</u>	
Receipts from customers and members	\$ 896,590
Payments to suppliers	<u>(1,252,740)</u>
Net cash (used in) operating activities	<u>(356,150)</u>
<u>CASH FLOWS FROM (USED IN) NON-CAPITAL FINANCING ACTIVITIES:</u>	
Capital grants	213,817
Property tax receipts	<u>996,530</u>
Net cash from non-capital financing activities	<u>1,210,347</u>
<u>CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Purchase of capital assets	(93,260)
Interest paid on debt	(48,369)
Payment on financing leases	(179,039)
Payment on debt principal	<u>(151,007)</u>
Net cash (used in) capital and related financing activities	<u>(471,675)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Interest income received	<u>29,042</u>
Net cash from investing activities	<u>29,042</u>
Net change in cash and cash equivalents	411,564
Cash and cash equivalents – beginning of year	<u>1,359,405</u>
Cash and cash equivalents – end of year	<u>\$ 1,770,969</u>

The accompanying notes are an integral part of this statement

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2023

**RECONCILIATION OF OPERATING (LOSS) TO CASH
(USED IN) OPERATING ACTIVITIES:**

Operating (loss)	\$	(730,475)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation expense		32,283
Bad debt expense		1,685
Amortization of right to use assets		168,435
Change in operating assets and liabilities:		
Accounts receivable		(567)
Inventory		(16,985)
Prepaid expenses		5,511
Accounts payable		5,052
Accrued liabilities		177,867
Other current liabilities		1,044
		<hr/>
Net cash (used in) operating activities	\$	<u>(356,150)</u>

The accompanying notes are an integral part of this statement

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ENABLING LEGISLATION

The Timberlane Neighborhood Improvement and Beautification District (the District) was created by Jefferson Parish Ordinance No. 25121, on December 5, 2018, under authority of the provision of Article 6, Section 19 of the Louisiana Constitution of 1974, Section 2.01 (7) of the Jefferson Parish Home Rule Charter.

The primary objective and purpose of the District shall be to promote and encourage the improvement, beautification, and overall betterment of the neighborhood located within the boundaries of the District in order to add to the quality of life of District residents by maintaining property values, increasing the tax base, fostering economic growth, and providing for recreational activities.

The District shall constitute a special taxing district and political subdivision and it shall have the power and privilege to incur debt, to issue bonds and to levy and collect taxes, special assessments and fees, upon a majority vote of the electorate of the District; to issue certificates of indebtedness; and has the authority to acquire property located within the boundaries of the District; however, the District is not authorized to acquire property by expropriation.

Reporting Entity

The Governmental Accounting Standards Board issued GASB Statement No. 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statement No. 14 and No. 34, which established criteria for determining the reporting entity and component units that should be included within the reporting entity and other reporting relationships. The basic criteria for including a potential component unit within the reporting is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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

Based upon the previous criteria, the District has determined it has no component units and the financial statements only include the funds of the District, the reporting entity. The District is governed by a Board of Commissioners consisting of 5 members, four of whom are elected by parcel owners of the District. Each parcel owner gets one vote.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

The accompanying basic financial statements have been presented in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

The accounts of the District are organized and operated as an enterprise fund. Enterprise funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. The accompanying financial statements have been prepared on the full accrual basis in accordance with GAAP. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred or economic asset used.

Budgetary Accounting

The District prepares the annual budget for internal management purposes, and the budget is based on what is expected to be collected during the fiscal year. The budget is approved by the Board of Commissioners. The adopted budget constitutes the authority of the District to incur liabilities and authorize expenses from the respective budgeted funds. In addition, certain expenses are approved monthly by the Board before payment. The District is not required to present a budget comparison in its financial statements.

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.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (continued)

Louisiana revised statutes authorize the District to invest in (1) United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-R.S. 39:1271, or any other federally insured investments or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies. At March 31, 2023, the District had no such investments.

Parcel Assessment Revenue and Receivables

Parcel assessments are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Parcel assessment revenue receivables presented in the financial statements represent the estimated parcel assessments collectable assessed in the current fiscal year.

