

**RECREATION DISTRICT NO. 1
OF THE PARISH OF ST. MARY**
Amelia, Louisiana

Financial Report

Year Ended September 30, 2023

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INDEPENDENT ACCOUNTANT’S REVIEW REPORT

The Board of Commissioners
Recreation District No. 1 of the Parish of St. Mary
Amelia, Louisiana

Report on the Financial Statements

We have reviewed the accompanying financial statements of the governmental activities and the major fund of Recreation District No. 1 of the Parish of St. Mary (hereinafter “District”), a component unit of the Parish of St. Mary, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents. 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 American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require budgetary comparison schedules 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. The schedule was not audited or reviewed, and we do not express an opinion, a conclusion, nor provide any assurance on it.

Management has omitted the management discussion and analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
March 26, 2024

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Statement of Net Position
September 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 685,733
Investments	375,632
Due from other governmental units	44,504
Prepaid expenses	3,717
Capital assets:	
Land	80,000
Other, net of accumulated depreciation	<u>1,550,502</u>
Total assets	<u>2,740,088</u>
LIABILITIES	
Accounts, salaries, and other payables	<u>9,718</u>
NET POSITION	
Net investment in capital assets	1,630,502
Unrestricted	<u>1,099,868</u>
Total net position	<u>\$ 2,730,370</u>

See accompanying notes to financial statements and independent accountant's review report.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Statement of Activities
Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Change in Net Position
Governmental activities:			
Culture and recreation	<u>\$ 523,152</u>	<u>\$ 17,958</u>	<u>\$ (505,194)</u>
General revenues:			
Taxes:			
Property taxes, levied for operations and maintenance			154,014
Sales taxes			273,979
Interest and investment earnings			<u>5,466</u>
Total general revenues			<u>433,459</u>
Change in net position			(71,735)
Net Position - October 1, 2022			<u>2,802,105</u>
Net Position - September 30, 2023			<u>\$ 2,730,370</u>

See accompanying notes to financial statements and independent accountant's review report.

FUND FINANCIAL STATEMENTS

MAJOR FUND DESCRIPTION

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Balance Sheet
Governmental Fund
September 30, 2023

	General
ASSETS	
Assets:	
Cash and interest-bearing deposits	\$ 685,733
Investments	375,632
Due from other governmental units	44,504
Prepaid expenditures	3,717
Total assets	\$ 1,109,586
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 6,254
Accrued liabilities	3,464
Total liabilities	9,718
Fund balance:	
Nonspendable	3,717
Unassigned	1,096,151
Total fund balances	1,099,868
Total liabilities and fund balance	\$ 1,109,586

(continued)

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Balance Sheet (continued)
Governmental Fund
September 30, 2023

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Total fund balances for governmental funds at September 30, 2023	\$ 1,099,868
Cost of capital assets, net of accumulated depreciation	<u>1,630,502</u>
Net position at September 30, 2023	<u>\$ 2,730,370</u>

See accompanying notes to financial statements and independent accountant's review report.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance
Governmental Fund
Year Ended September 30, 2023

	General
Revenues:	
Sales tax	\$ 273,979
Ad valorem taxes	154,014
Rental income	12,080
Concession income	5,878
Interest income	5,466
Total revenues	451,417
Expenditures:	
Current -	
Culture and recreation	
Advertising	587
Concessions	4,920
Gas and diesel	5,772
Insurance	87,950
Lawn care labor	4,510
Miscellaneous	9,081
Office supplies	4,368
Operating supplies	15,537
Pension deduction from ad valorem taxes	4,756
Professional services	16,905
Recreation	121
Repairs and maintenance	20,740
Retirement plan	2,829
Salaries, wages, and benefits	161,189
Utilities and telephone	72,845
Capital outlay	5,265
Total expenditures	417,375
Net change in fund balance	34,042
Fund balance, beginning	1,065,826
Fund balance, ending	\$ 1,099,868

(continued)

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance (continued)
Governmental Fund
Year Ended September 30, 2023

Reconciliation of the statement of Revenues, Expenditures, and Change in Fund Balances of Governmental
Funds to the Statement of Activities

Total net change in fund balance for the year ended September 30, 2023	
Per Statement of Revenues, Expenditures, and Change in Fund Balances	\$ 34,042
Cost of capital assets	5,265
Depreciation expense	<u>(111,042)</u>
Total change in net position for the year ended September 30, 2023 per Statement of Activities	<u>\$ (71,735)</u>

See accompanying notes to financial statements and independent accountant's review report.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements

INTRODUCTION

Recreation District No. 1 of the Parish of St. Mary, State of Louisiana was created by Ordinance No. 942 issued by the St. Mary Parish Police Jury (predecessor of the St. Mary Parish Council) on November 14, 1984. The District encompasses Ward Nine of the Parish. The District is governed by a Board of Commissioners appointed by the St. Mary Parish Council. The purpose of the District is to provide for cultural and recreational activities in that portion of the Parish.

