

**Terrebonne Economic Development Authority  
Houma, Louisiana**

Annual Financial Report  
As of and for the  
Year Ended December 31, 2021

**Terrebonne Economic Development Authority**  
 Terrebonne Parish Consolidated Government  
 Annual Financial Report  
 Year Ended December 31, 2021

**Table of Contents**

	<b><u>Page</u></b>
<b>Independent Auditor's Report</b>	1-4
<b>Management's Discussion and Analysis</b>	5-8
<b>Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet - Governmental Fund	11
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	13
Reconciliation of the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	14
Notes to Financial Statements	15-23
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule - General Fund	24
<b>Supplemental Information</b>	
Schedule of Compensation, Benefits, and Other Payments to Authority Head	25
<b>Report Required by <i>Government Auditing Standards</i></b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26-27
<b>Schedule of Findings and Responses</b>	28-29
<b>Reports by Management</b>	
Management's Corrective Action Plan for Current Year Findings	30
Schedule of Prior Findings and Responses	31
<b>Statewide Agreed-Upon Procedures</b>	32-49

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Terrebonne Economic Development Authority  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

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

#### ***Opinion***

We have audited the accompanying financial statements of the governmental activities and the aggregate discretely presented component unit of the Terrebonne Economic Development Authority, a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate discretely presented component unit of the Terrebonne Economic Development Authority, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Terrebonne Economic Development Authority, 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 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 Terrebonne Economic Development Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Terrebonne Economic Development Authority'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 Terrebonne Economic Development Authority's ability to continue as a going concern for a reasonable period of time.

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

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 8 and the Budgetary Comparison

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Terrebonne Economic Development Authority's basic financial statements, and its aggregate discretely presented component unit's financial statements. The Schedule of Compensation, Benefits and Other Payments to Authority Head on page 25 is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule of Compensation, Benefits and Other Payments to Authority Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 Compensation, Benefits and Other Payments to Authority Head is 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 May 6, 2022, on our consideration of the Terrebonne Economic Development Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Martin and Pelpin*

Houma, Louisiana  
May 6, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Management's Discussion and Analysis  
Year Ended December 31, 2021

As management of the Terrebonne Economic Development Authority (TEDA), we offer readers of TEDA's financial statements this narrative overview and analysis of the financial activities of TEDA for the year ended December 31, 2021.

**FINANCIAL HIGHLIGHTS**

- TEDA's assets exceeded its liabilities by \$25,910 (net position) as of December 31, 2021.
- Expenditures exceeded revenues by \$31,311 during the year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis serves as an introduction to the Terrebonne Economic Development Authority basic financial statements. TEDA's basic financial statements consist of the following:

**Statement of Net Position.** This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they were currently available or not.

**Statement of Activities.** Consistent with the full accrual basis method of accounting, this statement accounts for current year additions and deductions regardless of when cash is received or paid.

**Balance Sheet – Governmental Fund.** This statement presents TEDA's assets, liabilities, and fund balance for its general fund only.

**Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund.** Consistent with the modified accrual basis method of accounting, this statement accounts for current year revenues when received except when they are measurable and available. Expenditures are accounted for in the period that goods and services are used in the government's activities. In addition, capital asset purchases are expensed and not recorded as an asset. The statement also exhibits the relationship of revenues and expenditures with the change in fund balance.

**Notes to Financial Statements.** The accompanying notes provide additional information essential to a full understanding of the data provided in the basic financial statements.



**Terrebonne Economic Development Authority**  
 Terrebonne Parish Consolidated Government  
 Management's Discussion and Analysis  
 Year Ended December 31, 2021

**BASIC FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of an entity's financial position. TEDA's net position was \$25,910 at December 31, 2021. The largest portion of TEDA's total assets is cash (92%).

**TEDA's Net Position**

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash	\$ 43,869	\$ 64,337
Prepaid insurance	3,178	3,178
Capital assets	31,663	31,663
Accumulated depreciation	(30,974)	(29,472)
Total assets	47,736	69,706
<b>LIABILITIES</b>		
Accounts payable	-	2,456
Payroll liabilities	21,826	10,029
Total liabilities	21,826	12,485
<b>NET POSITION</b>		
Net investment in capital assets	689	2,191
Unrestricted	25,221	55,030
Total net position	\$ 25,910	\$ 57,221

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Management's Discussion and Analysis  
Year Ended December 31, 2021

During the year, TEDA's net position decreased by \$31,311. The elements of the decrease are as follows:

**TEDA's Changes in Net Position**

	<b>For the Year Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Intergovernmental	\$ 372,500	\$ 372,500
Miscellaneous revenue	-	1,745
Total revenues	372,500	374,245
<b>EXPENDITURES</b>		
Economic development and assistance:		
Personnel services	355,983	349,625
Other services and charges	36,694	32,693
Supplies and materials	9,632	9,973
Depreciation	1,502	1,733
Total operating expense	403,811	394,024
<b>CHANGE IN NET POSITION</b>	<b>\$ (31,311)</b>	<b>\$ (19,779)</b>

As indicated above, net position decreased by \$31,311. The decrease in the change in net position as compared to the prior year is primarily due to the increase in personnel services and other services and charges.

