

RECREATION DISTRICT NO. 5

**OF THE PARISH OF ST. MARY
STATE OF LOUISIANA**

**Annual Component Unit Financial Statements
with Independent Auditors' Report**

and

**Report on Internal Control Over Financial Reporting
and Compliance and Other Matters**

For the Year Ended September 30, 2025

CONTENTS

	<u>PAGE</u>
 <u>FINANCIAL INFORMATION SECTION</u>	
Independent Auditors' Report	1-3
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Balance Sheet-Governmental Funds	6-7
Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds	8-9
Notes to the Financial Statements	10-18
 <u>REQUIRED SUPPLEMENTAL INFORMATION</u>	
Operating Budget (Non-GAAP basis)	20
Notes to Required Supplemental Information (Unaudited)	21
 <u>INTERNAL CONTROL AND COMPLIANCE AND OTHER MATTERS SECTION</u>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <u>Government Auditing Standards</u>	23-24
Schedule of Findings	25-29
Summary of Prior Year Findings and Corrective Action Prepared by Recreation District No. 5 of St. Mary Parish, State of Louisiana	30
Corrective Action Plan Prepared by the Management of Recreation District No. 5 of the Parish of St. Mary, State of Louisiana	31-32

FINANCIAL INFORMATION SECTION



INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
Recreation District No. 5 of the Parish
of St. Mary, State of Louisiana
Jeanerette, Louisiana

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Recreation District No 5 of the Parish of St. Mary, State of Louisiana (District), a component unit of the St. Mary Parish Council, as of and for the year ended September 30, 2025, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and changes in financial position of the District, as of September 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

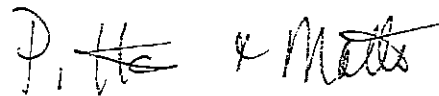
Required Supplementary Information

Management has omitted Management's Discussion and Analysis 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. Our opinion on the basic financial statements is not affected by this missing information.

We have applied certain limited procedures to the required supplementary information related to budgetary comparison information as listed in the table of contents in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance.

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

April 28, 2026
Morgan City, Louisiana

RECREATION DISTRICT NO. 5 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

Statement of Net Position
September 30, 2025

	Governmental <u>Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 204,344
Total current assets	<u>204,344</u>
Capital assets-net of accumulated depreciation	
Land and Improvements	224,721
Building	1,145,221
Vehicles	2,791
Equipment and furniture	<u>63,493</u>
Total net capital assets	<u>1,436,226</u>
Total assets	<u>\$ 1,640,570</u>
LIABILITIES AND NET POSITION	
Liabilities	
Current liabilities	
Accounts payable and accrued expenses	\$ 8,432
Total liabilities	<u>8,432</u>
Net position	
Investment in capital assets, net of related debt	1,436,226
Unrestricted	<u>195,912</u>
Total net position	<u>1,632,138</u>
Total liabilities and net position	<u>\$ 1,640,570</u>

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

RECREATION DISTRICT NO. 5 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

Statement of Activities
For the Year Ended September 30, 2025

	<u>Total</u>
<u>Expenses</u>	
Current operating:	
Culture and recreation	
Salaries, wages, and benefits	\$ 174,697
Repairs and maintenance	44,193
Insurance	46,915
Utilities and telephone	50,305
Professional services	29,265
Supplies	11,112
Office	23,426
Ad valorem - pension	15,500
Recreation program expense	18,334
Miscellaneous	1,769
Depreciation expense	122,149
Total program expenses	<u>537,665</u>
 <u>Program revenues</u>	
Rental income	\$ 26,433
Total program revenues	<u>26,433</u>
 Net program expenses	<u>511,232</u>
 <u>General revenues</u>	
Taxes:	
Ad valorem	\$ 493,130
Interest income	271
Total general revenues	<u>493,401</u>
Increase (decrease) in net assets	(17,831)
Net position - beginning of year	<u>1,649,969</u>
Net position - end of year	<u><u>\$1,632,138</u></u>

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

**RECREATION DISTRICT NO. 5 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA**

**Balance Sheet
Governmental Funds
September 30, 2025**

	<u>Governmental Fund Types</u>		
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 204,344	\$ -	\$ 204,344
Total assets	<u>\$ 204,344</u>	<u>\$ -</u>	<u>\$ 204,344</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 8,432	\$ -	\$ 8,432
Total liabilities	<u>8,432</u>	<u>-</u>	<u>8,432</u>
Fund balances:			
Unassigned	195,912		195,912
Restricted for debt service		-	-
Total fund balances	<u>195,912</u>	<u>-</u>	<u>195,912</u>
Total liabilities and fund balances	<u>\$ 204,344</u>	<u>\$ -</u>	<u>\$ 204,344</u>

Reconciliation of the total fund balance -- total governmental funds
to the net position of governmental activities:

Total fund balance - Governmental Funds \$195,912

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not current financial
resources and, therefore, are not reported in the governmental
funds balance sheet.

