

**HAMMOND AREA RECREATION DISTRICT NO. 1
HAMMOND, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021

Hammond Area Recreation District No. 1
Hammond, Louisiana
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As of and for the Year Ended December 31, 2021

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Independent Auditor's Report

Mr. Jeff Cooper, Chairman
and Members of the Board of Directors
Hammond Area Recreation District No. 1
Hammond, LA 70404

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Hammond Area Recreation District No. 1 of Tangipahoa Parish (the "District"), a component unit of Tangipahoa Parish Government, as of and for the year ended December 31, 2021, 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 of the governmental activities and the general fund of the District, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standard 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 Responsibility for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 collusions, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

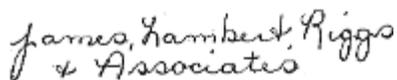
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

May 23, 2022

**Basic Financial Statements –
Government-Wide Financial Statements**

Hammond Area Recreation District No. 1
Hammond, Louisiana
Statement of Net Position
December 31, 2021

Exhibit A

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 854,259
Accounts Receivable, Net of Allowance for Uncollectibles	3,242,602
Restricted Assets:	
Cash Held in Trust - Revenue Bond Debt Service	1,383
Capital Assets Not Being Depreciated:	
Land	3,112,682
Capital Assets, Net of Accumulated Depreciation	<u>10,483,718</u>
Total Assets	<u>\$ 17,694,644</u>
<i>Liabilities</i>	
Accounts Payable	\$ 210,914
Pension Fund Mandate Payable	109,000
Accrued Interest Payable	21,491
Long-Term Debt - Current	1,490,736
Long-Term Debt - Non-Current	<u>6,218,671</u>
Total Liabilities	<u>\$ 8,050,812</u>
<i>Net Position</i>	
Net Investment in Capital Assets	\$ 5,886,993
Restricted	1,537,568
Unrestricted	<u>2,219,271</u>
Total Net Position	<u>\$ 9,643,832</u>

The accompanying notes are an integral part of this statement.

Hammond Area Recreation District No. 1
Hammond, Louisiana
Statement of Activities
For the Year Ended December 31, 2021

Exhibit B

	<u>Governmental Activities</u>
Expenses:	
Parks and Recreation:	
Salaries and Related Benefits	\$ 730,636
Ground Maintenance Service	550,310
Legal & Professional	20,785
Repairs & Maintenance	332,839
Telephone & Utilities	129,776
Office Expenses	30,771
Insurance	54,625
Pension Mandate Deduction	109,000
Bad Debt Expense	15,000
Depreciation Expense	596,328
Other	71,034
Refunding Bonds Issuance Costs	176,539
Interest on Debt Service	<u>137,476</u>
Total Expenses	<u>2,955,119</u>
 Program Revenues:	
Charges for Services - Program and User Fees	<u>403,328</u>
Total Program Revenues	<u>403,328</u>
Net Program (Expense) / Revenue	(2,551,791)
 General Revenues:	
Ad Valorem Taxes	3,236,237
PILOT Revenue	54,790
Concessions Income	43,295
Sponsorships	89,252
Interest Income	13,222
Other Income	<u>75,020</u>
Total General Revenues	<u>3,511,816</u>
Change in Net Position	960,025
 Net Position:	
Beginning of the Year, Originally Stated	8,784,756
Prior Period Adjustment	<u>(100,949)</u>
Beginning of the Year, Restated	<u>8,683,807</u>
End of the Year	<u>\$ 9,643,832</u>

The accompanying notes are an integral part of this statement.

**Basic Financial Statements –
Fund Financial Statements**

Hammond Area Recreation District No. 1
Hammond, Louisiana
Governmental Funds Balance Sheet
December 31, 2021

Exhibit C

	<u>General Fund</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 854,259
Accounts Receivable, Net of Allowance for Uncollectibles	3,242,602
Restricted Assets:	
Cash Held in Trust	1,383
Total Assets	<u>\$ 4,098,244</u>
<i>Liabilities and Fund Balances</i>	
Liabilities:	
Accounts Payable	\$ 210,914
Pension Fund Mandate Payable	109,000
Total Liabilities	<u>319,914</u>
Fund Balances:	
Restricted for Debt Service	1,537,568
Unassigned	2,240,762
Total Fund Balances	<u>3,778,330</u>
Total Liabilities and Fund Balances	<u>\$ 4,098,244</u>

The accompanying notes are an integral part of this statement.

**Hammond Area Recreation District No. 1
Hammond, Louisiana**

Exhibit D

Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
For the Year Ended December 31, 2021

Total Fund Balances, Governmental Funds (Exhibit C) \$ 3,778,330

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

Governmental Capital Assets, Net of Depreciation at December 31, 2021 13,596,400

In the statement of net position, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditures is reported when due. (21,491)

Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:

Current (Short-Term) Obligations:

Capital Lease (30,736)

Revenue Bonds (1,460,000)

Non-Current (Long-Term) Obligations:

Capital Lease (203,671)

Revenue Bonds (6,015,000)

Net Position of Governmental Activities (Exhibit A) \$ 9,643,832

The accompanying notes are an integral part of this statement.

