

**RECREATION DISTRICT NO. 6  
OF ST. TAMMANY PARISH**

Annual Financial Statements

December 31, 2023



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## **Independent Auditor's Report**

To the Board of Commissioners  
Recreation District No. 6 of St. Tammany Parish  
Covington, Louisiana

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of the governmental activities and each major fund of Recreation District No. 6 of St. Tammany Parish (the District), a component unit of St. Tammany Parish, Louisiana, 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 as listed in the table of contents.

In our opinion, the accompanying 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, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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 other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule on pages 5 - 7 and page 25, respectively, 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 the 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 the District's basic financial statements. The accompanying information listed as other supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 governing board 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 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 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 District's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA  
June 12, 2024

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

## RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH

### Management's Discussion and Analysis

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As management of Recreation District No. 6 of St. Tammany Parish (the District), we offer this discussion and analysis of the District's financial activities for the year ended December 31, 2023.

As with other sections of this financial report, the information contained within this Management's Discussion and Analysis (MD&A) should be considered only a part of the greater whole. The readers of these statements should take time to read and evaluate all sections of this report, including the accompanying notes.

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (on pages 9 and 10) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 12. These statements detail how these services were financed in the short-term as well as what remains for future spending. The District is a component unit of St. Tammany Parish, Louisiana. Its main operations are conducted through a general fund.

#### **Financial Highlights**

The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources on December 31, 2023, by \$125,742 (net position). Of this amount, \$285,413 was unrestricted. The District's total net position decreased by \$31,228.

At the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$546,470, an increase from the prior year of \$10,085. This amount includes \$255,513 in the Debt Service Fund which is restricted for debt service. The remaining fund balance of \$290,957 is unassigned in the General Fund.

## RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH

### Management's Discussion and Analysis

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A summary of the basic government-wide financial statements is as follows:

#### SUMMARY STATEMENTS OF NET POSITION

	2023	2022	Change
<b>Assets</b>			
Current Assets	\$ 559,882	\$ 543,785	\$ 16,097
Capital Assets	197,816	350,014	(152,198)
<b>Total Assets</b>	<b>757,698</b>	<b>893,799</b>	<b>(136,101)</b>
<b>Liabilities</b>			
Current Liabilities	134,956	123,829	11,127
Non-Current Liabilities	497,000	613,000	(116,000)
<b>Total Liabilities</b>	<b>631,956</b>	<b>736,829</b>	<b>(104,873)</b>
<b>Net Position</b>			
Net Investment in Capital Assets	(415,184)	(376,986)	(38,198)
Restricted - Debt Service	255,513	232,582	22,931
Unrestricted	285,413	301,374	(15,961)
<b>Total Net Position</b>	<b>\$ 125,742</b>	<b>\$ 156,970</b>	<b>\$ (31,228)</b>



## RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH

### Management's Discussion and Analysis

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#### SUMMARY STATEMENTS OF ACTIVITIES

	2023	2022	Change
<b>Revenues</b>			
Governmental Activities			
Recreation			
Charges for Services	\$ 156,965	\$ 134,288	\$ 22,677
General Revenues			
Ad Valorem Taxes	353,910	345,110	8,800
State Revenue Sharing	6,370	6,251	119
Other Income	6,966	34,584	(27,618)
<b>Total Revenues</b>	<b>524,211</b>	<b>520,233</b>	<b>3,978</b>
<b>Expenses</b>			
Recreation	535,430	461,228	74,202
Interest on Long-Term Debt	20,009	23,189	(3,180)
<b>Total Expenses</b>	<b>555,439</b>	<b>484,417</b>	<b>71,022</b>
<b>Change in Net Position</b>	<b>\$ (31,228)</b>	<b>\$ 35,816</b>	<b>\$ (67,044)</b>

#### Capital Assets and Debt

In 2023, capital assets decreased by \$152,198, which was the result of depreciation expense in excess of capital asset purchases. Total debt decreased by \$116,000, due to payment of bond principal.

#### Economic Factors and Next Year's Budget and Rates

In 2023, actual revenues exceeded budget by \$12,333 and actual expenditures were less than budget by \$9,650.