1,436,226

Net position of governmental activities

\$1,632,138

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

**RECREATION DISTRICT NO. 5 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2025**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>			
Rental income	\$ 26,433		\$ 26,433
Ad valorem taxes	493,130		493,130
Interest Income	<u>264</u>	<u>\$ 7</u>	<u>271</u>
 Total revenues	 <u>519,827</u>	 <u>7</u>	 <u>519,834</u>
 <u>Expenditures</u>			
Current:			
Culture and recreation			
Salaries and per diem	\$ 174,697	\$ -	\$ 174,697
Repairs and maintenance	44,193		44,193
Insurance	46,915		46,915
Utilities, telephone, & internet	50,305		50,305
Professional services	29,265		29,265
Supplies	11,112		11,112
Office	23,426		23,426
Ad valorem - pension	15,500		15,500
Recreation programs expense	18,334		18,334
Miscellaneous	1,769		1,769
Capital Outlay	<u>25,500</u>	<u>-</u>	<u>25,500</u>
Total expenditures	<u>441,016</u>	<u>-</u>	<u>441,016</u>
 Excess (deficit) of revenues over expenditures	 78,811	 7	 78,818
 Other Financing Sources (Uses)			
Transfers in from other funds	15,215	-	15,215
Transfers out to other funds	<u>-</u>	<u>(15,215)</u>	<u>(15,215)</u>
 Total other financing sources (uses)	 <u>15,215</u>	 <u>(15,215)</u>	 <u>-</u>
 Excess (deficit) of revenues and other financing sources over expenditures and other financing uses	 94,026	 (15,208)	 78,818
 Fund balances, beginning of year	 <u>101,886</u>	 <u>15,208</u>	 <u>117,094</u>
 Fund balances, end of year	 <u>\$ 195,912</u>	 <u>\$ -</u>	 <u>\$ 195,912</u>

Reconciliation of the changes in fund balances - total governmental funds to the change in net position of governmental activities:

Net change in fund balance - Governmental Funds \$ 78,818

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 useful lives as depreciation expense. This is the amount by which depreciation (\$122,149) exceeded capital outlays (\$25,500) in the current period. (96,649)

Change in net position of governmental activities \$ (17,831)

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

**RECREATION DISTRICT NO. 5 OF THE PARISH OF
ST. MARY, STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recreation District No. 5 of the Parish of St. Mary, State of Louisiana (District), was created by Ordinance No. 1528 of the St. Mary Parish Council (Council) on May 8, 2002. The District encompasses Wards 2 and 7, and a portion of Ward 1. The purpose of the District is to provide for cultural and recreational activities in that portion of the Parish.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the governmental unit, for financial reporting purposes, consideration has been given to the following criteria as set forth in GAAP:

- a. Financial benefit or burden
- b. Appointment of a voting majority
- c. Imposition of will
- d. Fiscally dependent

Based upon the above criteria, the District is a component unit and integral part of the Council (the primary government).

These financial statements include only the operations of the District.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basic Financial Statements - Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities which report all activities of the District as a whole. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The following is a description of the funds utilized by the District.

Governmental Funds

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.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

D. Basis of Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Statements

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, all liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the statement of net position, and the statement of activities presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Fund Financial Statements

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current deferred outflows of resources, current liabilities, and current deferred inflows of resources, 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 assets.

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 can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities (the District uses a sixty day period after year end).

E. Revenues

The following is a summary of the District's recognition policies for its major revenue sources:

Ad valorem taxes (which are based on population and homesteads in the District) are recorded in the year the taxes are assessed.

Interest earnings are generally recorded when earned.

Substantially all other revenues are recorded when received.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Deferred Outflows and Inflows of Resources

The District has evaluated its transactions with the requirements of GASB pronouncements, related to deferred items, and determined that there are no significant transactions that meet the requirements of these statements. Therefore as of September 30, 2025, the District is not presenting any Deferred Outflows or Inflows of Resources in its financial statements.

G. Expenses/Expenditures

The government-wide financial statements recognize expenses under the accrual basis of accounting and records the related liability at the time the expense is incurred.

In the fund financial statements, expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except principal and interest on long-term debt which is not recognized until due.

H. Cash and Cash Equivalents

Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include bank deposits and/or certificates of deposit with original maturities of less than three months.

I. Fixed Assets

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

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All purchased fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair market value on the date received. Fixed assets are reported at their historical cost or estimated fair market value less their accumulated depreciation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation is computed using the straight-line method based on the estimated useful life of the various assets. The following is a summary of estimated useful lives by classification of the fixed assets:

<u>Category</u>	<u>Years</u>
Buildings	30
Improvements	40
Equipment	5
Vehicles	5

Fund Financial Statements

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

J. Equity Classifications

Government-wide Statements

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

- a) Net investment in capital assets - Consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- c) Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements

Governmental fund equity is classified by five categories; nonspendable, restricted, committed, assigned, or unassigned. At present, the District only requires reporting of nonspendable, restricted and unassigned. Restricted represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Unassigned represents those portions of fund equity that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purpose within the General Fund. Nonspendable represents those portions of fund equity that can not be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

K. Interfund Transfers

Permanent reallocations of resources between funds of the District are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds and amounts due to/from those funds have been eliminated.

NOTE 2 - CASH AND CASH EQUIVALENTS

The District does not have a formal investment policy related to interest rate risk (the risk of an investment decreasing in value due to increasing interest rates).

In addition the District does not have a formal investment policy related to credit risk (including concentrations of credit and custodial credit risk). However the District does follow state law as to limitations on types of deposits and investments as described below.

The District does not invest in any investments subject to foreign currency risk.

Cash and cash equivalents

Under state law the District may deposit its funds with certain state and federally chartered financial institutions. The deposits are required to be insured or collateralized by the financial institutions.

At year end, the carrying amount of the District's cash was \$204,344 and the bank balance was \$217,541 (all of which was covered by federal depository insurance).

NOTE 3 - TAXES

The District's property 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 taxes are considered delinquent January 1. Notices regarding seizures are sent out in April with the seizure date being May 1. The taxes are collected on behalf of the District by the Sheriff and then remitted to the District. The District actually receives most of the taxes in January.

The District receives 7.48 mils of property tax. For the year ended September 30, 2025, 7.48 mils were distributed to the General Fund and dedicated to operations and maintenance. For the year ended September 30, 2025 a mil levied resulted in approximately \$66,000 in ad valorem taxes received by the District.

