

ST. TAMMANY RECREATION DISTRICT NO. 4

AS OF AND FOR THE YEAR ENDED

DECEMBER 31, 2022

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Commissioners and Management of
St. Tammany Parish Recreation District No. 4
Lacombe, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the major fund of St. Tammany Parish Recreation District No. 4 (the District), a component of St. Tammany Parish, Louisiana as for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to my our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



To the Board of Commissioners and Management of
St. Tammany Parish Recreation District No. 4
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Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 17 be presented to supplement the basic financial statements. Such information, although not a required 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. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Other Information

The schedule of governing board on page 18 and the schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (R.S.) 24:513 A(3), on page 19, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management. We have not audited, reviewed, or compiled this supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Mandeville, Louisiana
June 30, 2023

Ericksen Krentel, LLP
Certified Public Accountants

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2022

ASSETS

Cash and cash equivalents	\$ 518,929
Ad valorem taxes receivable, net	371,176
State revenue sharing receivable	11,862
Capital assets, net of accumulated depreciation	<u>700,016</u>
 Total assets	 <u>1,601,983</u>

LIABILITIES AND NET POSITION**CURRENT LIABILITIES:**

Accounts payable	<u>11,543</u>
 Total liabilities	 <u>11,543</u>

NET POSITION:

Net investment in capital assets	700,016
Unrestricted	<u>890,424</u>
 Total net position	 <u>\$ 1,590,440</u>
 Total liabilities and net position	 <u>\$ 1,601,983</u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>PROGRAM REVENUES</u>		<u>Net Revenues (Expenses) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<u>GOVERNMENTAL ACTIVITIES:</u>				
Recreation	\$ 442,980	\$ 31,737	\$ 15,000	\$ (396,243)
Total Governmental Activities				(396,243)
<u>GENERAL REVENUES:</u>				
Ad valorem taxes				397,256
State revenue sharing				3,954
Interest income				676
Other income				191
Total general revenues				402,077
Change in net position				5,834
Net position - beginning				1,584,606
Net position - ending				\$ 1,590,440

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2022

	<u>General</u>
<u>ASSETS</u>	
Cash	\$ 518,929
Ad valorem taxes receivable, net	371,176
State revenue sharing receivable	11,862
Total assets	\$ 901,967
<u>LIABILITIES AND FUND BALANCES</u>	
<u>LIABILITIES:</u>	
Accounts payable	\$ 11,543
Total liabilities	11,543
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred ad valorem taxes	14,225
Total deferred inflows of resources	14,225
<u>FUND BALANCES:</u>	
Unassigned	876,199
Total fund balances	876,199
Total liabilities and fund balance	\$ 901,967

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2022

Fund balance - governmental fund	\$	876,199
Deferred inflows of resources - unavailable ad valorem taxes are not reported on government-wide financial statements		14,225
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		<u>700,016</u>
Net position of governmental activities	\$	<u>1,590,440</u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>General Funds</u>
<u>REVENUES:</u>	
Ad valorem taxes	\$ 397,256
Sports registration fees	6,711
State revenue sharing	3,954
Folgers	15,000
Facility rentals	24,612
Concession income	414
Other income	191
Interest income	<u>676</u>
 Total Revenues	 <u>448,814</u>
<u>EXPENDITURES:</u>	
General and administration	302,982
Capital outlay	7,048
Recreation	<u>75,183</u>
 Total Expenditures	 <u>385,213</u>
 Excess of revenues over expenditures	 63,601
 Fund balance - beginning	 <u>812,598</u>
 Fund balance - ending	 <u><u>\$ 876,199</u></u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Net change in fund balance - governmental fund	\$ 63,601
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated lives and reported as depreciation expense. This is the amount by which depreciation expense of \$64,815 exceeded capital asset additions of \$7,048 in the current period	<u>(57,767)</u>
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Change in net position of governmental activities	<u><u>\$ 5,834</u></u>
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ST. TAMMANY PARISH RECREATION DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

(See Independent Accountants' Review Report)

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Recreation District No. 4 of St. Tammany Parish (the District) was created by the St. Tammany Parish Police Jury on August 6, 1981, pursuant to Louisiana Revised Statute 33:4564. The District has the authority to own and operate facilities and engage in activities which promote recreation. The governing board is made up of seven commissioners appointed by the St. Tammany Parish Council (the Parish Council) who serve four-year terms.