The District has authority to levy millage rates up to 11 mills for payment of general obligation bonds and 6 mills for operations and maintenance. The 2023 rates were levied at 4.75 mills for payment of general obligation bonds and 6.00 mills for acquiring, constructing, improving, maintaining, operating, and/or supporting parks, playgrounds, recreation centers, and other recreational facilities.

#### Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Michael Michel, Chairman, 110 Highland Crest Drive, Covington, LA 70435.

**BASIC FINANCIAL STATEMENTS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH**  
**Statement of Net Position**  
**December 31, 2023**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 245,287
Receivables - Ad Valorem Taxes, Net	310,324
Receivables - State Revenue Sharing	4,271
Capital Assets, Net	<u>197,816</u>
<b>Total Assets</b>	<u>757,698</u>
<b>Liabilities</b>	
Accounts Payable	9,282
Accrued Interest	6,489
Accrued Payroll	3,185
Bonds Payable	
Due Within One Year	116,000
Due in More than One Year	<u>497,000</u>
<b>Total Liabilities</b>	<u>631,956</u>
<b>Net Position</b>	
Net Investment in Capital Assets	(415,184)
Restricted - Debt Service	255,513
Unrestricted	<u>285,413</u>
<b>Total Net Position</b>	<u>\$ 125,742</u>

The accompanying notes are an integral part of these financial statements.

**RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH**  
**Statement of Activities**  
**For the Year Ended December 31, 2023**

Functional Programs	Expenses	Program Revenue Charges for Services	Net (Expenses) Revenues and Changes in Net Position
<b>Governmental Activities</b>			
Recreation	\$ 535,430	\$ 156,965	\$ (378,465)
Interest on Long-Term Debt	20,009	-	(20,009)
<b>Total</b>	<b>\$ 555,439</b>	<b>\$ 156,965</b>	<b>(398,474)</b>
<b>General Revenues</b>			
Ad Valorem Taxes			353,910
State Revenue Sharing			6,370
Other Income			6,966
<b>Total General Revenues</b>			<b>367,246</b>
<b>Change in Net Position</b>			(31,228)
<b>Net Position, Beginning of Year</b>			<b>156,970</b>
<b>Net Position, End of Year</b>			<b>\$ 125,742</b>

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS  
GOVERNMENTAL FUNDS**

**RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2023**

	General Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 116,393	\$ 128,894	\$ 245,287
Receivables - Ad Valorem Taxes, Net	173,204	137,120	310,324
Receivables - State Revenue Sharing	4,271	-	4,271
Due from Other Funds	10,083	-	10,083
<b>Total Assets</b>	<u>\$ 303,951</u>	<u>\$ 266,014</u>	<u>\$ 569,965</u>
<b>Liabilities</b>			
Accounts Payable	\$ 9,282	\$ -	\$ 9,282
Accrued Payroll	3,185	-	3,185
Due to Other Funds	-	10,083	10,083
<b>Total Liabilities</b>	<u>12,467</u>	<u>10,083</u>	<u>22,550</u>
<b>Deferred inflows of Resources</b>			
Unavailable Ad Valorem Taxes	527	418	945
<b>Total Deferred Inflows of Resources</b>	<u>527</u>	<u>418</u>	<u>945</u>
<b>Fund Balances</b>			
Restricted for:			
Debt Service	-	255,513	255,513
Unassigned	290,957	-	290,957
<b>Total Fund Balances</b>	<u>290,957</u>	<u>255,513</u>	<u>546,470</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 303,951</u>	<u>\$ 266,014</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	197,816
Deferred inflows of resources - unavailable ad valorem taxes are not reported on government-wide financial statements.	945
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(613,000)
Accrued interest on long-term liabilities is not reported in the governmental funds.	(6,489)
<b>Net Position of Governmental Activities</b>	<u>\$ 125,742</u>

The accompanying notes are an integral part of these financial statements.

**RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2023**

	General Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues</b>			
Ad Valorem Taxes	\$ 199,874	\$ 158,234	\$ 358,108
Sports Registration Fees	69,546	-	69,546
Concession and Gate Fees	79,184	-	79,184
State Revenue Sharing	6,370	-	6,370
Sponsorship Income	8,235	-	8,235
Other Income	6,966	-	6,966
<b>Total Revenues</b>	<b>370,175</b>	<b>158,234</b>	<b>528,409</b>
<b>Expenditures</b>			
Current			
Recreation	194,615	-	194,615
General and Administration	129,288	211	129,499
Concessions	38,995	-	38,995
Capital Outlay	20,123	-	20,123
Debt Service			
Principal Retirement	-	114,000	114,000
Interest and Fiscal Charges	-	21,092	21,092
<b>Total Expenditures</b>	<b>383,021</b>	<b>135,303</b>	<b>518,324</b>
<b>Net Change in Fund Balances</b>	<b>(12,846)</b>	<b>22,931</b>	<b>10,085</b>
<b>Fund Balances, Beginning of Year</b>	<b>303,803</b>	<b>232,582</b>	<b>536,385</b>
<b>Fund Balances, End of Year</b>	<b>\$ 290,957</b>	<b>\$ 255,513</b>	<b>\$ 546,470</b>

The accompanying notes are an integral part of these financial statements.

**RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH**  
**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**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 10,085</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.</p>	(152,198)
<p>The issuance of long-term debt (e.g., bonds and certificates of indebtedness) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	114,000
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:</p>	
<p style="padding-left: 40px;">Change in Deferred Inflows of Resources - Unavailable Ad Valorem Taxes</p>	(4,198)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	<u>1,083</u>
<p style="text-align: center;"><b>Change in Net Position of Governmental Activities</b></p>	<u><u>\$ (31,228)</u></u>

The accompanying notes are an integral part of these financial statements.



## RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

The mission of Recreation District No. 6 of St. Tammany Parish (the District) is to acquire, construct, operate, and maintain recreation facilities in the area of St. Tammany Parish, Louisiana (the Parish) which includes Covington, Louisiana. The District was created in 2008, by Ordinance of St. Tammany Parish. The District is governed by a Board of Commissioners (the Board), which is appointed by the Parish. The District consists of up to seven (7) Commissioners who serve staggered terms.

#### **Reporting Entity**

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of an entity for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability. As such, the District has no component units under the criteria established.

The District is a component unit of the Parish because the Parish appoints all members of the District's board and, as such, is financially accountable for the District. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish, the general government services provided by that governmental unit, or the governmental units that comprise the financial reporting entity. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to governmental entities. The following is a summary of significant accounting policies.

#### **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 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 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 in June 2011.

#### **Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

## RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Basis of Presentation (Continued)**

##### ***Government-Wide Financial Statements (Continued)***

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

Separate financial statements are provided for the governmental funds.

##### ***Fund Financial Statements***

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain district functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are classified as governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District, or the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10% of the corresponding total for all governmental funds.

The District reports the following major governmental funds:

*General Fund* - The General Fund is the primary operating fund of the District. It accounts for all the financial resources except those that are required to be accounted for in other funds.

*Debt Service Fund* - The Debt Service Fund accounts for the remainder of the proceeds of ad valorem millage of 4.75 mills, restricted for debt service.

##### **Measurement Focus/Basis of Accounting**

The government-wide financial statements are accounted for using an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income and changes in net position.

The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows.

## RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Measurement Focus/Basis of Accounting (Continued)**

The amounts reflected in the governmental fund financial statements 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 the government-wide financial statements.

The amounts reflected in the governmental fund financial statements 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 are recognized when payment is 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.

Ad valorem taxes are considered to be collected when they are collected by the St. Tammany Parish Sheriff. Ad valorem taxes collected after 60 days are recorded as a deferred inflow of resources on the governmental fund balance sheet. State revenue sharing associated with the current fiscal period is considered susceptible to accrual and so has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

##### **Budget and Budgetary Accounting**

The Board adopted a budget for the General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Board. Budgeted amounts included in the accompanying financial statements include all amendments. All budgeted amounts which are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis consistent with U.S. GAAP.

##### **Cash and Cash Equivalents and Investments**

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

# RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### Cash and Cash Equivalents and Investments (Continued)

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at market.