NOTE 4 - FIXED ASSETS

Capital asset activity for the year ended September 30, 2025 is as follows:

	Balance September 30, <u>2024</u>	<u>Additions</u>	Balance September 30, <u>2025</u>
Capital assets:			
Land	\$ 66,500		\$ 66,500
Total capital assets not being			
Depreciated	<u>66,500</u>		<u>66,500</u>
Other capital assets:			
Building	3,141,141		3,141,141
Equipment & furniture	190,838		190,838
Vehicles	76,098		76,098
Improvements	<u>221,362</u>	<u>\$25,500</u>	<u>246,862</u>
Total other capital assets at historical cost	<u>3,629,439</u>	<u>25,500</u>	<u>3,654,939</u>
Less accumulated depreciation for:			
Building	(1,891,098)	(104,822)	(1,995,920)
Equipment & Furniture	(116,068)	(11,277)	(127,345)
Vehicles	(73,307)		(73,307)
Improvements	<u>(82,591)</u>	<u>(6,050)</u>	<u>(88,641)</u>
Total accumulated depreciation	<u>(2,163,064)</u>	<u>(122,149)</u>	<u>(2,285,213)</u>
Total capital assets, net	<u>\$1,532,875</u>	<u>\$(96,649)</u>	<u>\$1,436,226</u>

Depreciation expense for the year totaled approximately \$122,000.

NOTE 5 - PENSION PLAN

The District's employees are covered under the Federal Insurance Contributions Act (Social Security). The District makes the required contributions to the fund and is not responsible for the benefits. During the year ended September 30, 2025 the District contributed \$9,694 and the District's employees contributed \$9,694.

The District does not maintain any other post employment benefit plans.

NOTE 6 - COMPENSATION OF BOARD MEMBERS AND OFFICERS

Board members received the following per diems (the Chief Executive Officer, received no other compensation) for the year ended September 30, 2025:

<u>Name</u>	<u>Amount</u>
Deborah Aymond, Chairman (Chief Executive Officer)	\$715
Norma Bouey	715
Rosa Crosby	715
Sommer Francis	260
Tammie Moore	715
Leona Wiley	<u>65</u>
	<u>\$3,185</u>

NOTE 7 - CONCENTRATIONS

The District receives ninety-five percent of its revenues from the general public in the form of ad valorem taxes.

NOTE 8 - ON-BEHALF PAYMENTS

Property tax revenues include amounts withheld by the Sheriff to make on-behalf payments which represents the District's pro-rata share of retirement plan contributions for other governmental units. Because the District is one of multiple governmental agencies receiving proceeds from a property tax assessment, it has to bear a pro-rata share of the pension expense relating to the public employees who participate in the Assessor's Retirement Fund, Clerk of Court Retirement Fund, District Attorney's Retirement System, Municipal Employees' Retirement System, Parochial Employees' Retirement System, Registrar of Voter Employees' Retirement System, Sheriffs' Pension & Relief Fund, and Teacher's Retirement System.

The pro-rata share of the required contribution (\$15,500) that was withheld by the Sheriff from property tax collections to satisfy the District's obligation has been presented as "pension - ad valorem" in the expenditure of the General fund in these financial statements. The District has also increased its property tax revenues by the same amount of the expenditure.

NOTE 9 - RISK MANAGEMENT AND CONTINGENCIES

The District is exposed to various risks of loss related to torts, theft or damage to assets, errors and omissions, injuries to employees and natural disasters. The District has purchased commercial insurance to protect against loss from substantially all of these perils.

There has been no significant reduction in insurance coverage from prior years. Settlements in the prior three years have not exceeded insurance coverages.

REQUIRED SUPPLEMENTAL INFORMATION

**RECREATION DISTRICT NO. 5 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA**

**Operating Budget (Non-GAAP Basis)
General Fund and Other Operations**

For the Year Ended September 30, 2025

	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>Amounts</u>	Variance with Final Budget Positive <u>(Negative)</u>
<u>Revenues</u>				
Ad valorem taxes	\$ 422,000	\$ 480,308	\$ 493,130	\$ 12,822
Interest income	975	267	271	4
Rental income	35,000	25,087	26,433	1,346
Parish Council Grants	25,000	-	-	-
Total revenues	<u>482,975</u>	<u>505,662</u>	<u>519,834</u>	<u>14,172</u>
<u>Expenditures</u>				
Current:				
Culture and recreation				
Salaries, wages, and benefits	\$ 175,150	\$ 173,846	\$ 174,697	\$ (851)
Repairs and maintenance	80,000	85,447	44,193	41,254
Insurance	85,000	51,700	46,915	4,785
Utilities	44,200	46,933	50,305	(3,372)
Professional services	38,500	29,265	29,265	-
Supplies	3,000	1,674	11,112	(9,438)
Office	17,000	22,981	23,426	(445)
Ad valorem - pension	-	-	15,500	(15,500)
Recreation program	20,000	18,171	18,334	(163)
Miscellaneous	4,260	1,769	1,769	-
Total expenditures	<u>467,110</u>	<u>431,786</u>	<u>415,516</u>	<u>16,270</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 15,865</u>	<u>\$ 73,876</u>	<u>\$ 104,318</u>	<u>\$ 30,442</u>

The accompanying notes are an integral part of this supplemental information.

**RECREATION DISTRICT NO. 5 OF THE PARISH OF
ST. MARY, STATE OF LOUISIANA**

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
(Unaudited)**

September 30, 2025

NOTE 1 - BUDGET PROCESS

The District adopts a single combined budget (General Fund and Other Operations Budget) for the operations of both its General Fund and Debt Service Fund rather than separate budgets for each fund. The budget is adopted on a basis consistent with generally accepted accounting principles, except for purchases of capital assets. All annual appropriations lapse at fiscal year end. Budgets are amended when necessary with Board approval. In the financial statement comparison of the budget to actual amounts, both the original and final amended amounts are shown.