**Hammond Area Recreation District No. 1
Hammond, Louisiana**

Exhibit E

Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended December 31, 2021

	<u>General Fund</u>
Revenues:	
Ad Valorem Taxes	\$ 3,236,237
PILOT Revenue	54,790
Program and User Fees	403,328
Concessions Income	43,295
Sponsorships	89,252
Interest Income	13,222
Other Income	75,020
Total Revenues	3,915,144
Expenditures:	
Parks and Recreation:	
Salaries and Related Benefits	730,636
Ground Maintenance Service	550,310
Legal & Professional	20,785
Repairs & Maintenance	332,839
Telephone & Utilities	129,776
Office Expenses	30,771
Insurance	54,625
Pension Mandate Deduction	109,000
Bad Debt Expense	15,000
Other	71,034
Capital Outlay	779,282
Refunding Bonds Issuance Costs	176,539
Debt Service	1,910,323
Total Expenditures	4,910,920
Excess of Revenues over Expenditures	(995,776)
Other Financing Sources (Uses):	
Issuance of Refunding Bonds	7,635,000
Proceeds from Capital Lease	234,407
Payment to Refunded Bond Escrow Agent	(7,080,171)
Total Other Financing Sources (Uses):	789,236
Excess of Revenues and Other Sources over Expenditures and Other Uses	(206,540)
Fund Balance - Beginning of the Year	3,984,870
Fund Balance - End of the Year	\$ 3,778,330

The accompanying notes are an integral part of this statement.

Hammond Area Recreation District No. 1
Hammond, Louisiana

Exhibit F

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended December 31, 2021

Net Change in Fund Balances, Governmental Funds (Exhibit E) **\$ (206,540)**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital Outlay	779,282
Depreciation Expense	(596,328)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. This is the change in accrued interest from the prior year:

Prior Year Accrued Interest	56,509
Current Year Accrued Interest	(21,491)

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Issuance of Series 2021 Refunding Bonds	(7,635,000)
Capital Lease Proceeds	(234,407)
Repayments of Long-Term Debt	1,828,000
Payment to Refund Bonds	<u>6,990,000</u>

Change in Net Position of Governmental Activities (Exhibit B) **\$ 960,025**

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements

For the Year Ended December 31, 2021

Narrative Profile

The Hammond Area Recreation District No. 1, Hammond, Louisiana, was created by an ordinance of the Tangipahoa Parish Council on May 28, 1996, *“as a recreation district to consist of territorial lands and property, both real and personal, in the parish, in accordance with Louisiana Revised Statute (LRS) 33:4562 et seq., and Article 6, Section 19 of the Louisiana Constitution of 1974 and other constitutional and statutory authority supplemental thereto, to be a body corporate in law and a subdivision of the State, known as “Hammond Area Recreation District No. 1”* (the “District”).

The District contains within its limits one municipality, the City of Hammond, Louisiana. The governing body of this municipality has given consent to the inclusion of such municipality in the District. The District shall be and is a political subdivision of the State, within the meaning of the constitution and statutes of the State relating to incurring debt and issuing bonds therefore.

The objectives and purposes of the District are to own and operate playgrounds and other facilities and to engage in activities that would promote recreation and any related activity designed to encourage recreation and promote the general health and well-being of youths and all of the goals and purposes as authorized by law. Revenues for the District include property taxes. Major expenditures of the District include ground maintenance, capital outlay, and debt service.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of LRS 24:513 and to the guidance set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

All board members of the District are appointed by the Tangipahoa Parish Council (hereinafter referred to as the “Council”). As the governing authority of the parish, for reporting purposes, the Council is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Because the board members of the District are appointed by the Council, the District was determined to be a component unit of the Council, the financial reporting entity.

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

B. Basic Financial Statements – Government-Wide Financial Statements

The District's basic financial statements include both government-wide (reporting on the District as a whole) and fund financial statements (reporting the District's major fund). Both the government-wide

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2021

and fund financial statements categorize primary activities as either governmental or business-type. All District activities are classified as governmental activities. The District has no business-type activities.

Statement of Net Position – In the government-wide Statement of Net Position, the governmental activities (a) are presented on a consolidated basis, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District’s net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

Statement of Activities – The government-wide Statement of Activities reports both the gross and net cost of the District’s functions. The functions are also supported by general revenues (property taxes, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. Program revenues must be directly associated with the ongoing operations of the District. Operating grants include operating-specific and discretionary (either operating or capital) grants, while capital grants report capital-specific grants and contributions. The net costs (by function) are normally covered by general revenues.

The District does not allocate indirect costs.

This government-wide focus is more 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.

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 comprises its assets, liabilities, fund equity, revenues, and expenditures.

The emphasis in fund financial statements is on the major funds. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures / expenses of either fund category or the governmental and business-type combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The District has no business-type funds.