#### Receivables

Receivables are reported net of estimated uncollectible amounts. At December 31, 2023, the allowance for uncollectible ad valorem taxes was \$6,195 and \$4,905 for the General Fund and the Debt Service Fund, respectively. This represents 3% of the total ad valorem tax assessed. This estimate is based on the District's history of collections within this revenue stream.

#### Capital Assets

All capital assets of the District are recorded at historical cost in the government-wide financial statements. Depreciation of all exhaustible capital assets is charged as an expense against its operations.

In the fund financial statements, capital assets used in the governmental fund operations are accounted for as capital outlay expenditures upon acquisition.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. The District capitalizes equipment and furniture in excess of \$2,500. The following estimated useful lives and methods are used to compute depreciation:

Recreational Facilities	10 or 15 Years	Straight-Line
Equipment	5, 7, or 10 Years	Straight-Line

#### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

## RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Equity Classifications

Government-wide net position is divided into three components:

- a. *Net Investment in Capital Assets* - Consists of capital assets including restricted assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted* - Consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- c. *Unrestricted* - All other net position is reported in this category.

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

- a. *Restricted Fund Balance* - Amounts that can be spent only for specific purposes because of state or federal laws or restrictions externally imposed by grantors, creditors, or citizens.
- b. *Unassigned Fund Balance* - All amounts not included in other spendable classifications.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy is to apply restricted net position first.

##### Estimates

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

##### Recent Accounting Pronouncements - Adopted

In the current year, the District adopted GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The adoption of this standard did not have an impact on the financial statements or the notes to the financial statements.

# RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### Recent Accounting Pronouncements - Not Yet Adopted

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*. This Statement enhances the accounting and financial reporting requirements for accounting changes and error corrections. This Statement is effective for fiscal years beginning after June 15, 2023.

The GASB issued Statement No. 101, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences through aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for the fiscal year beginning after December 15, 2023.

Management is currently determining the expected impact of implementation of the above standards on the financial statements and notes to the financial statements.

### Note 2. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents (bank balances) at December 31, 2023:

Demand Deposits	<u>\$ 246,853</u>
-----------------	-------------------

These deposits are stated at cost, which approximates market.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. 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.

*Custodial Credit Risk* - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District does not have a deposit policy for custodial credit risk. As of December 31, 2023, \$0- of the District's bank balance was exposed to custodial credit risk.

RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH

Notes to Financial Statements

**Note 3. Capital Assets**

Capital assets activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets Being Depreciated</b>				
Recreational Facilities	\$ 2,155,865	\$ 20,123	\$ -	\$ 2,175,988
Equipment	248,883	-	-	248,883
<b>Total Capital Assets Being Depreciated</b>	<u>2,404,748</u>	<u>20,123</u>	<u>-</u>	<u>2,424,871</u>
<b>Less Accumulated Depreciation for:</b>				
Recreational Facilities	(1,927,836)	(144,850)	-	(2,072,686)
Equipment	(126,898)	(27,471)	-	(154,369)
<b>Total Accumulated Depreciation</b>	<u>(2,054,734)</u>	<u>(172,321)</u>	<u>-</u>	<u>(2,227,055)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>\$ 350,014</u>	<u>\$ (152,198)</u>	<u>\$ -</u>	<u>\$ 197,816</u>

Depreciation expense amounted to \$172,321 for the year ended December 31, 2023.

**Note 4. Long-Term Debt**

The following is a summary of long-term debt activity for the year ended December 31, 2023:

	General Obligation Bonds
<b>Payable at January 1, 2023</b>	\$ 727,000
Retired	<u>(114,000)</u>
<b>Payable at December 31, 2023</b>	<u>\$ 613,000</u>
<b>Due Within One Year</b>	<u>\$ 116,000</u>
 \$1,135,000 General Obligation Refunding Bonds dated May 27, 2018; due in 10 annual installments; due March 1, 2028, with semi-annual interest payments at 2.25% to 3.40%.	 <u>\$ 613,000</u>

# RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH

## Notes to Financial Statements

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### Note 4. Long-Term Debt (Continued)

The following is a schedule of future principal debt service requirements:

Year Ending December 31,	General Obligation Bonds	
	Principal	Interest
2024	\$ 116,000	\$ 17,727
2025	119,000	14,172
2026	121,000	10,452
2027	128,000	6,466
2028	129,000	2,193
<b>Total</b>	<b>\$ 613,000</b>	<b>\$ 51,010</b>

### Note 5. Interfund Receivables/Payables

The primary purpose of interfund receivables/payables is to loan monies between funds to cover current expenditures. All interfund receivables/payables are considered short-term, as they are expected to be repaid within the next fiscal year.