NOTE 2 - BUDGET RECONCILIATION

The following is a reconciliation of the actual amounts as shown in the operating budget to the actual amounts as shown in the financial statements:

Excess of revenues over expenditures per Operating Budget	\$104,318
Less:	
Capital Outlay	<u>(25,500)</u>
Excess (deficiency) of revenues over expenditures for all funds per Statement of Revenues, Expenditures and Changes in Fund Balance	<u>\$78,818</u>

INTERNAL CONTROL AND COMPLIANCE
AND OTHER MATTERS SECTION



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

The Board of Commissioners
Recreation District No. 5 of the Parish
of St. Mary, State of Louisiana
Jeanerette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Recreation District No. 5, of the Parish of St. Mary, State of Louisiana (District), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated April 28, 2026.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-002 and 2025-003 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

Report on Compliance and Other Matters

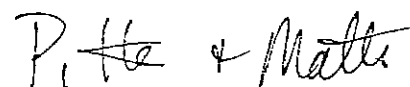
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2025-004 and 2025-005.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit is described in the accompanying schedule of findings. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.



CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana
April 28, 2026

**RECREATION DISTRICT NO. 5 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA**

**Schedule of Findings
For the Year Ended September 30, 2025**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on the financial statements of the Recreation District No. 5 of the Parish of St. Mary.
2. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control Over Financial Reporting

One deficiency in internal control is reported as a significant deficiency and two deficiencies as material weaknesses.

Compliance and Other Matters

There are two instances of noncompliance or other matters which are required to be reported.

3. Federal Awards

This section is not applicable for the year ended September 30, 2025.

B. FINDINGS FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL

Significant Deficiency

ITEM NO. 2025-001 APPLICATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

Auditor's Comments:

Condition: The individuals responsible for the District's accounting and reporting functions lack the knowledge and experience needed to prepare the financial statements of a governmental entity in accordance with GAAP.

Criteria: A deficiency in the design of internal control exist when the persons responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.

Cause: This condition is a result of management and staff not having the experience needed to fully prepare governmental financial statements in accordance with GAAP for governments.

Effect: Financial statements may reflect a departure from GAAP.

Recommendation: No recommendation forwarded. The additional costs required to achieve the desired benefit may not be economically feasible.

Management Response: We believe the monthly financial statement prepared by our accountant is sufficient for us to make management decisions. We have determined that it is in the best interest of the District to outsource to our independent auditors the preparation of the annual financial statements and related notes in accordance with GAAP, and we will review, approve, and accept responsibility for the content prior to issuance.

INTERNAL CONTROL

Material Weakness

ITEM NO. 2025-002 LACK OF COMPLIANCE WITH INTERNAL CONTROLS RELATED TO RENTALS

Auditor's Comments:

Condition: During the course of testing recreation rental income, we noted that two rentals totaling \$2,360 did not follow the District's standard rental procedures.

The District's rental procedures include the following:

- A. Rental Agreements are signed by the center Representative and the Renter to ensure the date of the event and the renter's name is placed on the event calendar.
- B. The rental amount is set by the District's Rent Agreement Price Schedule. A deposit is required to secure a reservation. Payments in the form of checks or money orders are accepted. If a partial payment is made, final payment is due within 14 days of the scheduled event/function. 501C-3 participants receive a 20% discount of the total rental price.
- C. A receipt containing the date of payment, amount paid, remaining balance, reason for rental, and type of payment received is written to the renter and is signed by the center's representative.
- D. Deposit may be refundable upon inspection of the facility and will be refunded within 3 working days of the event/function.
- E. Cancellations must be obtained in writing 90 days before the scheduled event/function.
- F. Rental deposits are refundable only when the Director receives written notice of cancellation 90 days before the scheduled event/function.
- G. Payments are prepared for deposit and recorded on the Monthly Rental Deposit listing which contains the month, from whom payment was received, date deposited and the amount of the deposit. A copy of the payment is then attached to the listing.
- H. The Monthly Rental Deposit listing and the Monthly Bank Statements are provided to the outside account to record the deposit into the general ledger.

Criteria: A sound internal control system over rentals should include a system to ensure that all rentals are properly documented and all funds owed to the District are collected in a timely manner.

Effect: Failure to properly document rentals can result in improper usage of the center. Failure to collect funds timely can result in lost revenues.

Cause: The District failed to follow its system in place for certain rentals.

Recommendations: We recommend a review of the procedures undertaken and all staff be trained on these procedures.

Management's Response: We will review our rentals procedures and train our staff accordingly.

ITEM NO. 2025-003 LACK OF COMPLIANCE WITH INTERNAL CONTROLS RELATED TO DISBURSEMENTS

Auditor's Comments:

Condition: During the course of testing disbursements, we noted that the District failed to retain proper supporting documentation for two disbursements totaling \$302.

Criteria: A sound internal control system over disbursements should include a system to ensure that all disbursements are properly documented and documentation is retained.

Effect: Failure to retain documentation for disbursements can result in funds being spent in ways not intended by the District.

Cause: Due to the change in administrative personnel, The District failed to follow its system in place for disbursements as it related to retaining documentation.

Recommendations: The District should utilize its system in place as it relates to disbursements.

Management's Response: We will utilize our system in place for disbursements.

ITEM OF NONCOMPLIANCE

ITEM NO. 2025-004 NONCOMPLIANCE WITH OPEN MEETINGS LAW

Auditor's Comments:

Condition: During the course of the audit we discovered that the board held a special meeting without proper notice and failed to record minutes of the meeting.

Criteria: If a gathering consist of a quorum of the governing body to conduct business, the gathering should be presumed to be a meeting and, thus, subject to the requirements of the Open Meeting Law in accordance with R.S. 42:11 – R.S. 42.28.

Cause: It appears the Board failed to give proper notice prior to conducting a meeting and failed to record minutes of the meeting.

Effect: Possible failure to comply with Louisiana Open Meeting Law.

Recommendations: The board of directors should review and become familiar with Louisiana's Open Meeting Laws. They should seek the advice of a legal advisor if in doubt.

Management's Response: The board of directors will review Louisiana's Open Meeting Laws and become familiar with them and if in doubt we will seek the advice of a legal advisor.