Inventories

Inventories, which consist primarily of items sold in the golf pro shop and horticultural supplies for the upkeep of the golf course and surrounding green space, are valued at the lower of cost or market on a first-in, first-out method.

Capital Assets

Capital assets purchased or acquired are reported at cost. Contributed assets are reported at fair market value at date received. Additions, improvements, and other capital outlays that are greater than \$2,500 and extended the useful life of an asset for more than one year are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets, other than land and construction in progress, is provided on the straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Useful Life</u>
Land	N/A
Machinery and equipment	5 – 15
Land improvements	20 – 30
Buildings	25 – 40
Building improvements	7 – 30
Infrastructure	20 – 50

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right of Use Assets

The District has recorded right of use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less incentives, and plus ancillary charges necessary to place the lease into service. Such assets are reported net of amortization. Right of use assets are amortized at the lesser of the useful life or lease term.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position will sometimes report a separate section for deferred outflows and inflows of resources. These separate financial statement elements represent an acquisition of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time.

Equity Classification

In the financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings 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 or 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.

When both restricted and unrestricted net position are available for use, it is the District's policy to use restricted resources first, then unrestricted as needed.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

The District's Statement of Revenues, Expenses and Change in Net Position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with golf operations, merchandise sales, and facility rental, – the District's principal activity. Non-exchange revenues represent special assessments and donations received. Operating expenses are all expenses incurred to provide services, other than financing costs.

Donations

The District may receive donations from individuals and private organizations. Donation revenue (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Donations may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

Accounting 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through September 18, 2023, the date which the financial statements were available to be issued.

Newly Adopted Accounting Pronouncements

As of April 1, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. Even though there is no interest included in the lease agreements, it establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the District's 2023 financial statements and had no effect on the beginning net position of the District or the fund statements.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2023

(2) CASH AND CASH EQUIVALENTS

At March 31, 2023, the District had cash (book balances) totaling \$1,770,969. The District is authorized under state law to 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, and the laws of the United States. The District may also invest in U.S. Treasury securities and other evidence of indebtedness issued or guaranteed by federal agencies and time certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent.

At March 31, 2023, the District's deposits were secured from risk by federal deposit insurance at local institutions and through the promontory insured cash sweep service (ICS). Financial institutions that use ICS benefit from the Promontory Network advantage and the confidence of knowing that ICS is endorsed by the American Bankers Association and enjoys strategic marketing alliances with key trade associations across the United States. When a customer submits funds to a Promontory Network member (Gulf Coast Bank and Trust) for placements through ICS, that institution places the funds into deposit accounts at FDIC-insured banks that are also members of the ICS Network. This occurs in increments below the standard FDIC insurance maximum (\$250,000) so that both principal and interest are eligible for FDIC insurance. By working directly with just one institution (Gulf Coast Bank and Trust), the District is able to receive FDIC coverage from many financial institutions while only working with a single bank (Gulf Coast Bank and Trust). At March 31, 2023, the Districts' cash equivalent bank balances held in Promontory Insured Cash Sweep accounts were \$1,456,984.

(3) PARCEL ASSESSMENT RECEIVABLE AND REVENUE

Parcel assessments are reported as revenues in the period for which they are levied.

The District levies an annual parcel assessment on all parcels within the District as of November 15 of each year. Current parcel assessments are received beginning in December of each year and become delinquent after January 31 of the following year. Parcel assessments are billed and collected by the Jefferson Parish Sheriff's Office which retains a fee for its services.

In 2019, the parcel owners of the District voted and approved a special assessment not to exceed \$1,950 per parcel for a term of 10 years (2019-2028) for use in the improvement, beautification and overall betterment of the District. Annually, the Commissioners vote to set the special assessment rate for the upcoming year.