### Note 6. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2023, the District carried insurance through various commercial carriers to cover all risks of loss. The District had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.



# RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH

## Notes to Financial Statements

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### Note 7. Ad Valorem Taxes

Property taxes for the bond debt service of the District are levied each November 1<sup>st</sup> on the assessed value listed as of the prior January 1<sup>st</sup> for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the St. Tammany Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A re-evaluation of all property is required to be completed no less than every four years. The last re-evaluation was completed in 2020. Taxes are due and payable December of the following year.

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

	<b>Authorized</b>	<b>Levied</b>	<b>Expiration</b>
Operations and Maintenance	6.0 mills	6.00 mills	2031
Payment of General Obligation Bonds	11.0 mills	4.75 mills	2029

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

**RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual - General Fund**  
**For the Year Ended December 31, 2023**

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Ad Valorem Taxes	\$ 150,000	\$ 210,366	\$ 199,874	\$ (10,492)
Sports Registration Fees	115,025	144,231	69,546	(74,685)
Concession and Gate Fees	-	-	79,184	79,184
State Revenue Sharing	5,000	3,245	6,370	3,125
Sponsorship Income	-	-	8,235	8,235
Other Income	-	-	6,966	6,966
<b>Total Revenues</b>	<b>270,025</b>	<b>357,842</b>	<b>370,175</b>	<b>12,333</b>
<b>Expenditures</b>				
Recreation	73,395	98,985	194,615	(95,630)
General and Administration	154,436	263,686	129,288	134,398
Concessions	-	-	38,995	(38,995)
Capital Outlay	39,814	30,000	20,123	9,877
<b>Total Expenditures</b>	<b>267,645</b>	<b>392,671</b>	<b>383,021</b>	<b>9,650</b>
<b>Net Change in Fund Balance</b>	<b>\$ 2,380</b>	<b>\$ (34,829)</b>	<b>(12,846)</b>	<b>\$ 21,983</b>
<b>Fund Balance, Beginning of Year</b>			<b>303,803</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 290,957</b>	

See independent auditor's report.

## **OTHER SUPPLEMENTARY INFORMATION**

**RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH**  
**Schedule of Governing Board**  
**For the Year Ended December 31, 2023**

<b>Board of Commissioners</b>	<b>Compensation</b>
Michael Michel, Chairman	\$ -0-
Mark W. Files, Treasurer	-0-
Kristen Davis Hardy, Secretary	-0-
Shonti Vial	-0-
Justin Adams	-0-
Mike Saladino	-0-

See independent auditor's report.

**RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH**  
**Schedule of Compensation, Benefits, and Other Payments**  
**to Agency Head**  
**For the Year Ended December 31, 2023**

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**Agency Head**  
 Bridget Lavigne, Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$40,002
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$999
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

**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**

Independent Auditor's Report

To the Board of Commissioners  
Recreation District No. 6 of St. Tammany Parish  
Covington, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Recreation District No. 6 of St. Tammany Parish (the District), a component unit of St. Tammany Parish, Louisiana, 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 June 12, 2024.

**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 may exist that have not been identified.

**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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA  
June 12, 2024



**RECREATION DISTRICT NO. 6 OF ST. TAMMANY PARISH**  
**Schedule of Findings and Responses**  
**For the Year Ended December 31, 2023**

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**Part I - Summary of Auditor's Results**

Financial Statements

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:  | Unmodified    |
| 2. Internal control over financial reporting and compliance and other matters: |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiencies identified?  | None reported |
| c. Noncompliance material to the financial statements identified?              | No            |
| 3. Management letter comment provided?   | None          |

Federal Awards

Not applicable.

**Part II - Findings Related to the Financial Statements**

None.