ITEM NO. 2025-005 FAILURE TO FILE AUDIT REPORT ON TIME

Auditor's Comments:

Condition: The District's audit was not completed within six months of the close of the entity's fiscal year.

Criteria: Louisiana Revised Statute (LSA-R.S.) 24:513 requires a local auditee to be audited or reviewed by a licensed certified public accountant provided that such audit or review is performed in accordance with generally accepted governmental auditing standards and the Louisiana Governmental Audit Guide. Such audits shall be completed within six months of the close of the entity's fiscal year.

Effect: This condition represents a violation of Louisiana Revised Statute (LSA-R.S.) 24:513 which requires a local auditee to be audited by a licensed certified public accountant within six months of the close of the entity's fiscal year.

Cause: This condition resulted because both administrative personnel involved in providing the information for the audit resigned, and we were unable to obtain all information needed to complete the audit in a timely manner. Therefore, the District did not have the audit completed within six months of the close of the fiscal year.

Recommendation: The District should ensure that the entity's audit will be completed within six months of the closure of the entity's fiscal year in the future years.

Management's Comment: We will ensure that the audit will be completed within six months of the close of the fiscal year in the future years.

C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS

This section is not applicable for the year ended September 30, 2025.

**SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION
PREPARED BY RECREATION DISTRICT NO. 5 OF ST. MARY PARISH**

**INTERNAL CONTROL AND COMPLIANCE AND OTHER MATTERS MATERIAL TO
THE FINANCIAL STATEMENTS**

INTERNAL CONTROL
Significant Deficiency

**ITEM NO. 2024-001 APPLICATION OF GENERALLY ACCEPTED ACCOUNTING
PRINCIPLES (GAAP)**

Condition: The individuals responsible for the District's accounting and reporting functions lack the knowledge and experience needed to prepare the financial statements of a governmental entity in accordance with GAAP.

Corrective Action: It is not economically feasible to correct this finding.

Material Weakness

**ITEM NO. 2024-002 LACK OF COMPLIANCE WITH INTERNAL CONTROLS RELATED
TO EVENTS**

Condition: Two events were held on behalf of the District that did not follow the District's policies.

Corrective Action: This situation was corrected in the current year.

ITEM OF NONCOMPLIANCE

ITEM NO. 2024-003 NONCOMPLIANCE WITH OPEN MEETINGS LAW

Condition: The District held a special meeting without proper notice and did not meet the criteria to enter into executive session.

Corrective Action: This situation was not corrected in the current year.

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

This section is not applicable.

Recreation District No. 5

April 28, 2026

Mr. Michael J. "Mike" Waguespack, CPA,
Legislative Auditor, State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70803-9397

Dear Mr. Waguespack:

Recreation District No. 5 of the Parish of St. Mary, State of Louisiana respectfully submits the following corrective action plan for their year ended September 30, 2025.

CORRECTIVE ACTION:

Person Responsible: Tammie Wilson, Chairperson
Recreation District No. 5 of the Parish
of St. Mary, State of Louisiana
1498 Hwy 318
Jeanerette, LA 70544

Time of Completion: September 30, 2026

Internal Control: Re: Item No. 2025-001

Application of GAAP: During the audit, our auditors noted that the individuals responsible for the District's accounting and reporting functions lack the knowledge and experience needed to prepare the financial statements for the governmental entity in accordance with GAAP.

Corrective Action: We believe the monthly financial statement prepared by our accountant is sufficient for us to make management decisions. We have determined that it is in the best interest of the District to outsource to our independent auditors the preparation of the annual financial statements and notes in accordance with GAAP, and we will review, approve, and accept responsibility for the content prior to issuance.

Internal Control Material Weakness: Re: Item No. 2025-002
Lack of Compliance with Internal Controls Related to Rentals: During the course of the testing recreation rental income, our auditors discovered that certain rentals did not follow the District's standard rental procedures.
Corrective Action: We will review our rentals procedures and train our staff accordingly.

Internal Control Material Weakness: Re: Item No. 2025-003
Lack of Compliance with Internal Controls Related to Disbursements: During the course of testing disbursements, our auditors discovered that the District failed to retain proper supporting documentation for various expenses.
Corrective Action: We will utilize our system in place for disbursements.

Item of Noncompliance: Re: Item No. 2025-004
Noncompliance with Open Meetings Law: During the course of the audit, our auditors discovered the board held a special meeting without proper notice and failed to record minutes of the meeting.
Corrective action: Our board of directors will review and become familiar with Louisiana's Open Meetings Law. We will seek the advice of a legal advisor if in doubt.

Item of Noncompliance: Re: Item No. 2025-005
Failure to File Audit Report on Time: The District's audit was not completed within six months of the close of the entity's fiscal year.
Corrective action: We will ensure that the audit will be completed within six months of the close of the fiscal year in the future years.

Tammie Wilson

Chairperson

RECREATION DISTRICT NO. 5
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

**SCHEDULE OF PROCEDURES PERFORMED AND
ASSOCIATED FINDINGS BASED UPON THE
STATEWIDE AGREED-UPON PROCEDURES**

FOR THE YEAR ENDED
September 30, 2025
WITH
AGREED UPON PROCEDURES REPORT
BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

	Page <u>No.</u>
Independent Certified Public Accountants' Report on Applying Agreed Upon Procedures	1-2
Schedule of Procedures Performed and Associated Findings Based upon the Statewide Agreed-Upon Procedures	
Guide to Presentation Format	3
Written Policies and Procedures	4-7
Board or Finance Committee	8-9
Bank Reconciliations	10
Collections (excluding electronic funds transfers)	11-13
Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)	14-16
Credit Cards/ Debit Cards/ Fuel Cards/ Purchase Cards (Cards)	17
Travel and Travel-Related Expense Reimbursements (excluding card transactions)	18
Contracts	19
Payroll and Personnel	20-21
Ethics	22
Debt Service	23
Fraud Notice	24
Information Technology Disaster Recovery/ Business Continuity	25
Prevention of Sexual Harassment	26



INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Recreation District No. 5 of the Parish
of the Parish of St. Mary
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in the attached Schedule of Procedures Performed and Associated Findings Based Upon the Statewide Agreed-Upon Procedures (Schedule), on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor (LLA)'s Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2024 through September 30, 2025. Recreation District No. 5 of the Parish of St Mary (District) management is responsible for those C/C areas identified in the SAUPs presented in the attached Schedule.