During the 2023 fiscal year the District recorded revenues of \$1,015,950, which is presented net of related tax collection fees of \$10,033 in the statement of revenues, expenses, and changes in net position. At March 31, 2023, the District was owed \$54,677 for future collections of 2022 calendar year taxes. The District did not calculate an allowance of uncollectible parcel assessment revenues of the current year assessment as it believes all parcel assessments are collectible.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2023

(4) CAPITAL ASSETS

	<u>Balance</u> <u>4/01/2022</u>	<u>Additions</u> <u>2023</u>	<u>Deductions</u> <u>2023</u>	<u>Balance</u> <u>3/31/2023</u>
Capital assets not being depreciated:				
Land	\$ 1,341,894	\$ -	\$ (6,197)	\$ 1,335,697
Construction-in-progress	<u>-</u>	<u>30,366</u>	<u>-</u>	<u>30,366</u>
Total capital assets not being depreciated	<u>1,341,894</u>	<u>30,366</u>	<u>(6,197)</u>	<u>1,366,603</u>
Capital assets being depreciated:				
Buildings	198,780	-	-	198,780
Pavement and bridges	60,826	62,510	-	123,336
Equipment and fixtures	<u>91,019</u>	<u>4,320</u>	<u>-</u>	<u>95,339</u>
Total capital assets being depreciated	<u>350,625</u>	<u>66,830</u>	<u>-</u>	<u>417,455</u>
Less: accumulated depreciation	<u>(39,840)</u>	<u>(32,283)</u>	<u>-</u>	<u>(72,123)</u>
Total capital assets being depreciated, net	<u>310,785</u>	<u>34,547</u>	<u>-</u>	<u>345,332</u>
Total capital assets, net	<u>\$ 1,652,679</u>	<u>\$ 64,913</u>	<u>\$ (6,197)</u>	<u>\$ 1,711,395</u>

Depreciation expense for the year ended March 31, 2023 was \$32,283.

(5) RIGHT OF USE ASSETS AND FINANCING LEASE LIABILITIES

Long-term Lease Commitments

The District has several leases for equipment. The District's long-term lease commitments as of March 31, 2023 are summarized as follows:

<u>Equipment Description</u>	<u>Start Date</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Original Lease Term</u>	<u>Remaining Lease Liability</u>
Course maintenance	05/01/20	\$ 8,897	4.45%	60 Months	\$ 216,038
Golf carts	09/01/20	3,855	5.43%	60 Months	106,506
Turf mower #1	12/01/21	284	7.39%	51 Months	6,201
Turf mower #2	03/01/22	780	2.57%	48 Months	35,775
Printer	03/01/21	77	4.88%	36 Months	763
Irrigation supplies	10/01/18	897	7.31%	60 Months	4,480

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2023

(5) **RIGHT OF USE ASSETS AND FINANCING LEASE LIABILITIES
(CONTINUED)**

Long-term Lease Commitments (Continued)

The course maintenance equipment, golf cart, and irrigation supply leases end with a bargain purchase option of \$1. The second turf mower lease is able to be extended in 12 month increments at maturity. The remaining leases do not transfer ownership of the asset and do not have renewal clauses.

Principal and Interest on Long-Term Obligations

Annual requirements to amortize long-term obligations and related interest for the next five years and in five-year increments thereafter are as follows:

<u>Years</u>	<u>Principal</u>
2024	\$ 171,045
2025	165,511
2026	<u>45,792</u>
Less imputed interest	<u>(12,585)</u>
	<u>\$ 369,763</u>

During the year ended March 31, 2023, interest charged to expense for leases was \$14,008.

Right of Use Lease Assets

A schedule of changes in right of use assets is as follows:

	<u>Balance 04/01/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 03/31/2023</u>
Right of Use Equipment	\$ 522,389	\$ -	\$ -	\$ 522,389
Accumulated Depreciation	<u>-</u>	<u>(168,435)</u>	<u>-</u>	<u>(168,435)</u>
Right of Use Assets, Net	<u>\$ 522,389</u>	<u>\$ (168,435)</u>	<u>\$ -</u>	<u>\$ 353,954</u>

Depreciation on right of use assets was \$168,435 for the year ended March 31, 2023 and is included in operating expenses on the statement of revenues, expenses, and changes in net position.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2023