Reporting Entity

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

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

Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999, as amended by GASB Statement No. 63 in June 2011.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Because of the nature of the District's operations, the District reports only governmental activities.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

(See Independent Accountants' Review Report)

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

The District reports the following major governmental fund:

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

Measurement Focus/Basis of Accounting

The government-wide financial statements are accounted for using an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income and changes in financial position. The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

(See Independent Accountants' Review Report)

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus/Basis of Accounting (Continued)

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

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined, and available means collectible within the current period, or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year-end.

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

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which are recognized when payment is due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Budget and Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year for the General Fund. The budget is adopted for the General Fund on a basis consistent with accounting principles generally accepted in the United States of America. All appropriations which are not expended lapse at year-end.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

(See Independent Accountants' Review Report)

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash

Cash includes amounts in interest-bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

Receivables

Receivables are reported net of estimated uncollectible amounts. At December 31, 2022, the allowance for uncollectibles was \$17,146. This represents 4% of the total ad valorem tax assessed. This estimate is based on the District's history of collections within this revenue stream.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$600 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated cost if historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

Equity Classifications

Government-wide net position is divided into three components:

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

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

(See Independent Accountants' Review Report)

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (Continued)

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

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

1. Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted - Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed - Amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners (the Board). The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through formal actions of the Board.
4. Assigned - Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the District's adopted policy, only the Board may assign amounts for specific purposes.
5. Unassigned - All other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Use of Estimates

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

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

(See Independent Accountants' Review Report)

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement

The GASB has issued Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement 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 adoption of this Statement did not have a material impact on the District's financial statements.

Date of Management Review

Subsequent events have been evaluated through June 30, 2023, which is the date the financial statements were available to be issued.

(2) CASH

At December 31, 2022, the District has cash and cash equivalents (book balances) totaling \$518,929.

These deposits are stated at cost, which approximates market. The District does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent, in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent, in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the District's name, and deposits which are uninsured or uncollateralized.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

(See Independent Accountants' Review Report)

(2) CASH (CONTINUED)

At December 31, 2022, the carrying amount and the bank balances of deposits of the primary government are summarized as follows:

	Bank Balances Category			Bank Balance
	1	2	3	
Cash	\$ 495,478	\$ 23,451	\$ _____	\$ 518,929

(3) AD VALOREM TAXES

The District's ad valorem tax is levied in October of each year on the assessed value of property within the District's taxing area. Taxes are due and payable by December 31st, and an enforceable lien attaches to the property on January 1st. The taxes are collected on behalf of the District by the St. Tammany Parish Sheriff and then remitted to the District. The District receives most of the ad valorem taxes in February, March, and April. For the year ended December 31, 2022, taxes of 10.0 mills were levied on property within the District.

(4) CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2022 for the primary government are as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, being depreciated:				
Recreation Facilities	\$ 1,689,289	\$ 7,048	\$ -	\$ 1,696,337
Total capital assets, being depreciated	1,689,289	7,048	\$ -	1,696,337
Less: accumulated depreciation/amortization	(931,506)	(64,815)	-	(996,321)
Net capital assets	\$ 757,783	\$ (57,767)	\$ -	\$ 700,016

Depreciation expense for the year ended December 31, 2022 was 64,815.

(5) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2022, the District carried insurance through various commercial carriers to cover all risks of loss. The District had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

(See Independent Accountants' Review Report)

(6) NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022.