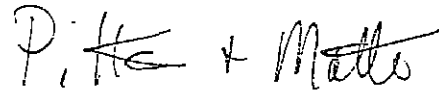
The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2024 through September 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are included in the attached Schedule.

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

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

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

Handwritten signature in black ink, appearing to read "Pitke & Matto".

CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana
April 28, 2026

**RECREATION DISTRICT NO. 5 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA**

**Schedule of Procedures Performed and Associated Findings Based upon the
Statewide Agreed-Upon Procedures
For the Year Ended September 30, 2025**

Guide to Presentation Format

This report contains these items presented in this order:

Statewide Agreed-Upon Procedures (SAUPs) prescribed by the Louisiana Legislative Auditor (LLA),
Procedures performed by the Independent Certified Public Accountant,
Findings based upon the procedures performed, and
Management’s Comments relative to the findings, if applicable.

In order to facilitate understanding this report - the procedures and findings are presented in the following format:

<u>Order of Presentation</u>	<u>Presentation Format</u>
Area or function	Centered all CAPITALS IN BOLD TYPE
Statewide Agreed-Upon Procedures Prescribed (SAUPs) by Louisiana Legislative Auditor (LLA)	<u>Regular type highlighted with numbers or letters (if there are multiple parts)</u>
Actual procedures performed by Independent Certified Public Accountant	Denoted as Procedure Performed: (in bold type) followed by procedure in regular type
Finding based upon procedure performed	Denoted as Findings: (in bold type) followed by findings in regular type
Management’s response to findings	Denoted as Management’s Response: (in bold type) followed by <i>managements response in italics</i>

WRITTEN POLICIES AND PROCEDURES

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

Budgeting

- i. Budgeting, including preparing, adopting, monitoring, and amending the budget:

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for budgeting.

Findings: Found the District has policies and procedures in place for budgeting; however, the policies and procedures are not in writing.

Purchasing

- ii. Purchasing, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes:

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for purchasing.

Findings: Found the District has policies and procedures in place for purchasing; however, the policies and procedures are not in writing.

Disbursements

- iii. Disbursements, including processing, reviewing, and approving:

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for disbursements.

Findings: Found the District has policies and procedures in place for disbursements; however, the policies and procedures are not in writing.

Receipts/Collections

- iv. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation):

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for receipts/collections.

Findings: Found the District has policies and procedures in place for receipts/collections; however, the policies and procedures are not in writing.

Payroll/Personnel

- v. Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules;

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for payroll/personnel.

Findings: Found the District has policies and procedures in place for payroll/personnel; however, the policies and procedures are not in writing.

Contracting

- vi. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process;

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for contracting.

Findings: Found the District has policies and procedures in place for contracting; however, the policies and procedures are not in writing.

Travel and Expense Reimbursement

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

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for travel and expense reimbursement.

Findings: Found the District has policies and procedures in place for travel and expense reimbursement; however, the policies and procedures are not in writing.

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

Credit Cards

- viii. Credit Cards (and debit cards, fuel cards, purchase cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for credit cards.

Findings: Found the District has policies and procedures in place for credit cards; however, the policies and procedures are not in writing.

Ethics

- ix. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for ethics.

Findings: Found the District has policies and procedures in place for ethics; however, the policies and procedures are not in writing.

Debt Service

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

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for debt service.

Findings: Found the District has policies and procedures in place for debt service; however, the policies and procedures are not in writing.

Information Technology Disaster Recovery/Business Continuity

- xi. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

Procedure Performed: We performed the procedures.

Findings: Discussed the findings with management.

Prevention of Sexual Harassment

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

Procedure Performed: Obtained from management and inspected the District's "Child and Sexual Abuse and Misconduct Policy" and read the written policies for Prevention of Sexual Harassment.

Findings: Found the District has written policies and procedures related to Prevention of Sexual Harassment; however, the policies and procedures do not the specified functions listed above.

Management's response:

We plan to put policies and procedures in writing for all areas listed above.

We will amend our "Child and Sexual Abuse and Misconduct Policy" to include the specific functions as listed under Prevention of Sexual Harassment 1.A.(xii.)

BOARD OR FINANCE COMMITTEE

2) Board or Finance Committee

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

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Procedure Performed: Obtained and read the District's board minutes for the fiscal period as well as Louisiana State Law as it relates to Recreation Districts and the Ordinance that created the District.

Findings: Found that the District met with a quorum for all twelve monthly meetings.

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Procedure Performed: Obtained and inspected the District's board minutes for the fiscal period.

Findings: Found that the minutes did not reference budget-to-actual comparisons on the general fund.

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Procedure Performed: Obtained and read the District's prior year audit report and observed the unassigned fund balance in the general fund.

Findings: Found that the general fund did not have a negative ending unassigned fund balance in the prior year audit report.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

BOARD OR FINANCE COMMITTEE (CONTINUED)

Procedure Performed: Obtained and read the District's meeting minutes for the fiscal period.

Findings: Found that the minutes did not reference whether the board received written updates of the progress of resolving audit findings according to management's corrective action plan.

Management's response:

In the future, we will include budget-to-actual comparisons for the general fund at each monthly meeting. We will also provide the board with written updates of the progress of resolving audit findings according to our corrective action plan.