**Terrebonne Economic Development Authority**  
 Terrebonne Parish Consolidated Government  
 Management's Discussion and Analysis  
 Year Ended December 31, 2021

**CAPITAL ASSETS**

As of December 31, 2021, TEDA had \$689 invested in capital assets.

	<b>2021</b>	<b>2020</b>
Capital assets	\$ 31,663	\$ 31,663
Less accumulated depreciation	(30,974)	(29,472)
	\$ 689	\$ 2,191

Depreciation expense for the year is \$1,502.

**BUDGET**

TEDA amended its budget once during the fiscal year. The budget for revenues was \$455,000, and the budget for expenditures was \$449,734.

The Authority's budgeted revenues exceeded its actual revenues by \$82,500, an unfavorable variance of 18.13%. The Authority's actual expenditures were less than budgeted expenditures by \$47,425, a favorable variance of 10.55%.

**COMPONENT UNIT**

TEDA has one component unit. Terrebonne Economic Development Foundation (TEDFO) is a legally separate, nonprofit organization that reports under FASB standards. TEDFO acts primarily to assist in the efforts of economic development projects.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Terrebonne Economic Development Authority finances for all those with such an interest. Call the TEDA office (985-873-6890) and ask for Ms. Tammy Haydel, Executive Secretary, if you should have any further questions concerning any of the information provided in this report or have a request for additional financial information.

## **FINANCIAL STATEMENTS**

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Statement of Net Position  
December 31, 2021

	<b>Government Activities</b>	<b>Component Unit TEDFO</b>
<b>Assets</b>		
Cash	\$ 43,869	\$ 652,877
Prepaid insurance	3,178	-
<b>Total Current Assets</b>	47,047	652,877
Capital assets	31,663	55,000
Accumulated depreciation	(30,974)	-
<b>Total Non-Current Assets</b>	689	55,000
<b>Total Assets</b>	\$ 47,736	\$ 707,877
<b>Liabilities</b>		
Payroll liabilities	\$ 21,826	-
<b>Net Position</b>		
Net investment in capital assets	689	55,000
Restricted for subgrantees	-	14,471
Unrestricted	25,221	638,406
<b>Total Net Position</b>	25,910	707,877
<b>Total Liabilities and Net Position</b>	\$ 47,736	\$ 707,877

See accompanying notes.

**Terrebonne Economic Development Authority**  
 Terrebonne Parish Consolidated Government  
 Statement of Activities  
 Year Ended December 31, 2021

**2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Increase (Decrease) in Net Position	Terrebonne Economic Development Foundation
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions		
<b>GOVERNMENTAL ACTIVITIES</b>						
Economic development and assistance:						
Personnel services	\$ 355,983	\$ -	\$ -	\$ -	\$ (355,983)	
Other services and charges	36,694	-	-	-	(36,694)	
Supplies and materials	9,632	-	-	-	(9,632)	
Depreciation	1,502	-	-	-	(1,502)	
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 403,811</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (403,811)</b>	
<b>COMPONENT UNIT</b>						
Economic development and assistance:						
Payments to subrecipients						\$ (827,753)
Bad debt expense						(37,129)
Other services and charges						(17,256)
<b>TOTAL COMPONENT UNIT</b>						<b>(882,138)</b>
					372,500	-
					-	1,454,019
					<b>(31,311)</b>	<b>571,881</b>
					<b>57,221</b>	<b>135,996</b>
					<b>\$ 25,910</b>	<b>\$ 707,877</b>

See accompanying notes.

**Terrebonne Economic Development Authority**  
 Terrebonne Parish Consolidated Government  
 Balance Sheet – Governmental Fund  
 December 31, 2021

	<b>General Fund</b>
<b>Assets</b>	
Cash	\$ 43,869
Prepaid insurance	3,178
<b>Total Assets</b>	<b>\$ 47,047</b>
 <b>Liabilities</b>	
Payroll liabilities	\$ 21,826
 <b>Fund Balance</b>	
Nonspendable	3,178
Unassigned	22,043
<b>Total Fund Balance</b>	<b>25,221</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 47,047</b>

See accompanying notes.