Governmental Funds – The focus of the governmental funds’ measurement (in the fund statements) is the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The District reports the following governmental fund:

General Fund – the primary operating fund of the District, which accounts for the operations of the District, except those operations required to be handled in a separate fund. The General Fund is available for any purpose provided it is expended or transferred in accordance with State and Federal laws and according to District policy.

The activities reported in this fund are reported as governmental activities in the government-wide financial statements.

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2021

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Capital assets and long-term liabilities are included in the government-wide statements. 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 fund balances.

The government-wide Statement of Net Position and Statement of Activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the Statement of Net Position.

The fund financial statements of the governmental funds are maintained and reported on the modified accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. The District considers all revenues available if they are collected within 60 days after year-end. Interest income is recorded as earned. Federal and state reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures are recorded when the fund liability is incurred.

The Statement of Net Position and the Statement of Activities are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

E. Budgets and Budgetary Accounting

Budgetary procedures applicable to the District are defined in LRS 39:1301-15. The major requirements of the Local Government Budget Act are summarized as follows:

1. The District adopts a budget each year for the general fund and special revenue funds, if applicable.
2. The Chairman prepares a proposed budget and submits it to the Board of Directors for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal.
3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. A hearing on the proposed budget was held on November 19, 2020. The budget was adopted on December 17, 2020.
4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board. The budget was amended on December 16, 2021.
5. The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund presents actual expenditures in accordance with the accounting principles generally accepted in

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2021

the United States of America on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

F. Cash, Cash Equivalents, and Investments

The District's cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under State law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with State banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under State law, the District may also invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at fair value using published market values.

Certain proceeds of the District's 2021 Revenue Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue bond debt service" accounts are used to segregate resources accumulated for debt service payments over the next twelve months.

G. Allowance for Uncollectible Accounts

The District calculates its allowance for uncollectible property taxes using historical collection data and, in certain cases, specific account analysis.

H. Inventory

The District utilizes the "purchase method" of accounting for supplies, whereby expendable operating supplies are recognized as expenditures when purchased. The District did not record any inventory at December 31, 2021, as the amount is immaterial.

I. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements, to the extent the District's capitalization threshold of \$1,000 is met. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated.

Interest incurred during construction is capitalized on a government-wide basis. Interest attributable to capitalized assets as of December 31, 2021, was immaterial.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts, and any resulting gain or loss is included in the results of operations.

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2021

J. Long-Term Obligations

In the government-wide financial statements, debt principal payments of governmental activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Compensated Absences

The District has the following policies related to sick and vacation leave:

Sick Leave

Full-time employees will accumulate sick leave at the rate of 96 hours per year. During the first pay period of each year and the first pay period of employment, an employee will earn 3.50 hours of sick leave. The employee will earn 3.70 hours of leave per pay period from the second pay period through the remainder of the year. An employee is eligible to utilize sick leave time after 45 days of continuous employment.

Annual Leave

Full-time employees will earn annual leave at the rate of 80 hours per year. During the first pay period of each year and the first pay period of employment, an employee will earn 3.075 hours of annual leave. The employee will earn 3.077 hours per pay period from the second pay period through the end of the year. An employee is eligible to utilize leave after 90 days of continuous employment.

The Director of the District will earn annual leave at the rate of 120 hours per year. During the first pay period of each year and the first pay period of employment, the Director will earn 4.5 hours of annual leave. The Director will earn 4.62 hours per pay period from the second pay period through the end of the year. The Director is eligible to utilize leave after 90 days of continuous employment.

L. Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2021

3. Unrestricted – all other net position is reported in this category.

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.

M. Fund Balance

In the governmental fund financial statements, fund balance is classified as follows:

1. Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for specific purposes because of enabling legislation, State or Federal laws, or externally imposed by grantors, creditors, or citizens. Proceeds of the sale of bonds and ad valorem tax receivables are considered restricted due to the funds being restricted for construction and debt service, respectively.
3. Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the Board of Directors (the District's highest level of decision-making authority).
4. Assigned Fund Balance – amounts that are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned Fund Balance – all amounts not included in other spendable classifications.

The District considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available.

As of December 31, 2021, the District did not have any nonspendable, committed, or assigned fund balances.

N. Estimates

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

2. **Stewardship, Compliance, and Accountability**

A. Budgetary Information

An annual budget is adopted on a basis consistent with generally accepted accounting principles for the General Fund. All annual appropriations lapse at year-end. See Note 1-E for the procedures the District follows regarding budgetary accounting. The District did not comply with the Local Government Budget Act in amending its budget for the year ended December 31, 2021.

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2021

B. Deposits, Investment Laws, and Regulations

In accordance with State law, all uninsured deposits in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3, regarding cash, cash equivalents, and investments, the District was in compliance with the deposit and investment laws and regulations.

3. Cash, Cash Equivalents, and Investments

As reflected on Exhibit A, the District has cash totaling \$855,642 (of which \$1,383 is restricted) at December 31, 2021.