(1) Summary of Significant Accounting Policies

The accompanying component unit financial statements of the Recreation District No. 1 of the Parish of St. Mary (hereinafter "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 certain significant accounting policies:

A. Financial Reporting Entity

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

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended, established criteria for determining which component units should be considered part of the St. Mary Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria include:

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

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

Because the Parish Council appoints the governing body and has the ability to significantly impose its will, the District is a component unit of the St. Mary Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. 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 financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, issued in June 1999.

Government-Wide Financial Statements

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

The statement of activities presents a comparison between direct expenses and program revenues for the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the District, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are classified into one category: 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 its 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’s general fund was determined to be the major fund and is described below:

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

Governmental Fund –

General Fund – the general fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in other funds.

C. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded at acquisition value at the date of donation. The District maintains a threshold level of \$500 for capitalizing assets.

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. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	40 years
Equipment	5-10 years
Vehicles	5-7 years

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included in the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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 (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
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Notes to Financial Statements (continued)

The modified accrual basis of accounting is used by all governmental fund types. 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 be used to pay liabilities of the current period. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. The District uses the following practices in recording certain revenues and expenditures:

Revenues

Sales taxes are recorded when earned. Ad valorem taxes are recorded in the year taxes are assessed. Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

E. Cash

Cash includes amounts in demand deposits and 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.

F. Investments

State statutes authorize the District to invest in United States bonds, treasury notes or certificates, and time deposits of State banks organized under Louisiana law and national banks having principal offices in Louisiana. Local governments in Louisiana are also authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments meeting the criteria specified in the Statement are stated at fair value. Investments that do not meet the requirements are stated at cost. These investments include amounts invested in the Louisiana Asset Management Pool (LAMP).

G. Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond the current period are recorded as prepaid items.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

H. Compensated Absences

Employees earn annual and sick leave at varying rates depending upon length of service. No liability has been accrued for compensated absences because annual leave does not accrue between fiscal years.

I. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The District may report deferred inflows arising from unavailable revenues. Unavailable revenue occurs under a modified accrual basis of accounting and is reported only in the governmental funds balance sheet.

J. Equity Classifications

Government-wide financial statements

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets - consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by the outstanding balances of any bonds, certificates of indebtedness, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted - all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District considers restricted funds to have been spent first.

Fund financial statements

Fund balance for the District's governmental funds are displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

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.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

3. Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through formal actions approved by the Board of Commissioners.
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 of Commissioners 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 balance is 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 of Commissioners have provided otherwise in its commitment or assignment actions.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2023, the District has cash and interest-bearing deposits (book balances) totaling \$685,733.

Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
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Notes to Financial Statements (continued)

Deposit balances (bank balances) at September 30, 2023 totaling \$722,229 are secured as follows:

At September 30, 2023, the deposits are secured as follows:

Federal deposit insurance	\$	500,000
Pledged securities		<u>222,229</u>
Total		<u>\$ 722,229</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. The District does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. At September 30, 2023, deposits in the amount of \$222,229 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the District's name.

(3) Investments

State law allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. Government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. Government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks; certain account of federally of state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporation.

As of September 30, 2023, the District had the following investments and maturities (in years):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>
LAMP	<u>\$ 375,632</u>	<u>\$ 375,632</u>

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investment. The District does not have an investment policy that conforms to state law, as described above, which has no provision for custodial risk.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have an investment policy that conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The types of investments allowed by state law ensure that the District is not exposed to credit risk.

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Notes to Financial Statements (continued)

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with R.S. 33:2955. Separately issued financial statements for LAMP is available at www.lamppool.com.

GASB Statement No. 40, Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 60 days as of September 30, 2023.
- Foreign currency risk: Not applicable to 2a7-like pools.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Fair Value Measurements

To the extent available, the District's investments are recorded at fair value as of September 30, 2023. GASB Statement No. 72, Fair Value Measurements and Application, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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Notes to Financial Statements (continued)

The District measures its investments using fair value guidelines established by GASBS 72, which recognizes a three-tiered fair value hierarchy as follows:

- Level 1-quoted prices for identical investments in active markets
- Level 2-observable inputs other than quoted market prices
- Level 3-unobservable inputs

The District's investments in LAMP are measured using observable inputs other than quoted market prices (Level 2 inputs). The investments in LAMP are valued using quoted market prices of the underlying investment of LAMP on a weekly basis and the value of the position in the external pool is the same as the net asset value of the pool shares.