**Terrebonne Economic Development Authority**  
 Terrebonne Parish Consolidated Government  
 Statement of Revenues, Expenditures and  
 Changes in Fund Balances – Governmental Fund  
 Year Ended December 31, 2021

	<b>General Fund</b>
<b>Revenues</b>	
Intergovernmental	\$ 372,500
<b>Expenditures</b>	
Economic development and assistance:	
Personnel services	355,983
Other services and charges	36,694
Supplies and materials	9,632
<b>Total Expenditures</b>	402,309
<b>Change in Fund Balance</b>	(29,809)
<b>Fund Balance, Beginning</b>	55,030
<b>Fund Balance, Ending</b>	\$ 25,221

See accompanying notes.



**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
December 31, 2021

Fund balance - governmental fund	\$ 25,221
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$31,663 net of accumulated depreciation of \$30,974 are not financial resources and, therefore, are not reported in the governmental fund.	<u>689</u>
Net position of governmental activities	<u>\$ 25,910</u>

See accompanying notes.

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Reconciliation of the Statement of Governmental Fund Revenues,  
Expenditures, and Changes in Fund Balance to the Statement of Activities  
Year Ended December 31, 2021

Change in fund balance - governmental fund \$ (29,809)

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

Governmental fund reports capital outlay as expenditures while  
in the statement of activities, these costs are depreciated  
over their useful lives.

Depreciation expense (1,502)

Change in net position \$ (31,311)

See accompanying notes.

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
Year Ended December 31, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Terrebonne Economic Development District was created in 1989 as authorized by Louisiana Revised Statute 33:130.251 and LA R.S. 33:130.60 for the primary object and purpose of promoting, encouraging, and participating in industrial development to stimulate the economy of Terrebonne Parish, Louisiana through commerce, industry, and research and for the utilization and development of natural, physical, and human resources of the area by providing job opportunities.

In 2004, pursuant to statutory revision, the District was replaced by the Terrebonne Parish Economic Authority (TEDA). On October 30, 2015 the Parish executed a Cooperative Endeavor Agreement whereas TEDA agrees to operate and to serve as the economic development agency for Terrebonne Parish. TEDA receives funding from TPCG during its annual parish budget process. Such funding shall not exceed fifty percent of the Terrebonne Occupational License revenues based upon the approval of the parish budget.

The accounting policies of TEDA conform to accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

A. REPORTING ENTITY

Because the Parish appoints the governing board and can therefore impose its will, TEDA was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the parish and the governmental body with financial accountability.

The accompanying financial statements present information only on the funds maintained by TEDA and do not present information on the Consolidated Government, the general government services provided by that governmental unit, or other government units that comprise the governmental reporting entity.

B. INDIVIDUAL COMPONENT UNIT DISCLOSURES

Discretely Presented Component Unit – The component unit column in the government-wide statement of net position and statement of activities includes the financial data of TEDA's component unit.

Terrebonne Economic Development Foundation (TEDFO), component unit, is a legally separate, nonprofit organization that reports under FASB standards. TEDFO acts primarily to assist in the efforts of economic development projects.

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
Year Ended December 31, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**C. BASIS OF PRESENTATION**

GASB statements establish standards for external financial reporting for all state and local governmental entities which includes a statement of net position and a statement of activities. It requires the classification of net position into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position use though external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets”.

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. It establishes fund balance classifications that comprise hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are defined as follows:

Nonspendable – This component of fund balance includes amounts that cannot be spent due to form, including inventories and prepaid amounts. Also included are amounts that must be maintained intact legally or contractually.

Restricted – This component of fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – This component of fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Authority’s highest level of decision-making authority. The Board of Commissioners must vote on commitments.

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
Year Ended December 31, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

Assigned – This component of fund balance is intended to be used by the Authority for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Commissioners can vote on applicable assigned amounts.

Unassigned – This component of fund balance is the residual classification for the Authority’s general fund and includes all spendable amounts not contained in the other classifications.

Stabilization Funds – This component of fund balance covers such things as revenue shortfalls, emergencies, or other purposes. The authority to set aside resources often comes from a statute, ordinance, or constitution.

TEDA’s basic financial statements consist of the government-wide statements on all activities of the Authority and the governmental fund financial statements.

*Government-wide Financial Statements:*

The government wide financial statements include the Statement of Net Position and the Statement of Activities for all activities for the Authority. The government-wide presentation focuses primarily on the sustainability of the Authority as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through intergovernmental revenues.

*Fund Financial Statements:*

The daily accounts and operations of the Authority are organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the Governmental Fund of the Authority:

**General Fund** – The General Fund is the operating fund of the Authority. It is used to account for all financial resources except those that are required to be accounted for in another fund.