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

The following is a summary of cash and investments (bank balances) at December 31, 2021, with the related federal deposit insurance and pledged securities:

Bank Balances:

Insured (FDIC Insurance)	\$ 251,383
Uninsured and Collateralized:	
Collateral held by pledging bank's trust department not in the District's name	635,559
Uninsured and Uncollateralized	-
Total Deposits	<u>\$ 886,942</u>

Even though the pledged securities are not held in the entity's name, LRS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial risk. As of December 31, 2021, the District was in compliance with State law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

Hammond Area Recreation District No. 1**Hammond, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2021

4. Receivables

Receivables represent revenues earned in 2021 and received in 2022 as follows:

Tangipahoa Parish Sheriff - Ad Valorem Taxes	\$ 3,251,170
Other Receivables	6,432
Less: Allowance for Uncollectibles	<u>(15,000)</u>
Accounts Receivable, Net of Allowance for Uncollectibles	<u>\$ 3,242,602</u>

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2021, are as follows:

	Balance 01/01/21	Increases	Decreases	Balance 12/31/21
Capital Assets not Depreciated:				
Land	\$ 3,112,682	\$ -	\$ -	\$ 3,112,682
Total Capital Assets not Depreciated	3,112,682	-	-	3,112,682
Other Capital Assets:				
Buildings	\$ 4,577,116	421,278	-	4,998,394
Equipment	454,719	7,370	-	462,089
Furniture & Fixtures	11,997	-	-	11,997
Land Improvements	9,848,973	350,634	-	10,199,607
Total Other Capital Assets	14,892,805	779,282	-	15,672,087
Less Accumulated Depreciation:				
Buildings	876,908	114,428	-	991,336
Equipment	282,488	37,017	-	319,505
Furniture & Fixtures	9,849	316	-	10,165
Land Improvements	3,422,796	444,567	-	3,867,363
Total Accumulated Depreciation	4,592,041	596,328	-	5,188,369
Other Capital Assets, Net	10,300,764	182,954	-	10,483,718
Totals	<u>\$ 13,413,446</u>	<u>\$ 182,954</u>	<u>\$ -</u>	<u>\$ 13,596,400</u>

Capital assets are stated at cost, less an allowance for accumulated depreciation. Depreciation expense is computed using the straight-line method of the estimated useful lives as follows:

Land	N/A
Buildings	40 Years
Land Improvements	20 - 30 Years
Equipment	15 Years

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2021

6. Capital Leases

On October 21, 2021, the District entered into a lease purchase agreement with Government Capital Corporation for the purchase of a lighting system for two existing fields. The lease is for 84 months with 7 annual payments of \$37,724.78 at an interest rate of 2.97%. The lease contains a bargain purchase agreement at the end of the lease. At December 31, 2021, the District recorded an asset of \$249,500 with accumulated depreciation of \$-0-. The balance of the lease is \$235,302 with a current of maturity of \$30,736 as of December 31, 2021.

Amortization schedules of the outstanding Capital Leases including interest expense of \$28,773 is as follows:

<u>Year Ended December 31,</u>	<u>Lease Payments</u>	<u>Total</u>
2022	\$ 37,725	\$ 37,725
2023	37,725	37,725
2024	37,725	37,725
2025	37,725	37,725
2026	37,725	37,725
2027 - 2028	<u>75,450</u>	<u>75,450</u>
	264,075	264,075
Less: Interest Portion	<u>28,773</u>	<u>28,773</u>
	<u>\$ 235,302</u>	<u>\$ 235,302</u>

7. Changes in Long-Term Debt

The following is a summary of debt transactions for the District for the year ended December 31, 2021:

<u>Type of Debt</u>	<u>Balance at 01/01/21</u>	<u>Debt Issued</u>	<u>Debt Retired</u>	<u>Balance at 12/31/21</u>	<u>Due Within One Year</u>
Series 2011A \$760,000 Revenue Bonds	\$ 375,000	\$ -	\$ 375,000	\$ -	\$ -
Series 2015 \$8,911,000 Refunding Bonds	8,283,000	-	8,283,000	-	-
Series 2021 \$7,635,000 Refunding Bonds	<u>-</u>	<u>7,635,000</u>	<u>160,000</u>	<u>7,475,000</u>	<u>1,460,000</u>
	<u>\$ 8,658,000</u>	<u>\$ 7,635,000</u>	<u>\$ 8,818,000</u>	<u>\$ 7,475,000</u>	<u>\$ 1,460,000</u>

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2021

Long-term debt at December 31, 2021, is comprised of the following:

Revenue Bonds:

\$760,000 Limited Tax Revenue Bonds, Series 2011A dated October 6, 2011;

Due in annual installments of \$40,000 - \$70,000 through April 1, 2026; With interest at 3.29% (Payable from a pledge and dedication of the proceeds of a 15-year, 10 mill ad valorem tax).