**Part III - Compliance and Other Matters**

None.

**Part IV - Prior Year Findings**

None.

**AGREED-UPON PROCEDURES REPORT**  
Recreation District No. 6 of St. Tammany Parish

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period January 1, 2023 - December 31, 2023**

To the Board of Commissioners of  
Recreation District No. 6 of St. Tammany Parish  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the Recreation District No. 6 of St. Tammany Parish's (the District) control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2023 through December 31, 2023. Recreation District No. 6 of St. Tammany Parish's 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 the LLA's SAUPs for the fiscal year January 1, 2023 through December 31, 2023. Additionally, the 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 results are as follows:

**1) *Written Policies and Procedures***

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- A. 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:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ii. ***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.
  - iii. ***Disbursements***, including processing, reviewing, and approving.

- iv. **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).
- v. **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.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **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).
- ix. **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.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **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.
- xii. **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:** Obtained the District's written policies and procedures over each of the applicable categories above. Noted that written policies and procedures over purchasing, contracting, debt service, information technology disaster recovery/business continuity, and prevention of sexual harassment did not fully address all subcategories. No other exceptions identified.

## **2) Board or Finance Committee**

---

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

**Results:** No exceptions identified.

## **3) Bank Reconciliations**

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- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
  - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** For one of the bank reconciliations selected, there was no documentation reflecting that management had researched reconciling items outstanding for more than 12 months from the statement closing date. No other exceptions identified.

#### **4) Collections (excluding electronic funds transfers)**

---

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - i. Employees responsible for cash collections do not share cash drawers/registers:
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits, and:
  - i. Observe that receipts are sequentially pre-numbered.
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii. Trace the deposit slip total to the actual deposit per the bank statement.
  - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - v. Trace the actual deposit per the bank statement to the general ledger.

**Results:** Management was unable to provide a copy of the bond or insurance policy for theft covering all employees who have access to cash. No other exceptions identified.

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

---

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
  - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments: and
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location. obtain supporting documentation for each transaction, and:
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

- D. 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.

**Results:** Performed the above procedures and noted that the District has no processes in place for independent review of vendor files and that signed checks are returned to the individual responsible for processing payments for mailing out. No other exceptions identified.

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

---

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
- i. 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
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Results:** No exceptions identified.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
  - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** No exceptions identified.

## **8) Contracts**

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

**Results:** No exceptions identified.



## **9) Payroll and Personnel**

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- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:
  - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observe whether the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Results:** No exceptions identified.

## **10) Ethics**

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. 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.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**Results:** No exceptions identified.

## ***11) Debt Service***

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results:** No exceptions identified.

## ***12) Fraud Notice***

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

**Results:** No exceptions identified.

## ***13) Information Technology Disaster Recovery/Business Continuity***

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

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedures #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- 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.

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

#### ***14) Prevention of Sexual Harassment***

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

**Results:** No exceptions identified.

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 on those C/C areas identified in Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results 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 Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Covington, LA  
June 14, 2024

**St. Tammany Parish Recreation District #6  
Johnny F. Smith Memorial Park**

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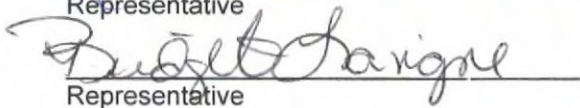
RE: Statewide Agreed-Upon Procedures

The management of Recreation District No. 6 of St. Tammany Parish wishes to provide the following responses relative to the results of the 2023 Statewide agreed-upon procedures engagement:

- 1) In response to the results of the Written Policies and Procedures section we will review our written policies and procedures and amend them as necessary to address all applicable requirements.
- 2) In response to the results of the Bank Reconciliations section we will implement procedures necessary to ensure that management research into outstanding items greater than 12 months old is properly documented.
- 3) In response to the results of the Collections section, we have since obtained an insurance policy for theft.
- 4) In response to the results of the Non-Payroll Disbursements section we will implement policies and procedures to have the board perform a regular review of vendor files and modify disbursement procedures as necessary so that adequate segregation of duties can be achieved.

Recreation District No. 6 of St. Tammany Parish

  
Representative

  
Representative