(6) LONG-TERM DEBT

	<u>Balance</u> <u>04/01/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>03/31/2023</u>	<u>Due Within</u> <u>One Year</u>
Debt payable to a private mortgage holder. Interest at 5.75%. Interest is payable monthly, with principal due at maturity. Matures April 2024.	\$ 300,000	\$ -	\$ (100,000)	\$ 200,000	\$ -
Debt payable to the Small Business Administration as assumed by the District in 2019. Interest at 3%. Payments of \$3,550 are due monthly and remaining interest and principal are due on May 9, 2043.	649,549	-	(23,429)	626,120	23,977
Debt payable to the Small Business Administration as assumed by the District in 2019. Interest at 4%. Payments of \$3,773 are due monthly and remaining interest and principal are due on June 16, 2036.	<u>454,821</u>	<u>-</u>	<u>(29,806)</u>	<u>425,015</u>	<u>28,485</u>
Total	<u>\$ 1,404,370</u>	<u>\$ -</u>	<u>\$ (153,235)</u>	<u>\$ 1,251,135</u>	<u>\$ 52,462</u>

Following is a summary of future principal and interest requirements:

<u>Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 52,462	\$ 44,414	\$ 96,876
2025	254,352	33,524	287,876
2026	56,311	31,565	87,876
2027	58,343	29,534	87,877
2028	60,449	27,427	87,876
2029 – 2033	336,653	102,727	439,380
2034 – 2038	255,977	79,979	335,956
2039 – 2043	<u>176,588</u>	<u>13,307</u>	<u>189,895</u>
	<u>\$ 1,251,135</u>	<u>\$ 362,477</u>	<u>\$ 1,613,612</u>

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2023

(6) LONG-TERM DEBT (CONTINUED)

Interest costs incurred and charged to expense for the year ended March 31, 2023 was \$60,404.

(7) FEMA RECEIPTS

During 2023, the District recorded revenues of \$171,517 from FEMA for damages occurring from Hurricane Ida. The District has recorded these as capital grants on the statement of revenues, expenses, and changes in net position.

(8) CONCENTRATIONS OF CREDIT RISK

From Accounts Receivable

The District grants credit to its members, most of who are residents of the District. Members are only allowed to charge with a valid credit card on file which is charged monthly.

From Revenues

The District is located in Gretna, Louisiana and relies on parcel assessments, which were approximately 48% of its total revenues for 2023.

(9) MANAGEMENT AGREEMENT

On April 1, 2020, the District entered into a management agreement with CGPM Managers, LLC for the management of the operation golf course and pro shop. The agreement authorizes CGPM Managers, LLC to perform operational, managerial, administrative, supervisory, accounting, and other services related to the management of the golf course facility, golf pro shop, and membership services, under the supervision of the Board of Commissioners of the District. The agreement is for an initial period of three years with an automatic extension of two years, if certain metrics are met. The base management fee is \$7,000 per month for the first year and the \$8,000 for years two and three. The agreement also entitles CGPM Managers, LLC for an incentive payment based upon metrics in the agreement. During the year ended March 31, 2023, the District recorded \$96,000 of management fees and \$6,144 of incentive fees paid to CGPM Managers, LLC, which is included in golf course management expense on the statement of revenues, expenses, and changes in net position. In addition to the management fees, the District is responsible for all expenses necessary for the operation of the golf course and pro shop.

(10) LAND COVENANTS

The Timberlane Country Club, Inc. (the Seller) purchased the property in August 1961, with a covenant the property be used only for a golf and country club, for a period of 30 years. The covenant renews automatically renews every 10 years unless 80% of the residents vote to amend the restriction.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2023

(11) RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District carries commercial insurance in amounts sufficient to insure itself against claims resulting from any of those risks.

(12) COMMITMENTS

In March of 2023, the District entered into a \$86,400 construction commitment for a new maintenance building. As of March 31, 2023, the District had paid \$28,866 towards the commitment and had \$57,534 remaining for work that had not been performed by the contractor.

Prior to the District obtaining the real property of the Timberlane Country Club, Inc (the Seller), the Seller executed a lease in December 2019 with Café Hope Inc. (the Tenant) as the Tenant of the main club house building, swimming pool, and other recreational properties except for the golf course. The lease is for a term of 99 years.