(4) Ad Valorem Taxes

Taxes Levied

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 31 and an enforceable lien attaches to the property on January 1. The taxes are collected on behalf of the District by the St. Mary Parish Sheriff and then remitted to the District. The District receives most of the ad valorem taxes in January and February.

For the year ended September 30, 2023, taxes of 3.0 mills were levied on property with assessed valuations totaling \$49,257,215 and were dedicated as follows:

Maintenance and operations	3.00
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Total taxes levied were \$147,302.

Tax Abatements

The District is subject to certain property tax abatements granted by the Louisiana Board of Commerce and Industry ("LBCI"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the District may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and the Restoration Tax Abatement Program ("RTAP"). In addition, local governments have the authority to grant sales tax rebates to taxpayers pursuant to the Enterprise Zone Tax Rebate Program. For the year ended September 30, 2023, the District incurred abatements of ad valorem taxes through ITEP.

ITEP is authorized by Article 7, Section 21(F) of the Louisiana Constitution. Companies qualifying as manufacturers can apply to the LBCI for a property tax exemption on all new property, as defined, used in the manufacturing process. Under ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5 year term and are renewable for an additional 5 year term upon approval by LBCI. These state-granted abatements have resulted in reductions of property taxes, which the tax entity administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
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Notes to Financial Statements (continued)

local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement. For the year ended September 30, 2023, \$15,212 of the District's ad valorem tax revenues were abated by the State of Louisiana through ITEP.

(5) Due from Other Governmental Units

The following is a summary of amounts due from other governmental units at September 30, 2023:

Due from -	
St. Mary Parish Sales and Use Tax Department	<u>\$ 44,504</u>

(6) Capital Assets

Capital asset activity for the year ended September 30, 2023 was as follows:

	Balance 10/1/2022	Additions	Deletions	Balance 9/30/2023
Capital assets not being depreciated:				
Land	\$ 80,000	\$ -	\$ -	\$ 80,000
Capital assets being depreciated:				
Buildings and improvements	3,649,522	-	-	3,649,522
Equipment	329,140	5,265	(6,938)	327,467
Vehicles	27,672	-	-	27,672
Total	4,006,334	5,265	(6,938)	4,004,661
Less: accumulated depreciation				
Buildings and improvements	2,038,069	98,748	-	2,136,817
Equipment	284,314	12,294	(6,938)	289,670
Vehicles	27,672	-	-	27,672
Total	2,350,055	111,042	(6,938)	2,454,159
Capital assets being depreciated, net	1,656,279	(105,777)	-	1,550,502
Capital assets, net	\$ 1,736,279	\$ (105,777)	\$ -	\$ 1,630,502

Depreciation expense in the amount of \$111,042 was charged to culture and recreation.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

(7) Retirement System

All employees of the District participate in the Social Security System. The District and its employees contribute a percentage of each employee’s salary to the System. In addition, effective March 2014, qualified employees also belong to a SEP/IRA Retirement Plan. The District contributed 3% of the gross wages of each qualified employee to their individual SEP/IRA Retirement Plan account for the year ended September 30, 2023. The District’s contributions to the above plans totaled approximately \$2,829, \$2,706, and \$2,725 for the years ended September 30, 2023, 2022, and 2021, respectively. There were no unfunded contributions at year-end.

(8) Compensation Paid to Board Members

The schedule of compensation paid to the board of Commissioners for the period ended September 30, 2023 in compliance with Louisiana Revised Statute 33:4572(B):

	Per Diem Received
Steve Patureau	\$ 845
Tyrone Richardson	780
Louie Soto	130
Anthony Scully	715
Janice Aucoin	780
Carla Gagliano	520
Total	\$ 3,770

Act 706 of the 2014 Legislative Session amended RS 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. With the exception of per diem, no other payments which would require disclosure were made to the District’s chief officer. For the year ended September 30, 2023 the District’s chief officer, Janice Aucoin, received \$780 in per diem payments.

(9) 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. The District has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss.