The GASB has released Statement No. 101, Compensated Absences (Statement 101), which replaces GASB Statement No. 16, Accounting for Compensated Absences. The Statement 101 requires liabilities for compensated absences to be recognized for: Leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. Under the new Statement a liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered; (b) the leave has accumulated; and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits is not included in the compensated absences liability. The Statement also addresses the timing of the recognition of a liability for certain types of compensated absences, such as sabbatical leave, parental leave, military leave, jury duty leave and other specific types of compensated balances. The Statement is effective for fiscal years beginning after December 15, 2023.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>REVENUES:</u>				
Ad valorem taxes	\$ 375,000	\$ 375,000	\$ 397,256	\$ 22,256
Sports registration fees	5,000	5,000	6,711	1,711
State revenue sharing	-	-	3,954	3,954
Folgers	-	-	15,000	15,000
Facility Rentals	12,300	12,300	24,612	12,312
Concession revenue	3,000	3,000	414	(2,586)
Grants	2,500	2,500	-	(2,500)
Other income	7,500	7,500	191	(7,309)
Interest revenue	<u>2,000</u>	<u>2,000</u>	<u>676</u>	<u>(1,324)</u>
 Total revenues	 407,300	 407,300	 448,814	 41,514
<u>EXPENDITURES:</u>				
General and administration	323,520	323,520	302,982	20,538
Capital outlay	-	-	7,048	(7,048)
Recreation	<u>63,800</u>	<u>63,800</u>	<u>75,183</u>	<u>(11,383)</u>
 Total expenditures	 <u>387,320</u>	 <u>387,320</u>	 <u>385,213</u>	 <u>2,107</u>
 Excess of revenues over expenditures	 19,980	 19,980	 63,601	 43,621
 Fund balance - beginning	 <u>812,598</u>	 <u>812,598</u>	 <u>812,598</u>	
 Fund balance - ending	 <u>\$ 832,578</u>	 <u>\$ 832,578</u>	 <u>\$ 876,199</u>	

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
SCHEDULE OF GOVERNING BOARD
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Board of Commissioners</u>	<u>Compensation</u>
Jimmy Laurent	\$ -
Shannon Menard	\$ -
Al Hamaeui	\$ -
Marie Wright	\$ -
Wendy Batiste	\$ -
Karen Raymond	\$ -
Nanette Ziegler	\$ -
Monique Holmes	\$ -

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2022

Agency Head Name: Harry Witt, Outsourced Interim Director

5/17/2022 - 12/31/2022

PURPOSE

Contracted Services

AMOUNT

\$ 48,161

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

We have reviewed the financial statements of the St. Tammany Parish Recreation District No. 4 as of and for the year ended December 31, 2022, and have issued our report thereon dated June 30, 2023. We conducted the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

During our engagement to review the financial statements, we did not become aware of any matters that we deemed reportable to management of St. Tammany Parish Recreation District No. 4.

SECTION I SUMMARY OF FINANCIAL STATEMENT FINDINGS

There were no findings for the year ended December 31, 2022

SECTION II MANGEMENT LETTER

There was no management letter issued for the year ended December 31, 2022.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

Reported by the 2021-001 Misappropriation of Public Funds

Criteria:

Management is responsible for documenting employee attendance and time worked and is responsible that leave benefits are accrued in accordance with District policies and procedures. Management is also responsible for the timely deposit of cash collections.

Condition:

The District's Board hired a forensic auditor to investigate allegations related to the District's former director and other former employees of the District.

For the year ended December 31, 2020, the investigation revealed that an employee of the District may have been paid 144 hours over what she should have been compensated for as a result of various discrepancies in the documentation and approval of PTO. For the year ended December 31, 2021, that same employee appears to have been paid 32 hours in excess PTO.

Another employee was found to have been approved for 40 hours of PTO during the year ended December 31, 2020, which is not reflected in that employee's payroll checks for the time period in question. For the year ended December 31, 2021, that employee used 96 hours of compensated PTO which exceeded his compensated PTO hours of 80 for the year. For the year ended December 31, 2021, another employee used 160 hours of compensated PTO hours which exceeded accrued PTO hours of 120 hours for the year.