D. **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
Year Ended December 31, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

*Government-wide Financial Statements:*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

*Fund Financial Statements:*

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the Authority because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

**E. CASH AND CASH EQUIVALENTS**

The Authority considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

**F. ACCOUNTS RECEIVABLE**

The financial statements for the Authority contain no allowance for uncollectible accounts. Uncollectible amounts are recognized as bad debts at the time information becomes available which would indicate the particular receivable is uncollectible. These amounts are not considered to be material in relation to the financial position or operations of the Authority.

**G. CAPITAL ASSETS**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
Year Ended December 31, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by the type of asset is as follows:

Office furniture, equipment, and website	5-10 years
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Fund Financial Statements:

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

H. ENCUMBRANCES

The Authority does not utilize encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers.

I. OPERATING BUDGETARY DATA

As required by Louisiana Revised Statutes 39:1393, the Board of Commissioners (the Board) adopted a budget for the Authority's General Fund. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The Authority amended its budget once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America. The General Fund budget presentation is included in the required supplementary information.

J. VACATION AND SICK LEAVE

Full time employees are eligible for paid vacation and sick leave based on the following schedule:

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
Year Ended December 31, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Cont.)**

**Vacation:**

- All employees will receive two weeks (80 hours) of paid vacation each calendar year for the first seven (7) years of their employment with TEDA. The number of vacation days a newly hired employee receives will be prorated if they are hired after January 1.
- Employees who complete seven (7) years of continuous employment with TEDA will receive three weeks (120 hours) of paid vacation per year beginning January 1 of the calendar year following the year in which they have their seven-year anniversary of continuous employment.
- If an employee is not permitted to take vacation because of TEDA operations, the employee may receive pay for the vacation upon approval of the CEO. Except in such cases, vacation time is not cumulative. Vacation days must be taken in full. An employee may not use vacation time by the hour or half-day.
- Vacation time may not be carried over to the following year. Vacation pay will not be paid upon separation of employment, whether by voluntary or involuntary termination.

**Sick Leave**

- Full time employees are eligible from date of hire for five (5) paid sick days each year. Sick days are calculated per calendar year.
- When the allotted five (5) days/fifty (50) hours total sick time is exhausted for the calendar year, all subsequent sick time will be deducted from unused vacation time until all vacation time has been used.
- Sick days may not be carried over to the following calendar year. Employees will not be paid in lieu of taking the actual time off.
- Employees will not be paid for unused sick days upon termination.

**K. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates of the Authority primarily relate to capital assets' useful lives.



**Terrebonne Economic Development Authority**  
 Terrebonne Parish Consolidated Government  
 Notes to Financial Statements  
 Year Ended December 31, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Cont.)**

**L. RECENT PRONOUNCEMENT**

GASB Statement No. 87, “Leases” increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, 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, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this statement on the financial statements.

**NOTE 2 – DEPOSITS**

Under state law, the Authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of another state in the Union, or the laws of the United States.

State law requires that deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. The year-end balance of deposits is as follows:

	Bank Balance	Reported Amount
Cash	\$ 60,645	\$ 43,869

Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. As of December 31, 2021, none of the deposits were exposed to credit risk as these deposits were insured in accordance with state law by FDIC coverage.

**Terrebonne Economic Development Authority**  
 Terrebonne Parish Consolidated Government  
 Notes to Financial Statements  
 Year Ended December 31, 2021

**NOTE 3 – NOTE RECEIVABLE**

TEDA's component unit (TEDFO) entered into an agreement in 2017 in which TEDFO loaned money to an unrelated party. Said party made minimal payments on the balance owed, and upon Hurricane Ida's landfall in August 2021, management deemed the \$37,129 of principal and interest accrued uncollectible and recognized that amount as bad debt expense.

**NOTE 4 – CHANGE IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
Capital assets, being depreciated:				
Office furniture and equipment	\$ 31,663	\$ -	\$ -	\$ 31,663
Less: Accumulated depreciation	(29,472)	(1,502)	-	(30,974)
Total capital assets, net	<u>\$ 2,191</u>	<u>\$ (1,502)</u>	<u>\$ -</u>	<u>\$ 689</u>

**NOTE 5 – POST-EMPLOYMENT BENEFITS**

TEDA does not offer post-employment benefits to its employees.

**NOTE 6 – COMPENSATION OF BOARD MEMBERS**

TEDA's board serves without compensation.

**NOTE 7 – RELATED PARTY TRANSACTION**

The Authority conducts its activities in office space leased from the Terrebonne Parish Consolidated Government. The written agreement, which expires in November 2024, requires monthly payments of \$1,333. Total rent expense under this agreement for the year ended December 31, 2021 is \$16,000.