BANK RECONCILIATIONS

3) Bank Reconciliations

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

Procedures Performed: Obtained the listing of bank accounts from management and management's representation that the list is complete. The listing contained 3 bank accounts, one of which is a savings account that is not a part of the District's daily business operations. Therefore, we excluded the account for the purposes of the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures. For the remaining bank accounts, we randomly selected one month from the fiscal period and obtained and inspected the corresponding bank statements and bank reconciliations.

Findings:

- i. Found the bank reconciliations did not include evidence that they were prepared within 2 months of the related statement closing date.
- ii. Observed there is no written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the preparation date.
- iii. Observed there were no reconciling items that have been outstanding for more than 12 months from the statement closing date.

Management's response:

In the future, we will include evidence that bank reconciliations were prepared within 2 months of the related statement closing date and we will include written evidence that a member of management or board member who does not handle cash, post ledgers, or issue checks has reviewed each reconciliation within 1 month of date the reconciliation was prepared.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Procedure Performed: Obtained the listing of deposit sites where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete.

Findings: Found the District has only one deposit site.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Procedure Performed: Obtained the listing of cash/check/money order (cash) collections locations for the District's one deposit site and management's representation that the listing is complete. We inquired of management about employee job duties to observe that job duties are properly segregated.

Findings: Found the District has only one cash collection location, and

- i. Found that one employee is responsible for cash collections and does not share a cash drawer.
- ii. Found that the employee responsible for collections cash is not responsible for preparing/making bank deposits.
- iii. Found that the employee responsible for collections is not responsible for posting collection entries to the general ledger or subsidiary ledgers. The outside accountant is responsible for posting collection entries to the general ledger or subsidiary ledgers.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)

iv. Found that the employee responsible for collections is not responsible for reconciling cash collections. The outside accountant reconciles cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Procedure Performed: Obtained and read a copy of the insurance policy for theft covering all employees who have access to cash and observed the insurance policy for theft was in force during the fiscal period.

Findings: Found that the District's insurance policy for theft covering all employees who have access to cash was in force during the fiscal period.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

v. Trace the actual deposit per the bank statement to the general ledger.

Procedure Performed: Randomly selected two deposit dates from the bank statements for the bank accounts selected for procedure #3A (selected the next deposit date chronologically if no deposit was made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). Obtained supporting documentation for the selected deposits.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)

Findings:

- i. Found that the District does not use sequentially pre-numbered cash receipts for deposits made in the general fund; however, they use sequentially prenumbered receipts for rental deposits.
- ii. Found 2 of the 4 deposits had no collection documentation to trace to the deposit slips.
- iii. Found that the deposit slip totals agreed to the actual deposit per the bank statement.
- iv. Found that 1 of the 4 deposits was deposited within one business day of the receipt.
- v. Found that the actual deposits per the bank statements were recorded in the general ledger.

Management's response:

We have sequentially prenumbered receipts for rentals, however we do not consider it necessary to have sequentially prenumbered receipts for deposits received from governmental entities.

We will maintain collection documentation for deposits in the general fund and deposit all funds within 1 business day of receipt at the collection location.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5):

Procedure Performed: Obtained a listing of locations that process payments from management and management's representation that the listing is complete.

Findings: Found the District has one location that processes payments.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
- ii. At least two employees are involved in processing and approving payments to vendors;
- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

Procedure Performed: Obtained a listing of employees/officials involved with non-payroll purchasing and payment functions and inquired of management regarding employees' job duties.

Findings:

- i. Found that the Director or Assistant Director is involved in initiating a purchase request. The Chairman is involved in approving a purchase and placing an order/making a purchase. However, purchases must be unanimously approved by the board prior to purchases being made.
- ii. Found that one employee is involved in processing and approving payments to vendors. However, payments must be approved by the board prior to payments being made.

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

- iii. Found that the employee responsible for processing payments is not prohibited from adding/modifying vendor files. However, vendor file changes must be approved by the board prior to being made.
 - iv. Found that the employee responsible for signing checks, gives the signed checks to another employee, who is not responsible for processing payments, to mail.
 - v. Found that the employee who is authorized to sign checks is also responsible for approving electronic disbursements of funds.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Procedure Performed: Obtained the District's non-payroll disbursements transaction population (excluding cards and travel reimbursements) and management's representation that the population was complete. We randomly selected 5 disbursements from the listing and obtained supporting documentation for each transaction.

Findings:

- i. Found that disbursements matched the related original itemized invoice and none of the related invoices included deliverables.
- ii. Found that disbursement documentation included evidence that the District is following its policies as it relates to the segregation of duties tested under 5B(i), 5B(ii), and 5B(iv). 5B(iii) is not applicable to the selected disbursements because the vendor files were not added or modified for the disbursements. 5B(v) is not applicable for the selected disbursements because none of the disbursements were electronically disbursed.

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

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

Procedure Performed: Observed no electronic disbursements were made during the month selected in Bank Reconciliations procedure #3A; therefore, we obtained the bank statement for an alternative month. Observed only 1 electronic disbursement and obtained supporting documentation for the 1 non-payroll electronic disbursement.

Findings:

- (a) Found there was no evidence that the disbursement was approved by those persons authorized to disburse funds per the District's policy.
- (b) Found there was no evidence that the disbursement was approved by the required number of authorized signers per the District's policy.

Management's response:

In the future, we will include evidence that employees/board members authorized to sign checks will approve the electronic disbursement of funds.

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

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

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

Procedure Performed: Inquired of management and obtained management's representation that the District did not have any credit cards, bank debit cards, fuel cards, and purchase cards (cards) during the fiscal period.

Findings: Found that the District did not have any credit cards, debit bank cards, fuel cards, or purchase cards during the fiscal period.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement); Obtain supporting documentation, and

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
- ii. Observe that finance charges and late fees were not assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedures #6B and #6C are not applicable because the District did not have any credit cards, debit bank cards, fuel cards, or purchase cards during the fiscal period.