The District assumed this lease in the purchase of the real property of the Seller. The rent for this lease is the performances of the respective obligations and covenants of the Tenant and Landlord to each other whereby each of the parties obtains an advantage in exchange for his obligation, the parties obligate themselves reciprocally, so that the obligation of each party is correlative to the obligation of the other, the rights granted to Tenant by Landlord and the rights retained by Landlord, for the use and enjoyment of the Demised Premises. Rent includes the payment by Tenant of the cost of all repairs, maintenance, renovations, and improvements to the premises and the other obligations of Tenant set forth. As of the report date, the Tenant had not yet completed significant renovations and improvements as outlined in the agreement.

For the first ten years of the lease, beginning January 1, 2020, the District shall pay the tenant a portion of the building maintenance and operation expense for resident members' use of the premises in the amount of \$28.00 per month per taxable parcel within the district. During the year ended March 31, 2023, the District recorded expense of \$175,056 under the terms of this agreement. The District has not made payment for the previous 25 months due to the Tenant's noncompliance with its obligations under the agreement. At March 31, 2023, the District has accrued but not paid \$364,700 in connection with this agreement, which is included in accrued liabilities on the statement of net position.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2023

(12) COMMITMENTS (CONTINUED)

The District expects to charge the following amounts to expenditure over the following five years and in five-year increments thereafter:

<u>Fiscal Year End</u>	<u>Café Hope</u>
2024	\$ 175,056
2025	175,056
2026	175,056
2027	175,056
2028	175,056
2029 - 2030	<u>350,112</u>
	<u>\$ 1,225,392</u>

(13) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements.*” The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The District plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 96, “*Subscription-Based Information Technology Arrangements.*” Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, —which is when the subscription asset is placed into service. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The District plans to adopt this Statement as applicable by the effective date.

OTHER SUPPLEMENTARY INFORMATION

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED MARCH 31, 2023

GENERAL AND ADMINISTRATIVE EXPENSES:

Accounting	\$	26,868
Advertising and marketing		1,945
Bank fees		22,202
Dues and subscriptions		3,536
Facility use fees		175,056
Insurance		49,346
Licenses and permits		800
Other general and administrative		14,837
Payroll processing		6,942
Payroll reimbursements		89,442
Postage		1,291
Printing		2,052
Supplies		1,189
Website management		<u>5,417</u>
 Total general and administrative expenses	 \$	 <u>400,923</u>

The accompanying notes are an integral part of this statement

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED MARCH 31, 2023

	Jon McGill Chairperson <hr style="border: 0.5px solid black;"/>
No compensation, benefits, or other payments in 2023	\$ <hr style="border: 0.5px solid black;"/> -
Total compensation, benefits, and other payments	\$ <hr style="border: 1px solid black; border-bottom: 3px double black;"/> -

**OTHER REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***



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

To The Board of Commissioners and Management of the
Timberlane Neighborhood Improvement and Beautification District
Gretna, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Timberlane Neighborhood Improvement and Beautification District (the District), as of and for the year ended March 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 September 18, 2023.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



To The Board of Commissioners and Management of the
Timberlane Neighborhood Improvement and Beautification District
September 18, 2023

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

September 18, 2023
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED MARCH 31, 2023**

SECTION I SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Timberlane Neighborhood Improvement and Beautification District (the District).
2. No material weaknesses in internal control relating to the audit of the financial statements were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Timberlane Neighborhood Improvement and Beautification District were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No management letter was issued for the year ended March 31, 2023.

SECTION II FINANCIAL STATEMENT FINDINGS

There were no findings for the year ended March 31, 2023.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED MARCH 31, 2023**

SECTION I – FINANCIAL STATEMENTS FINDINGS

There were no findings related to the year ended March 31, 2022.

LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
TIMBERLANE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT
FOR THE YEAR ENDED
MARCH 31, 2023



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of
Timberlane Neighborhood Improvement and Beautification District
and the Louisiana Legislative Auditor

We have performed the procedures enumerated on Schedule "1" on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended March 31, 2023. The Timberlane Neighborhood Improvement and Beautification District's (the District) management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the year ended March 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 attached in Schedule "1."

We were engaged by the 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUP's, 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.