**NOTE 8 – RETIREMENT PLAN**

The Authority maintains a Simple IRA plan for the benefit of its employees. Under a Simple IRA plan, an Individual Retirement Account (IRA) is established for each participating employee and contributions are made directly into that IRA.

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Notes to Financial Statements  
Year Ended December 31, 2021

**NOTE 8 – RETIREMENT PLAN (Cont.)**

Participating employees can elect to contribute up to \$13,500 of their compensation to the IRA. Employer contributions equal 3% of participating employees' compensation. Employer contributions for the year ended December 31, 2021 totaled \$7,582.

**NOTE 9 – COVID-19 BAYOU BUSINESS RELIEF GRANT**

During the prior fiscal, TEDA's discretely presented component unit, TEDFO, received a COVID-19 Bayou Business Relief Grant in the amount of \$500,000. The aim of the program is to provide limited assistance for businesses which did not receive support through existing programs or need additional support to remain viable through the pandemic. Of the \$500,000 received, TEDFO awarded \$485,529 to qualifying subgrantees in accordance with the provisions of the grant contract. \$14,471 of the grant proceeds were undisbursed at December 31, 2020, and remain reported as restricted on the Statement of Net Position at December 31, 2021.

**NOTE 10 – HURRICANE IDA RELIEF**

During the year ended December 31, 2021, TEDA's discretely presented component unit, TEDFO, received funding from several local businesses and private donors who partnered to help Terrebonne Economic Development Foundation lead its Bayou Region Business Organization Launch Housing Initiative. Of the \$1,454,019 raised, TEDFO used \$827,753 of the funds to purchase travel trailer housing to provide stable homes for certain families who lost their homes to Hurricane Ida. The families who received the donations were selected by a group of community partners in accordance with the Initiative's mission. As there were no restrictions on the funds, the \$626,266 in unspent grant proceeds have been included in unrestricted net position of TEDFO at December 31, 2021.

**NOTE 11 – RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to the public; and natural disasters for which the Authority carries commercial insurance or other insurance for the losses to which it is exposed. No settlements were made during the year. The Authority pays monthly premiums to the Parish for group health insurance. The Authority's premiums for group health insurance are based on a fixed rate per employee and coverages. The Parish handles all claims filed against the Authority.

**NOTE 12 – SUBSEQUENT EVENTS**

Subsequent events were evaluated by management through May 6, 2022, which is the date the financial statements were available to be issued, and it was determined that one event occurred that requires disclosure. Effective April 27, 2022, the CEO of the Authority accepted other employment and resigned from his position, which has not been filled as of May 6, 2022. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Terrebonne Economic Development Authority**  
 Terrebonne Parish Consolidated Government  
 Budgetary Comparison Schedule – General Fund  
 Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 455,000	\$ 455,000	\$ 372,500	\$ (82,500)
<b>Expenditures</b>				
Personnel services	352,291	354,984	355,983	(999)
Other services and charges	97,750	86,000	36,694	49,306
Supplies and materials	5,750	8,750	9,632	(882)
<b>Total Expenditures</b>	<u>455,791</u>	<u>449,734</u>	<u>402,309</u>	<u>47,425</u>
<b>Expenditures over Revenues</b>	(791)	5,266	(29,809)	(35,075)
<b>Fund Balance, Beginning</b>	<u>55,030</u>	<u>55,030</u>	<u>55,030</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 54,239</u>	<u>\$ 60,296</u>	<u>\$ 25,221</u>	<u>\$ (35,075)</u>

See Independent Auditor's Report.

**SUPPLEMENTAL INFORMATION**

**Terrebonne Economic Development Authority**  
 Schedule of Compensation, Benefits  
 and Other Payments to Authority Head  
 Year Ended December 31, 2021

**Agency Head Name: Matthew Rookard, CEO**

Purpose	Amount
Salary	\$ 129,892
Benefits - insurance	17,000
Benefits - retirement	3,085
Benefits - other	1,200
Car allowance	6,000
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education	-
Housing	-
Unvouchered expenses	-
Special meals	-
<b>Total</b>	<b>\$ 157,177</b>

This schedule is used to satisfy the reporting requirements of R.S. 24:513(A)(3).

**REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS**



**INDEPENDENT AUDITOR'S 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  
Terrebonne Economic Development Authority  
Houma, 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 governmental activities and the aggregate discretely presented component unit of the Terrebonne Economic Development Authority (TEDA) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise TEDA's basic financial statements, and have issued our report thereon dated May 6, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered TEDA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TEDA's internal control. Accordingly, we do not express an opinion on the effectiveness of TEDA'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 over financial reporting 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 Terrebonne Economic Development Authority financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and responses as items 2021-001 and 2021-002.