Management's response:

No comment.

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

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Performed: Inquired of management and obtained management's representation that the District did not have any travel or travel-related expense reimbursements during the fiscal period.

Findings: Found that there were no travel or travel-related expense reimbursements during the fiscal year.

Management's response:

No comment.

CONTRACTS

8) Contracts

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

Procedure Performed: Inquired of management and obtained management's representation that no agreements/contracts for professional services, materials and supplies, leases, and construction activities were initiated or renewed during the fiscal period.

Findings: Found that no agreements/contracts were initiated or renewed during the fiscal period.

Management's response:

No comment.

PAYROLL AND PERSONNEL

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Procedure Performed: Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees/officials from the listing. Of the 5 employees/officials selected, 1 does not earn leave and does not document their attendance and leave. For the remaining 4 employees, we obtained their related paid salaries and personnel files.

Findings: Found that the listing contained 4 employees and 5 elected officials. Observed that employees' paid salary/pay rate agreed to authorized salary/pay rate.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Procedure Performed: Randomly selected one pay period (8/15/2025) during the fiscal period and obtained attendance records and leave documentation for the employees selected in procedure #9A.

Findings:

- i. Observed the selected employees documented their daily attendance and leave.
- ii. Observed attendance and leave taken during the pay period was electronically approved by a supervisor.
- iii. Observed leave accrued and taken during the pay period was reflected in the District's cumulative leave records.
- iv. Observed the rate paid to the employees agreed to the authorized salary/pay rate found within the personnel file.

PAYROLL AND PERSONNEL (CONTINUED)

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Procedure Performed: Obtained a listing of employees and officials that received termination payment during the fiscal year and management's representation that the listing is complete. Selected the 1 employee for which we obtained related documentation of the hours and pay rate used in management's termination calculations. Inquired of management and obtained management's representation that the District does not have a policy regarding termination payments.

Findings: Found the hours paid agreed with cumulative leave record; the pay rate used agreed with the authorized pay rate found in the personnel file. Found that the District does not have a policy for termination payments.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

Procedure Performed: Inquired of management and obtained management's written representation that employer and employee portions of third-party payroll related amounts have been paid, and all associated forms have been filed by required deadline.

Findings: Found that employer and employee portions of third-party payroll related amounts have been paid, and associated forms have been filed by required deadline.

Management's response:

We plan to put policies and procedures in writing for payroll and personnel that will include guidelines regarding how termination payments are determined by the District.

ETHICS

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Procedure Performed: Obtained from management and observed ethics documentation for the 5 selected employees/officials from Payroll and Personnel procedure #9A. Obtained management's representation that there were no changes to the District's ethics policy during the fiscal period.

Findings:

- i. Observed the documentation demonstrates 1 of the 5 employees/completed one hour of ethics training during the calendar year.
 - ii. This procedure is not applicable. There were no changes to the District's ethics policy during the fiscal period.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170:

Procedure Performed: Inquired of management and obtained management's representation that the District has not appointed an ethics designee.

Findings: Found that the District has not appointed an ethics designee.

Management's response:

In the future, we will have all employees and officials complete ethics training annually.

We will appoint an ethics designee as required by R.S. 42:1170.

DEBT SERVICE

11) Debt Service

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

Procedure Performed: Inquired of management and obtained management's representation that no bonds/notes or other debt instruments were issued during the fiscal period.

Findings: Found the District did not issue any bonds/notes or other debt instruments during the fiscal period.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Procedure Performed: Inquired of management and obtained management's representation that the District had no bonds/notes outstanding at the end of the fiscal period.

Findings: Found that the District had no bonds/notes outstanding at the end of the fiscal period.

Management's response:

No comment.

FRAUD NOTICE

12) Fraud Notice

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

Procedure Performed: Inquired of management and obtained management's representation that the District did not have any misappropriations of public funds and assets during the fiscal period.

Findings: Found the District did not have any misappropriations of public funds and assets during the fiscal period.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedure Performed: Observed the District posted the fraud, waste, and abuse notice required by R.S. 24:523.1 on its premises. Inquired of management and obtained management's representation that the District does not have a website.

Findings: Found the District posted the notice required by R.S. 24:523.1 on its premises and the District does not have a website.

Management's response:

No comment.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

13) Information Technology Disaster Recovery/ Business Continuity

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

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

Procedure Performed: We performed the procedure.

Findings: Discussed the results with management.

- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Procedure Performed: We performed the procedure.

Findings: Discussed the results with management.

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

Procedure Performed: We performed the procedure.

Findings: Discussed the results with management.

- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Procedure Performed: We performed the procedure.

Findings: Discussed the results with management.

- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 – completed the training, and
- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

Procedure Performed: We performed the procedure.

Findings: Discussed the results with management.

PREVENTION OF SEXUAL HARASSMENT

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A; obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Procedure Performed: Obtained and observed sexual harassment training documentation from management for the 5 selected employees/officials from Payroll and Personnel procedure #9A.

Findings: Found the documentation demonstrates that 1 of the 5 employees completed at least one hour of sexual harassment training during the calendar year.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website):

Procedure Performed: Observed the District did not post its sexual harassment policy and complaint procedure in a conspicuous location on the premises. Inquired of management and obtained management's representation that the District does not have a website.

Findings: Found that the District did not post the sexual harassment policy and complaint procedure on its premises and that the District does not have a website.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Procedure Performed: Inquired of management and obtained management's representation that the District did not complete an annual sexual harassment report for the current fiscal period.

Findings: Found that the District did not compile an annual sexual harassment report for the current fiscal period as required by R.S. 42:344.

Management's response:

In the future, we will post our sexual harassment policy and complaint procedure on the premises and have all employees and officials complete sexual harassment training annually and we will compile an annual sexual harassment report as required by R.S. 42:344.