\$ -

\$8,911,000 Refunding Bonds, Series 2015 dated April 2, 2015; Due in

annual installments of \$118,000 - \$1,471,000 through April 1, 2026; With interest at 2.58% (Payable from a pledge and dedication of the proceeds of a 15-year, 10 mill ad valorem tax).

\$ -

\$7,635,000 Refunding Bonds, Series 2021 dated January 7, 2021; Due in

annual installments of \$160,000 - \$1,535,000 through April 1, 2026; With interest at 1.15% (Payable from a pledge and dedication of the proceeds of a 15-year, 10 mill ad valorem tax).

\$ 7,475,000

Payments of principal and interest on the Revenue Bonds are secured by a pledge and dedication of the proceeds of the ten (10.00) mills, fifteen (15) year property tax approved by the District voters on November 2, 2010.

The annual requirements to amortize all debt outstanding at December 31, 2021, including interest payments of \$217,034 are as follows:

Year Ended December 31,	\$760,000 Bonds	\$8,911,000 Bonds	\$7,635,000 Bonds	Total
2022	\$ -	\$ -	\$ 1,537,568	\$ 1,537,568
2023	-	-	1,535,691	1,535,691
2024	-	-	1,538,614	1,538,614
2025	-	-	1,536,335	1,536,335
2026	-	-	1,543,826	1,543,826
	-	-	7,692,034	7,692,034
Less: Interest Portion	-	-	217,034	217,034
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,475,000</u>	<u>\$ 7,475,000</u>

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2021

On January 7, 2021, the District issued \$7,635,000 Series 2021 Revenue Refunding Bonds for the purpose of refunding \$6,990,000 of the outstanding balance of the Series 2015 Revenue Bonds and interest associated with the Series 2015 Revenue Bonds. The net proceeds of \$7,458,461 (after payment of \$176,539 in cost of issuance) were used to pay in full (plus interest of \$3,290) the remaining \$375,000 balance of the Series 2011 \$760,000 Bonds with the remaining \$7,080,171 being used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2015 Series bonds. This advance refunding was undertaken to decrease total debt service payments over the next 5 years by \$128,584.

The advance refunding of the Series 2015 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$4,980.

8. Ad Valorem Taxes

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

General Fund	10.00 Mills
--------------	-------------

Ad valorem taxes attach as an enforceable lien on property on January 1 each year. Taxes are levied by the District during the year, are billed to taxpayers, and become due in November. Billed taxes become delinquent on December 31. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Tangipahoa Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the Tax Assessor of Tangipahoa Parish. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2021, the District levied 10.00 mills for a total tax levy of \$3,251,170 on taxable property valuation totaling \$387,514,850.

9. Dedication of Proceeds and Flow of Funds – Ad Valorem Tax

Proceeds of the 15-year special tax of 10 mills on the dollar of assessed valuation on all property subject to taxation in the District (2021 collections of \$3,251,170) are dedicated for the purpose of construction, acquisition, operation and maintenance of parks, playgrounds, recreation centers and other recreational facilities within the District, including, but not limited to, new soccer, football, baseball and softball playing fields, a gymnasium and property, furnishings and equipment therefore.

The District, through its governing authority, adopted a resolution on June 25, 2020, authorizing the issuance of \$7,635,000 Refunding Bonds, Series 2021, for the purpose of refunding \$6,990,000 of the Series 2015 revenue bonds. In that resolution, the proceeds of the ten (10.00) mills, ten (15) year property tax were pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes.

Hammond Area Recreation District No. 1
Hammond, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

After funds have been set aside out of the revenues of the taxes for each tax roll year sufficient to pay the principal and interest on the bonds for the ensuing calendar year, then any excess of annual revenues of the taxes remaining for that tax roll year shall be free for expenditure by the District for the purposes for which the taxes were authorized by the voters.

Various bond covenants related to annual audits, establishing special funds, record keeping, and the flow of funds have been included in the bond resolution adopted June 25, 2020. As of December 31, 2021, the District was in compliance with these various bond covenants.

10. Tax Abatement

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers attractive tax incentive for manufacturers within the state. The program abates, for up to ten years, local property taxes (ad valorem) on a manufacturer’s new investment and annual capitalized additions related to the manufacturing site. This exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and / or personal property items covered by the exemption. There are currently 66 tax abatements in Tangipahoa Parish, related to 17 companies, under the Louisiana ITEP. For the 2021 calendar year, estimated forgone ad valorem taxes due to this abatement program was \$10,314.

11. Compensation Paid to the Board of Directors

The Schedule of Compensation Paid to the Board of Directors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Compensation paid to the Board of Directors for the year ended December 31, 2021, is as follows:

Jason Hood, Chairman (January - June)	\$	-
Jeff Cooper, Chairman (July - Current)		-
Guy Recotta		-
Rob Carlise		-
Robert Williams		-
Scott Eyster		-
	<u>\$</u>	<u>-</u>

12. Prior Period Adjustment

During the current year, an adjustment of \$100,949 was made to the Government-Wide Financial Statements to adjust net position for prior year unamortized bond closing costs.