### The Authority's Response to Findings

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



Houma, Louisiana  
May 6, 2022

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Schedule of Findings and Responses  
Year Ended December 31, 2021

**Section I – Summary of Auditor’s Results**

1. The auditor’s report expresses an unmodified opinion on the basic financial statements of the Terrebonne Economic Development Authority.
2. No significant control deficiencies were noted during the audit of the financial statements.
3. Two instances of noncompliance or other matters required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No instances of noncompliance under the provisions of the Louisiana Governmental Audit Guide were noted during the audit of the financial statements.
5. A management letter was not issued.
6. The Authority did not receive or expend federal funds during the year.

**Section II – Financial Statement Findings**

**2021-001 – Budget Amendment**

Statement of Condition: The Authority amended its budget once during the year; budgeted revenues exceeded actual amounts by greater than 5% at year end.

Criteria: Louisiana Revised Statutes 39:1310 and 1311 require governmental entities to adopt a budget amendment if there is a 5% unfavorable variance in revenues or expenditures.

Effect of Condition: Management of the Authority amended the budget during the year, but did not prevent an unfavorable variance greater than 5% at year end.

Cause of Condition: Management monitored the budget but failed to account for the fact that revenues did not increase as initially anticipated.

Recommendation: We recommend that the Authority adopt procedures that will require it to monitor budget to actual revenues and expenditures at more frequent intervals and to amend the budget when a 5% or greater unfavorable variance in revenues or expenditures is identified.

Planned Action: The Authority will implement the recommendation as detailed above.

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Schedule of Findings and Responses  
Year Ended December 31, 2021

2021-002 – Bank Reconciliations / Payroll Tax Deposits

Statement of Condition: The Authority reconciled its bank accounts each month during the year; management failed to investigate uncleared payments to taxing authorities.

Criteria: Employers are required to timely deposit payroll taxes on salaries and wages.

Effect of Condition: The Authority was delinquent in making payroll deposits to the Internal Revenue Service, exposing it to potential late payment penalties.

Cause of Condition: Management reviews monthly bank reconciliations but failed to address items listed as outstanding checks which were tax payments.

Recommendation: We recommend that the Authority adopt procedures that will require multiple individuals to review outstanding items included on monthly bank reconciliations.

Planned Action: The Authority will implement the recommendation as detailed above.

**Section III – Federal Awards**

No federal awards were received during the year.

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Management's Corrective Action Plan for Current Year Findings  
Year Ended December 31, 2021

The contact person for the corrective action noted below is Ms. Tammy Haydel, Executive Secretary.

**Section I – Internal Control and Compliance Material to the Financial Statements**

**2021-001 – Budget Amendment**

Statement of Condition: The Authority amended its budget once during the year; budgeted revenues exceeded actual amounts by greater than 5% at year end.

Recommendation: We recommend that the Authority adopt procedures that will require it to monitor budget to actual revenues and expenditures at more frequent intervals and to amend the budget when a 5% or greater unfavorable variance in revenues or expenditures is identified.

Planned Action: The Authority will implement the recommendation as detailed above.

**2021-002 – Bank Reconciliations / Payroll Tax Deposits**

Statement of Condition: The Authority reconciled its bank accounts each month during the year; management failed to investigate uncleared payments to taxing authorities.

Recommendation: We recommend that the Authority adopt procedures that will require multiple individuals to review outstanding items included on monthly bank reconciliations.

Planned Action: The Authority will implement the recommendation as detailed above.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government  
Schedule of Prior Findings and Responses  
Year Ended December 31, 2021

Note: the prior findings related to the December 31, 2020 audit engagement.

**Section I – Internal Control and Compliance Material to the Financial Statements**

This section is not applicable.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

**STATEWIDE AGREED-UPON PROCEDURES**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners  
Terrebonne Economic Development Authority  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Terrebonne Economic Development Authority's management is responsible for those C/C areas identified in the SAUPs.

Terrebonne Economic Development Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. 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 described on pages 34-49.

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

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

A handwritten signature in cursive script that reads "Martin and Pelgri".

Houma, Louisiana  
June 10, 2022

## **Terrebonne Economic Development Authority**

### **Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

The required procedures and our findings are as follows:

Procedures performed on the Authority's written policies and procedures:

#### **Written Policies and Procedures**

1. Obtain and inspect the Authority's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

a. Budgeting, including preparing, adopting, monitoring, and amending the budget

Performance: Obtained and read the written policy for budgeting and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy for purchasing and found it to contain all requirements above except for the requirement noted below.

Exceptions: The policy does not include purchase orders.