September 18, 2023
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
& BEAUTIFICATION DISTRICT
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED MARCH 31, 2023**

1) WRITTEN POLICIES AND PROCEDURES

- A. Procedures:** Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rates of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - h) ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
& BEAUTIFICATION DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2023**

1. WRITTEN POLICIES AND PROCEDURES (CONTINUED)

- 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.

Results: No exceptions were found as a result of applying the procedures.

2. BOARD OR FINANCE COMMITTEE

A. Procedures: 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:

- a) 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.
- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
- c) 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.
- d) 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.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
& BEAUTIFICATION DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2023**

2. BOARD OR FINANCE COMMITTEE (CONTINUED)

Results: No exceptions were found as a result of applying the procedures.

3. BANK RECONCILIATIONS

A. Procedures: 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 five additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated or electronically logged).
- b) Bank reconciliations include evidence that a member of management/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
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were found as a result of applying the procedures.

4. COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

A. Procedure: 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 five deposit sites (or all deposit sites if less than five).

B. Procedures: 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 (i.e. five collection locations for five 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:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) 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.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
& BEAUTIFICATION DISTRICT**
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2023

4. COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)

- c) 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
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. **Procedures:** Randomly select two deposit dates for each of the five bank accounts selected for procedure #3A under "Bank Reconciliations" above (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). Obtain supporting documentation for each of the ten deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) 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 ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of applying the procedures.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
& BEAUTIFICATION DISTRICT**
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2023

5. **NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)**

- A. **Procedure:** 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 five).
- B. **Procedures:** For each location selected under #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/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 or 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.
 - 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.
- C. **Procedures:** For each location selected under #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 five disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
& BEAUTIFICATION DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2023**

5. NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)

D. Procedures: 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, (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.

- a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy.
- 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.

Results: No exceptions were found as a result of applying the procedures.

6. CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)

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

B. Procedures: Using the listing prepared by management, randomly select five cards (or all cards if less than five) 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
- b) Observe that finance charges and late fees were not assessed on the selected statements.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
& BEAUTIFICATION DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2023**

**6. CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)
(CONTINUED)**

C. Procedures: 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 (i.e. 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.

Results: No exceptions were found as a result of applying the procedures.

**7. TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING
CARD TRANSACTIONS)**

A. Procedures: 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 five 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 five reimbursements selected:

- a) 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).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) 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 #1G).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of applying the procedures.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
& BEAUTIFICATION DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2023**

8. CONTRACTS

- A. Procedures:** 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 five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) 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).
 - d) Randomly select one payment from the fiscal period for each of the five 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.

Results: No exceptions were found as a result of applying the procedures.

9. PAYROLL AND PERSONNEL

- A. Procedure:** Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Procedures:** Randomly select one pay period during the fiscal period. For the five employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
& BEAUTIFICATION DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2023**

9. PAYROLL AND PERSONNEL (CONTINUED)

d) Observe whether the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

C. **Procedures:** 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 of termination payments. Agree the hours to the employee's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's personnel files, and agree the termination payment to entity policy.

D. **Procedures:** 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.

Results: There are no employees or officials employed by the District. No exceptions were found as a result of applying the procedures.

10. ETHICS

A. **Procedures:** Using the five randomly selected employees/officials from "Payroll and Personnel" procedure #9A, obtain ethics documentation from management, and:

a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

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

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

Results: No exceptions were found as a result of applying the procedures.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
& BEAUTIFICATION DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2023**

11. DEBT SERVICE

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

Results: No debt instruments were issued during the fiscal period. No exceptions were found as a result of applying the procedures.

12. FRAUD NOTICE

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

Results: No exceptions were found as a result of applying the procedures.

13. INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

A. **Procedures:**

- a) 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 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.

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
& BEAUTIFICATION DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2023**

**13. INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY
(CONTINUED)**

- b) 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.
- c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- d) 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.

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

14. PREVENTION OF SEXUAL HARASSMENT

- A. **Procedures:** Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, 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. **Procedure:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. **Procedure:** 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:
 - a. Number and percentage of public servants in the agency who have completed the training requirements;

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT
& BEAUTIFICATION DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2023**

14. SEXUAL HARASSMENT (CONTINUED)

- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and amount of time it took to resolve each complaint.

Results: No exceptions were found as a result of applying the procedures.