Beginning Net Position for Governmental Activities was changed from \$8,784,756 to \$8,683,807 as a result of this prior period adjustment.

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2021

13. Subsequent Event

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 23, 2022, and determined that no events occurred that required disclosure.

Required Supplemental Information

**Hammond Area Recreation District No. 1
Hammond, Louisiana**

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts	Final Budget Variance - Favorable / (Unfavorable)
Revenues:				
Ad Valorem Taxes	\$ 2,900,000	\$ 3,000,000	\$ 3,236,237	\$ 236,237
PILOT Revenue	30,000	50,000	54,790	4,790
Program and User Fees	315,000	380,386	403,328	22,942
Concessions Income	25,000	35,000	43,295	8,295
Sponsorships	68,000	67,550	89,252	21,702
Interest Income	25,000	13,000	13,222	222
Other Income	-	75,000	75,020	20
Total Revenues	<u>3,363,000</u>	<u>3,620,936</u>	<u>3,915,144</u>	<u>294,208</u>
Expenditures:				
Parks and Recreation:				
Salaries and Related Benefits	581,000	713,000	730,636	(17,636)
Ground Maintenance Service	545,000	550,000	550,310	(310)
Legal & Professional	20,000	21,000	20,785	215
Repairs & Maintenance	178,000	327,500	332,839	(5,339)
Telephone & Utilities	97,000	125,000	129,776	(4,776)
Office Expenses	23,700	32,100	30,771	1,329
Insurance	45,000	55,000	54,625	375
Pension Mandate Deduction	109,000	109,000	109,000	-
Bad Debt Expense	20,000	18,000	15,000	3,000
Other	52,150	68,900	71,034	(2,134)
Capital Outlay	68,000	900,000	779,282	120,718
Refunding Bonds Issuance Costs	-	-	176,539	(176,539)
Debt Service	<u>1,558,307</u>	<u>1,533,174</u>	<u>1,910,323</u>	<u>(377,149)</u>
Total Expenditures	<u>3,297,157</u>	<u>4,452,674</u>	<u>4,910,920</u>	<u>(458,246)</u>
Excess of Revenues over Expenditures	65,843	(831,738)	(995,776)	(164,038)
Other Financing Sources (Uses):				
Issuance of Refunding Bonds	-	-	7,635,000	7,635,000
Proceeds from Capital Lease	-	235,302	234,407	(895)
Payment to Refunded Bond Escrow Agent	-	-	(7,080,171)	(7,080,171)
Total Other Financing Sources (Uses):	<u>-</u>	<u>235,302</u>	<u>789,236</u>	<u>553,934</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	65,843	(596,436)	(206,540)	389,896
Fund Balance - Beginning of the Year	<u>3,640,573</u>	<u>3,984,870</u>	<u>3,984,870</u>	<u>-</u>
Fund Balance - End of the Year	<u>\$ 3,706,416</u>	<u>\$ 3,388,434</u>	<u>\$ 3,778,330</u>	<u>\$ 389,896</u>

See auditor's report.

Other Supplemental Information

Hammond Area Recreation District No. 1

Schedule 2

Hammond, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head

For the Year Ended December 31, 2021

Agency Head: Ryan Barker, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 88,953
Benefits - Insurance	12,272
Benefits - Retirement	10,897
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 112,122</u>

**Other Independent Auditor's Reports and
Findings, Recommendations, and Responses**



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*

Mr. Jeff Cooper, Chairman
and Members of the Board of Directors
Hammond Area Recreation District No. 1
Hammond, LA 70404

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Hammond Area Recreation District No. 1 of Tangipahoa Parish (the "District"), a component unit of Tangipahoa Parish Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 23, 2022.

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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weaknesses, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is

Hammond Area Recreation District No. 1
May 23, 2022

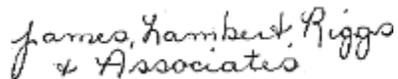
required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings, recommendations, and responses as item 2021-001

Hammond Area Recreation District No. 1'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 and described in the accompanying schedule of findings, recommendations, and responses. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

May 23, 2022

Hammond Area Recreation District No. 1
Hammond, Louisiana
 Schedule of Findings, Recommendations, and Responses
 For the Year Ended December 31, 2021

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Hammond Area Recreation District No. 1 as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 23, 2022. Our audit of the basic financial statements resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weakness	___	Yes	___	No
Significant Deficiencies	___	Yes	___	No

Compliance:

Compliance Material to the Financial Statements	___	Yes	___	No
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2. Management Letter

Was a management letter issued?	___	Yes	___	No
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Section II Financial Statement Findings

Internal Control over Financial Reporting

None

Compliance and Other Matters

2021-001 – Local Government Budget Act

Condition:

The District did not have comply with certain provisions of the Local Government Budget Act.