Management's response: Management will consider adding purchase orders to the purchasing policy.

c. Disbursements, including processing, reviewing, and approving

Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: TEDA's policies do not include receipts/collections as it typically only receives an allocation from its primary government and budgets its expenditures based off those EFT payments. In the event TEDA does receive other forms of payments (none in current year), it follows TPCG's policies.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Terrebonne Economic Development Authority**

**Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

- 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) rate of pay or approval and maintenance of pay rate schedules.

Performance: Obtained and read the written policy for payroll and personnel and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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

Performance: Obtained and read the written policy related to contracting and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted

Management's response: Not applicable.

- g. Credit Cards (and debit cards, fuel cards, P-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

Performance: Obtained and read the written policy related to credit cards and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- h. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Performance: Obtained and read the travel and expense reimbursement policy and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 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.

Performance: Obtained and read the written policy related to ethics and found

## **Terrebonne Economic Development Authority**

### **Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- j. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Performance: TEDA does not have any debt and as such, does not have a policy for debt service. This section is not applicable.

Exceptions: Not applicable.

Management's response: Not applicable.

- 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.

Performance: Determined that TEDA does not have its own policy that contains the requirements above; however, TEDA follows Terrebonne Parish Consolidated Government's policies.

Exceptions: TEDA has not officially adopted a policy related to the requirements above.

Management's response: TEDA will consider adopting an information technology disaster recovery/business continuity policy.

- j. Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Performance: Obtained and read the written policy related to sexual harassment and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

### **Board or Finance Committee**

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

## **Terrebonne Economic Development Authority**

### **Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

- 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.

Performance: Determined that the board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document except for the conflicts below.

Exceptions: The May and July 2021 meetings did not have a quorum, and the September 2021 board meeting was not held due to Hurricane Ida as there was no power or internet in the local area.

Management's response: Not applicable.

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund.

Performance: Determined whether the minutes referenced or included monthly budget-to-actual comparisons.

Exceptions: No exceptions were noted for the meetings held.

Management's response: Not applicable.

- c) 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.

Performance: Determined that the general fund did not have a negative unassigned fund balance.

### **Bank Reconciliations**

3. 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 four 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:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Bank reconciliations include evidence that they were prepared within two months

## **Terrebonne Economic Development Authority**

### **Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

of the related statement closing date;

Performance: Determined that randomly selected bank statements were reconciled within two months of the related statement closing date.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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;

Performance: Inspected documentation for management approvals of each randomly selected bank reconciliation.

Exceptions: There was no evidence of the bank reconciliations being reviewed.

Management's response: The CEO intends to review and initial bank reconciliations on a monthly basis.

- 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.

Performance: Determined whether there were any items outstanding for more than 12 months as of the end of the fiscal year.

Exceptions: There was no evidence that items outstanding for greater than 12 months had been researched.

Management's response: Management will investigate the reconciling items.

### **Collections**

4. 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).

5. 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, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated 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.

## Terrebonne Economic Development Authority

### Houma, Louisiana

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation to the deposit.
  - c) Each employee responsible for collecting cash is not 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.
  - d) The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Observe 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 enforced during the fiscal period.
7. Randomly select two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the 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.
  - e) Trace the actual deposit per the bank statement to the general ledger.

Performance: TEDA does not receive cash collections. Terrebonne Parish Consolidated Government provides TEDA with an annual allocation which is transferred via an EFT.

As a result of the above, this section of the Statewide Agreed Upon Procedures does not apply to TEDA.

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

**Terrebonne Economic Development Authority**

**Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).

Performance: Obtained a listing of locations that processed payments for the fiscal period from management and received management's representation in a separate letter. Determined that only one location processed payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

9. For each location selected under #8 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, 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.

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for initiating, approving, and making purchases.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) At least two employees are involved in processing and approving payments to vendors.

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for processing and approving payments to vendors.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Performance: Inspected policy manual and inquired of management as to separation of duties related to vendor files.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.



**Terrebonne Economic Development Authority**

**Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

- 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.

Performance: Inquired of management to determine if the employee responsible for processing payments mails those respective payments.

Exceptions: The employee who processes payments sometimes mails those payments out.

Management's response: These duties will be separated when the benefit of doing so exceeds the cost.

10. For each location selected under #8 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:

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representations in a separate letter. Randomly selected five disbursements using a random number generator for check numbers to test the requirements below.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

Performance: Determined that the five random disbursements matched their respective original invoices and that the invoices indicate that deliverables were received by the entity.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Performance: Determined whether the documentation for the five random disbursements gave evidence of the segregation of duties tested under #9 above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

## **Terrebonne Economic Development Authority**

### **Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

#### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

Performance: Obtained from management a listing of all active cards for the fiscal period and management's representation that the listing is complete in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

12. 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 that there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Performance: Observed that there was evidence of monthly statement review and approval and that there were no finance charges or late fees assessed on the one card tested.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

13. Using the monthly statements or combined statements selected under #12 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. 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.