The District is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended September 30, 2023. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

(10) New Accounting Pronouncements Scheduled to be Implemented

The following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the District's financial report:

GASB Statement 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The standard is effective for annual reporting periods beginning after June 15, 2023. The effect of implementation on the District's financial statements has not yet been determined.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This standard is effective for annual reporting periods beginning after December 15, 2023. The effect of implementation on the District's financial statements has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance -
	Original	Final		Favorable (Unfavorable)
Revenues:				
Sales tax	\$ 200,000	\$ 200,000	\$ 273,979	\$ 73,979
Ad valorem taxes	175,000	175,000	154,014	(20,986)
Rental income	7,000	7,000	12,080	5,080
Concessions income	6,000	6,000	5,878	(122)
Interest income	1,000	1,000	5,466	4,466
Other	3,000	3,000	-	(3,000)
Total revenues	<u>392,000</u>	<u>392,000</u>	<u>451,417</u>	<u>59,417</u>
Expenditures:				
Current -				
Culture and recreation				
Advertising	1,000	1,000	587	413
Concessions	3,000	3,000	4,920	(1,920)
Gas and diesel	5,500	5,500	5,772	(272)
Insurance	60,000	60,000	87,950	(27,950)
Lawn care labor	2,000	2,000	4,510	(2,510)
Miscellaneous	7,965	7,965	9,081	(1,116)
Office supplies	3,500	3,500	4,368	(868)
Operating supplies	16,000	16,000	15,537	463
Pension deduction from taxes	-	-	4,756	(4,756)
Professional services	30,000	30,000	16,905	13,095
Recreation	5,000	5,000	121	4,879
Repairs and maintenance	20,000	20,000	20,740	(740)
Retirement plan	2,500	2,500	2,829	(329)
Salaries, wages, and benefits	147,500	147,500	161,189	(13,689)
Utilities and telephone	61,500	61,500	72,845	(11,345)
Capital outlay	<u>100,000</u>	<u>100,000</u>	<u>5,265</u>	<u>94,735</u>
Total expenditures	<u>465,465</u>	<u>465,465</u>	<u>417,375</u>	<u>48,090</u>
Net change in fund balance	(73,465)	(73,465)	34,042	107,507
Fund balance, beginning	<u>1,065,826</u>	<u>1,065,826</u>	<u>1,065,826</u>	<u>-</u>
Fund balance, ending	<u>\$ 992,361</u>	<u>\$ 992,361</u>	<u>\$ 1,099,868</u>	<u>\$ 11,327</u>

See independent accountant's review report and accompanying note to budgetary comparison schedule.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Note to Budgetary Comparison Schedule

Budgetary Practices

The District prepares and adopts a budget in accordance with LSA-RS 39:1301 et seq. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted and as amended by the District.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. The level of budgetary control is set at the fund level.

REQUIREMENTS OF THE *LOUISIANA GOVERNMENTAL AUDIT GUIDE*

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Commissioners
Recreation District No. 1 of the Parish of St. Mary and
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the compliance of Recreation District No. 1 of the Parish of St. Mary (hereinafter “the District”) with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire (Exhibit A) during the fiscal year ended September 30, 2023, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District’s management is responsible for its financial records and compliance with applicable laws and regulations.

An agreed-upon procedures engagement involves the performing of specific procedures that the District has agreed to and acknowledged are appropriate to meet the intended purpose of determining the District’s compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire (Exhibit A) and report on exceptions based upon the procedures performed. 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 exceptions, if any, are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$60,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the Office of State Purchasing, whichever is applicable, and report whether the expenditures were made in accordance with these laws.

No expenditures for materials and supplies were made during the year that exceeded \$60,000, nor were there any expenditures for public works exceeding \$250,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of immediate family members of each board member as defined by RS 42:1101-1124 (the ethics law).

Lists of immediate family members was provided from each board member.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the required list.

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

None of the employees included on the list provided by management for agreed-upon Procedure 3 appeared on the lists provided by board members for agreed-upon Procedure 2.

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

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

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

Management provided us with a copy of the original budget. Management represented that there were no amendments to the budget during the year.

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

Traced adoption of the original budget to documentation in the minutes of the meeting of the District's commissioners held on September 20, 2022. Management represented that there were no amendments to the budget during the year.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by five percent (5%) or more and whether actual expenditures exceed budgeted amounts by five percent (5%) or more.

Actual revenues did not fail to meet budgeted amounts by 5% or more and actual expenditures did not exceed budgeted amounts by 5% or more.

Accounting and Reporting

9. Obtain a listing of all disbursements made during the fiscal year. Randomly select six (6) disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- a) Report whether the six disbursements agree to the amount and payee in the supporting documentation.

No exceptions were identified as a result of applying this procedure.

- b) Report whether the six disbursements were coded to the correct fund and general ledger account.

No exceptions were identified as a result of applying this procedure.

- c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

One (1) of the six selected disbursements was approved in accordance with the District's policies and procedures. The District does not maintain policies and procedures for approval of payroll disbursements.

Meetings

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

Management represented that the District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Although management has asserted that such documents were properly posted, no evidence was provided to support management's assertion other than an unmarked copy of the notices and agendas.