Hammond Area Recreation District No. 1
Hammond, Louisiana
Schedule of Findings, Recommendations, and Responses
For the Year Ended December 31, 2021

Criteria:

Budget procedures applicable to the District are specified in state law, Louisiana Revised Statute (RS) 39:1301-1315. The pertinent part of the law and the manner in which the District did not comply is as follows:

- RS 39:1311(A)(1) and RS 39:1311(A)(2) requires the District to amend the budget when:

(1) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

The General Fund had actual total expenditures and other uses of \$11,991,091 and budgeted total expenditures and other uses of \$4,452,674, for a variance of (169.30%).

Cause:

The cause of this condition appears to be the failure of the District to properly budget the payments to refunding bond escrow agent associated with the issuance of 2021 revenue bonds.

Effect:

Failure to follow the precise requirements of the Local Government Budget Act resulted in the District not being in compliance with the budget laws specified in LRS 39:1301-1315.

Recommendation:

We recommend that the District continue to monitor its financial statements regularly and amend the budgets as needed.

Management's Response:

See management's response dated May 23, 2022.

Hammond Area Recreation District No. 1
Hammond, Louisiana
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

Ref #	Fiscal Year Findings Initially Occurred	Description of Findings	Corrective Action Taken
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Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Note: This schedule has been prepared by the management of the Hammond Area Recreation District No. 1.

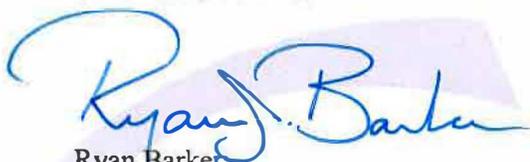
May 25th 2022

James, Lambert, Riggs and Associates, Inc.
Post Office Drawer 369
Hammond, Louisiana 70404

Management of the Hammond Area Recreation District #1, Hammond, Louisiana would like to present the following response to the results of the December 31, 2021, Annual Financial Statements conducted by James, Lambert, Riggs and Associates, Inc.

2021-001 - Local Government Budget Act

Agency Response: Management of the Hammond Area District #1 understands that the district did not comply with certain provisions of the Local Government Budget Act for the year ending December 31, 2021. Failing to properly budget the payments to refunding bond escrow agent have been addressed and the District understands the issue and will continue to monitor its financial statements regularly and amend the budgets as needed.



Ryan Barker
Executive Director

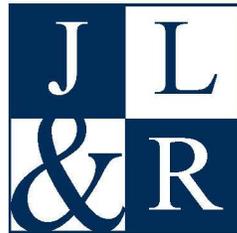
Hammond Area Recreation
District No. 1 Commissioners
Jeff Cooper, Chairman
Robert Williams
Robert Carlisle
Guy Recotta
Scott Eyster

HAMMOND AREA RECREATION DISTRICT NO. 1

STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA



**JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.**
CERTIFIED PUBLIC ACCOUNTANTS
www.jlrcpafirm.com


Member of
American Institute of CPAs
Society of Louisiana CPAs

Independent Accountants' Report on Applying Agreed-Upon Procedures

Mr. Jeff Cooper, Chairman and
Members of the Board of Directors
Hammond Area Recreation District No. 1
Post Office Box 1305
Hammond, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Hammond Area Recreation District No. 1 (the "District")'s management is responsible for those C/C areas identified in the SAUPs.

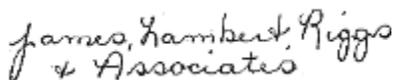
The Hammond Area Recreation District No. 1 (the "District") has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are detailed in Schedule "A."

We were engaged by The Hammond Area Recreation District No. 1 (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 Hammond Area Recreation District No. 1 (the "District") and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

A handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana
May 23, 2022

Written Policies and Procedures

1. 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:
 - a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. ***Disbursements***, including processing, reviewing, and approving.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. ***Receipts / Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (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).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - e. ***Payroll / Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - f. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - g. ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- h. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- i. **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.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- j. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Results:** The District has a policy for debt service; however, the policy does not include procedures for debt issuance approval, EMMA reporting requirements, and debt reserve requirements.
- k. **Information Technology Disaster Recovery / Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing / verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches / updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- l. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- **Results:** No exceptions were noted as a result for the above listed procedures.

Board or Finance Committee

2. Obtain and inspect the board / finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a. Observe that the board / finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- b. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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.*
- **Results:** No exceptions were noted as a result for the above listed procedures.