Performance: Randomly selected 10 transactions from the statement tested and observed that they were supported by the documentation required above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Terrebonne Economic Development Authority**

**Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

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

14. 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, 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:

Performance: Obtained a list of all travel and related expense reimbursements. Management's representation of the listing was confirmed in a separate letter.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

- 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](http://www.gsa.gov)).

Performance: Determined that travel expenses were not reimbursed using a per diem.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Performance: Traced expenses to original itemed receipts, expense reports, and mileage reports.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

- 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 policy (procedure #1h).

Performance: Reviewed documentation of the business/public purpose for each expense.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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

## **Terrebonne Economic Development Authority**

### **Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

Performance: Inspected each expense reimbursement request to find approval be supervisors and/or board member.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

### **Contracts**

15. 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. 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:

Performance: Observed the listing of contracts in effect during the fiscal year from management and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.

Performance: Determined that, due to contract amounts, TEDA did not have to comply with the Public Bid Law for either of the tested contracts in place.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

b) Observe that the contract was approved by the governing body/board, if required by policy or law.

Performance: Determined that the selected contracts were approved by the board.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

c) If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

Performance: Determined that neither of the two selected contracts were amendments to the original contracts and were in compliance with the original contract terms.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

## **Terrebonne Economic Development Authority**

### **Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

- 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.

Performance: Inspected the randomly selected payment and compared to the written contract information to determine that the invoice and related payment complied with the terms of the contract.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

### **Payroll and Personnel**

16. 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.

Performance: Observed the listing of all three employees and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted. As TEDA's board serves without compensation, those officials were not tested.

Management's response: Not applicable.

17. Randomly select one pay period during the fiscal period. For the three employees selected under #16 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.

Performance: Determined that all selected employees documented their daily attendance and leave for the selected pay period.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

Performance: Determined that the attendance and leave of each employee for the selected pay period was approved by each employee's respective supervisor.

Exceptions: There were no exceptions noted.

**Terrebonne Economic Development Authority**

**Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

Management's response: Not applicable.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Performance: Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Observed that the rate paid to the employees agreed to the authorized salary/pay rate.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

18. 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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Performance: As Terrebonne Economic Development Authority did not issue any termination payments, this section is not applicable.

19. Obtain management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any associated forms have been filed, by required deadlines.

Performance: Determined that Terrebonne Economic Development authority did not pay/file certain tax obligations in a timely manner. See finding 2021-002 of the audit report.

**Ethics**

20. Using the three employees from procedure #16 under "Payroll and Personnel" above and two randomly selected officials, obtain ethics documentation from management, and:

## **Terrebonne Economic Development Authority**

### **Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Performance: Observed the ethics course completion certificates for the employees/officials tested.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Observe that the entity maintains documentation which demonstrates each employee and official was notified of any changes to the entity's policy during the fiscal period.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

### **Debt Service**

21. 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 bond/note issued.

22. 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.

Performance: As TEDA does not have any debt, determined that procedures 21 and 22 could be excluded.

### **Fraud Notice**

23. 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.

Performance: Inquired of management of any misappropriations of public funds or assets and determined that none were noted.

## **Terrebonne Economic Development Authority**

### **Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

24. 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.

Performance: Observed such notice posted on the premises and website.  
Exceptions: TEDA does not have the required notice posted to its website.  
Management's response: Management will have the required notice posted to its website.

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

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedures and discussed the results with management."

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium, observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three 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 five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting software in use are currently supported by the vendor.

Performance: We performed the procedures and discussed the results with management of TEDA.

### **Sexual Harassment**

26. Using the randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each



**Terrebonne Economic Development Authority**

**Houma, Louisiana**

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended December 31, 2021

employee/official completed at least one hour of sexual harassment training during the calendar year.

Performance: Observed the sexual harassment course completion certificates for the five employees/officials tested.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website.

Performance: Visited TEDA's website and searched for its sexual harassment policy and complaint procedure.

Exceptions: The entity's policy was not posted to the website.

Management's response: Management will add the policy to the website.

28. 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 it 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;
- 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
- e) Amount of time it took to resolve each complaint.

Performance: Determined that all required public servants of TEDA completed the necessary training and that there were no complaints of sexual harassment filed or claimed during the fiscal year.

Exceptions: As there were no sexual harassment complaints during the year, an annual sexual harassment report was not prepared.

Management's response: An annual sexual harassment report will be prepared each year, regardless of the number of complaints.