Debt

11. Obtain bank deposit slips for the fiscal year and scan the deposits slips 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.

We obtained copies of all bank deposit slips for the year ended September 30, 2023 and identified no deposits that appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

We inspected payroll records and meeting minutes for the year and observed no instances which would indicate payments to employees, or approvals of same, that may constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the District provided for a timely report in accordance with RS 24:513.

The District provided for a timely report in accordance with RS 24:513.

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

Management represented the District entered into no such contracts while not in compliance with RS 24:513.

Prior Comments and Recommendations

15. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations and/or comments have been resolved.

Our prior year report, dated January 26, 2023, did not include any suggestions, exceptions, recommendations, or comments with regard to the foregoing agreed upon procedures.

We were engaged by the Board of Commissioners of 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 provisions of *Government Auditing Standards*, issued by the United States Comptroller General. 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 the District's compliance with the foregoing matters. 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 the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by the District's management and the LLA and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
March 26, 2024

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Schedule of Findings
Year Ended September 30, 2023

A. Internal Control

2023-001 – Segregation of Duties

Year Initially Occurring: Unknown

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The District’s internal control over financial reporting includes those policies and procedures that pertain to the District’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in either financial statements or interim financial statements, or both.

CAUSE: The cause of the condition is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

2023-002 - Financial Reporting (Application of Generally Accepted Accounting Principles)

Year Initially Occurring: Unknown

CONDITION: The District lacks adequate staff and the expertise to prepare financial statements in accordance with U.S. GAAP, as applicable to governmental entities.

CRITERIA: The District’s internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements and to apply GAAP in the preparation of those financial statements and related disclosures.

CAUSE: The condition results from the relatively small size of the District and the increased costs of hiring personnel to prepare GAAP-based financial statements.

EFFECT: GAAP-based financial statements, as applicable to governmental entities, are not prepared by the District.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Schedule of Findings (continued)
Year Ended September 30, 2023

B. Compliance

No conditions are reported.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Summary Schedule of Prior Findings
Year Ended September 30, 2023

A. Internal Control

2022-001 Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: Due to the size of the operation and the cost/benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: See schedule of findings, item 2023-001.

2022-002 Financial Reporting

CONDITION: The District lacks adequate staff and the expertise to prepare financial statements in accordance with U.S. GAAP, as applicable to governmental entities.

MANAGEMENT'S RESPONSE: The Board of Commissioners continues to evaluate the cost-benefit of outsourcing the preparation of the District's financial statements to its independent auditors rather than incur the costs to employ someone to prepare GAAP-based financial statements and have determined that it would be more cost effective to outsource the preparation of the District's financial statements. We will review the financial statements, notes, and any supplementary information prior to accepting responsibility for their presentation and content.

CURRENT STATUS: See schedule of findings, item 2023-002.

B. Compliance

No conditions were reported.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Corrective Action Plan for Current Findings
Year Ended September 30, 2023

2023-001 – Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: Due to the size of the operation and the cost/benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

2023-002 - Financial Reporting

CONDITION: The District lacks adequate staff and the expertise to prepare financial statements in accordance with U.S. GAAP, as applicable to governmental entities.

MANAGEMENT'S RESPONSE: The Board of Commissioners continues to evaluate the cost-benefit of outsourcing the preparation of the District's financial statements to its independent auditors rather than incur the costs to employ someone to prepare GAAP-based financial statements and have determined that it would be more cost effective to outsource the preparation of the District's financial statements. We will review the financial statements, notes, and any supplementary information prior to accepting responsibility for their presentation and content.

LOUISIANA ATTESTATION QUESTIONNAIRE
Exhibit A

Recreation District No. 1 of the Parish of St. Mary
Louisiana Attestation Questionnaire
Year Ended September 30, 2023

Kolder, Slaven & Company, LLC, CPAs
Post Office Box 3438
Morgan City, Louisiana 70381

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below as of September 30, 2023 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.
Yes No N/A

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.
Yes No N/A

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No N/A

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.
Yes No N/A

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No N/A

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No N/A

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No N/A

We did not enter 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).

Yes No N/A

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [] No [] N/A []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 Through 42:28.

Yes [] No [] N/A []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No [] N/A []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No [] N/A []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No [] N/A []

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No [] N/A []

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes [] No [] N/A []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes [] No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes [] No [] N/A []

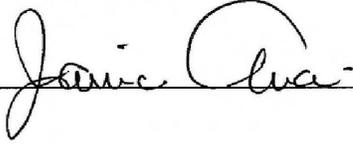
We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes [] No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [] No [] N/A []

The previous responses have been made to the best of our belief and knowledge.



President

9-20-23

Date