- c. 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.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 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:
 - a. 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);
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Bank reconciliations include evidence that a member of management / board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash / checks / money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:
 - a. Employees responsible for cash collections do not share cash drawers / registers.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- b. Each employee responsible for collecting cash is not responsible for preparing / making bank deposits, unless another employee / official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- d. The employee(s) responsible for reconciling cash collections to the general ledger and / or subsidiary ledgers, by revenue source and / or agency fund additions, are not responsible for collecting cash, unless another employee / official verifies the reconciliation.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (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). *Alternately, 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:
 - a. Observe that receipts are sequentially pre-numbered.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. Trace the deposit slip total to the actual deposit per the bank statement.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- d. Observe 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).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- e. Trace the actual deposit per the bank statement to the general ledger.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

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

8. 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).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order / making the purchase.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. At least two employees are involved in processing and approving payments to vendors.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. The employee responsible for processing payments is prohibited from adding / modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. Either the employee / official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

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

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- a. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Observe whether the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #9, as applicable.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Credit Cards / Debit Cards / Fuel Cards / P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- **Results:** No exceptions were noted as a result for the above listed procedures.
12. 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:
- a. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit / debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Observe that finance charges and late fees were not assessed on the selected statements.
 - **Results:** For the credit cards / P-cards tested, the Office Depot account statement had late fees and other charges for the month tested.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

- **Results:** No exceptions were noted as a result for the above listed procedures.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, 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:

a. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

- **Results:** No exceptions were noted as a result for the above listed procedures.

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

c. Observe each reimbursement is supported by documentation of the business / public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

- **Results:** No exceptions were noted as a result for the above listed procedures.

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

Contracts

15. Obtain from management a listing of all agreements / contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, 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:
- a. 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.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b. Observe whether the contract was approved by the governing body / board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. If the contract was amended (e.g., change order), observe 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, was approval documented).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. 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 the invoice and related payment agreed to the terms and conditions of the contract.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries / pay rates in the personnel files.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and / or contract, the official should document his / her daily attendance and leave.)
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- b. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d. Observe the rate paid to the employees or officials agree to the authorized salary / pay rate found within the personnel file.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- **Results:** No employees or officials received termination payments during the fiscal period.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.
- **Results:** No exceptions were noted as a result for the above listed procedures.

Ethics

20. Using the 5 randomly selected employees / officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee / official completed one hour of ethics training during the fiscal period.
 - **Results:** Of the five randomly selected employees, three did not complete one hour of ethics training for the fiscal period.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Debt Service

21. Obtain a listing of bonds / notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

- **Results:** No exceptions were noted as a result for the above listed procedures..

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

- **Results:** No exceptions were noted as a result for the above listed procedures.

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

- **Results:** No exceptions were noted as a result for the above listed procedures.

Information Technology Disaster Recovery / Business Continuity

25. 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 no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

- **Results:** We performed the procedure and 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 no written documentation, inquire of personnel responsible for testing / verifying backup restoration) and observe evidence that the test / verification was successfully performed within the past 3 months.

- **Results:** We performed the procedure and 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.

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

Sexual Harassment

26. Using the 5 randomly selected employees / officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee / official completed at least one hour of sexual harassment training during the calendar year.

- **Results:** Of the five randomly selected employees, none had documentation of one hour of sexual harassment training.

27. Observe 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).

- **Results:** The District did not have its sexual harassment policy and complaint procedures posted on the premises or on the District's website.

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

- a. Number and percentage of public servants in the agency who have completed the training requirements;

- **Results:** The District did not have an annual sexual harassment report for the fiscal period.

- b. Number of sexual harassment complaints received by the agency;

- **Results:** The District did not have an annual sexual harassment report for the fiscal period.

- c. Number of complaints which resulted in a finding that sexual harassment occurred;

- **Results:** The District did not have an annual sexual harassment report for the fiscal period.

- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

- **Results:** The District did not have an annual sexual harassment report for the fiscal period.

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

- **Results:** The District did not have an annual sexual harassment report for the fiscal period.
-

May 25th 2022

James, Lambert, Riggs and Associates, Inc.
Post Office Drawer 369
Hammond, Louisiana 70404

Management of the Hammond Area Recreation District #1, Hammond, Louisiana would like to present the following response to the results of the December 31, 2021, Statewide Agreed-Upon Procedures conducted by James, Lambert, Riggs and Associates, Inc.

Debt Service

Agency Response: Management of the Hammond Area Recreation District #1 will add procedures for debt issuance approval, EMMA reporting requirements, and debt reserve requirements onto our debt service policy.

Sexual Harassment

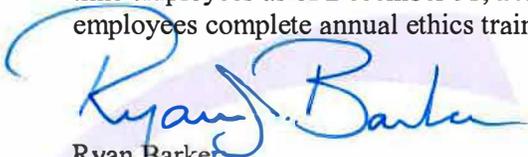
Agency Response: Management of the Hammond Area District #1 will ensure all employees do annual sexual harassment training, that is already in process for 2022. Additionally, the districts sexual harassment policy and complaint procedures will be added to the website.

Credit Cards/Debit Cards/Fuel Cards/ P-Cards

Agency Response: Management of the Hammond Area District #1 will ensure all further payments are made in a timely manner to avoid late fees.

Ethics

Agency Response: Management of the Hammond Area District #1 failed to provide Ethics Training for its part-time employees as of December 31, 2021. Hammond Area Recreation District #1 will begin making all part-time employees complete annual ethics training.



Ryan Barker
Executive Director

Hammond Area Recreation
District No. 1 Commissioners
Jeff Cooper, Chairman
Robert Williams
Robert Carlisle
Guy Recotta
Scott Eyster