For the years ended December 31, 2021 and 2020, the former director did not have any leave request forms or approvals although he had 40 hours of PTO in 2020 and none in 2021.

In addition, an audit of a concession collection indicated that no deposit was made for a petty cash withdrawal on May 5, 2021, for a baseball concession stand. The ledger indicated that \$96.75 was collected in addition to the \$200 change fund.

Cause: Unknown.

Effect: Noncompliance with state laws and possible misappropriation of public funds.

Recommendation:

We recommend management and the Board implement controls that will ensure all time and attendance is properly documented and that vacation hours are accrued in accordance with District policy.

This issue has been resolved.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4

LACOMBE, LOUISIANA

LIMITED ATTESTATION AGREED-UPON PROCEDURES

FOR THE PERIOD

JANUARY 1, 2022 THROUGH DECEMBER 31, 2022



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners and Management of St. Tammany Parish Recreation District No. 4 and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas included in the *Louisiana Governmental Audit Guide* (the Subject Matter) for the period January 1, 2022 through December 31, 2022. St. Tammany Parish Recreation District No. 4's management is responsible for those C/C areas identified in the agreed-upon procedures.

St. Tammany Parish Recreation District No. 4 (the District) 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 solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations for the period January 1, 2022 through December 31, 2022, included in the accompanying Louisiana Attestation Questionnaire. Additionally, the Louisiana Legislative Auditor (LLA) has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are attached in Schedule "1".

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the agreed-upon procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the agreed-upon procedures, 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.

June 30, 2023
Mandeville, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
AGREED-UPON PROCEDURES
JANUARY 1, 2022 TO DECEMBER 31, 2022

PUBLIC BID LAW

1. **Procedures:** Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$154,450. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable, and report whether the expenditures were made in accordance with these laws.

Results: Not applicable. No such expenditures were noted.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. **Procedures:** Obtain from management a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Results: We reviewed with the District.

3. **Procedures:** Obtain from management a listing of all employees paid during the fiscal year.

Results: We reviewed with the District.

4. **Procedures:** Report whether any employees' names appear on both lists obtained in procedures #2 and #3.

Results: No board members' immediate family are employees.

5. **Procedures:** Obtain a list of all disbursements made during the year and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Results: We reviewed with the District. No vendors appear to be owned by board members or employees or their families.

6. **Procedures:** Obtain a copy of the legally adopted budget and all amendments.

Results: We obtained from the District.

7. **Procedures:** Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

Results: Minutes from the December 2021 board meeting, where the budget was adopted, were not retained and posted to the client website. The budget was published and posted to the website upon approval.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 TO DECEMBER 31, 2022

8. **Procedures:** Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceeded budgeted amounts by 5% or more.

Results: Actual revenues exceeded final budgeted revenues. Actual expenditures were less than budgeted amounts.

ACCOUNTING AND REPORTING

9. **Procedures:** Randomly select six disbursements made during the period under review and:

- a) Trace payments to supporting documentation as to proper amount and payee;
- b) Determine if payments were properly coded to the correct fund and general ledger account; and
- c) Determine whether payments received approval from proper authorities.

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

MEETINGS

10. **Procedures:** Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law), and report whether there were any exceptions.

Results: Agendas and minutes were inconsistently kept and posted early in 2022, but have been consistently kept and posted to the website since the outsourced management contractor has been in place in May.

DEBT

11. **Procedures:** Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

Results: No such deposits were noted. Per the District, no debt was incurred.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 4
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 TO DECEMBER 31, 2022

ADVANCES AND BONUSES

12. **Procedures:** Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

Results: No such disbursements were noted. Per the District, no such payments were made.

STATE AUDIT LAW

13. **Procedures:** Report whether the agency provided a timely report in accordance with R.S. 24:513.

Results: The District submitted the review report on a timely basis.

14. **Procedures:** Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2), and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Results: Not applicable. No such contracts were noted, and the District has been in compliance with the audit law.