

**RECREATION DISTRICT NO. 4
OF ST. TAMMANY PARISH**

Financial Statements
and
Independent Accountant's Review Report

December 31, 2021



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Independent Accountant's Review Report

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

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

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

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

Accountant's Conclusion

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

In accordance with standards established by the American Institute of Certified Public Accountants, the *Louisiana Governmental Audit Guide*, and the provisions of state law, we have issued a report dated June 22, 2022 on the results of our agreed-upon procedures.

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 18 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Other Information

The schedule of governing board on page 20 and the schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (R.S.) 24:513 A(3), on page 21, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management. We have not audited, reviewed, or compiled this supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.



A Professional Accounting Corporation

Covington, LA
June 22, 2022

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH
Statement of Net Position
December 31, 2021

	Governmental Activities
Assets	
Cash	\$ 458,613
Ad Valorem Taxes Receivable, Net	371,176
State Revenue Sharing Receivable	11,862
Capital Assets, Net of Accumulated Depreciation	<u>757,783</u>
Total Assets	<u>1,599,434</u>
Liabilities	
Accounts Payable	11,543
Accrued Expenses	<u>3,285</u>
Total Liabilities	<u>14,828</u>
Net Position	
Net Investment in Capital Assets	757,783
Unrestricted	<u>826,823</u>
Total Net Position	<u>\$ 1,584,606</u>

See accompanying notes and independent accountant's review report.

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH
Statement of Activities
For the Year Ended December 31, 2021

Functional Programs	Expenses	Program Revenue		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Recreation	\$ 405,611	\$ 21,401	\$ 15,000	\$ (369,210)
Total	\$ 405,611	\$ 21,401	\$ 15,000	(369,210)
General Revenues				
Ad Valorem Taxes				421,334
State Revenue Sharing				15,816
Interest Income				528
Other Income				138
Total General Revenues				437,816
Change in Net Position				68,606
Net Position, Beginning of Year				1,516,000
Net Position, End of Year				\$ 1,584,606

See accompanying notes and independent accountant's review report.

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH
Balance Sheet
Governmental Funds
December 31, 2021

	General Fund
<hr/>	
Assets	
Cash	\$ 458,613
Ad Valorem Taxes Receivable, Net	371,176
State Revenue Sharing Receivable	<u>11,862</u>
Total Assets	<u>\$ 841,651</u>
Liabilities	
Accounts Payable	\$ 11,543
Accrued Expenses	<u>3,285</u>
Total Liabilities	<u>14,828</u>
Deferred Inflows of Resources	
Unavailable Ad Valorem Taxes	<u>14,225</u>
Total Deferred Inflows of Resources	<u>14,225</u>
Fund Balance	
Unassigned	<u>812,598</u>
Total Fund Balance	<u>812,598</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 841,651</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Fund Balance	\$ 812,598
Deferred inflows of resources - unavailable ad valorem taxes are not reported on government-wide financial statements.	14,225
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>757,783</u>
Net Position of Governmental Activities	<u>\$ 1,584,606</u>

See accompanying notes and independent accountant's review report.

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2021

	General Fund
Revenues	
Ad Valorem Taxes	\$ 413,517
Sports Registration Fees	18,296
State Revenue Sharing	15,816
Folgers	15,000
Facility Rentals	1,970
Concession Income	1,135
Interest Income	528
Other Income	138
	<hr/>
Total Revenues	466,400
Expenditures	
General and Administration	261,491
Recreation	79,957
	<hr/>
Total Expenditures	341,448
Net Change in Fund Balance	124,952
Fund Balance, Beginning of Year	687,646
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Fund Balance, End of Year	\$ 812,598
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See accompanying notes and independent accountant's review report.

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of Governmental Funds to
the Statement of Activities
For the Year Ended December 31, 2021

Net Change in Fund Balance - Total Governmental Funds	\$ 124,952
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(64,163)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in Unavailable Ad Valorem Taxes	7,817
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Change in Net Position of Governmental Activities	\$ 68,606
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See accompanying notes and independent accountant's review report.

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Introduction

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

Reporting Entity

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

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

Basis of Presentation

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

Government-Wide Financial Statements

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

See independent accountant's review report.

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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

Separate financial statements are provided for the governmental funds.

Fund Financial Statements

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

The District reports the following major governmental fund:

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

Measurement Focus/Basis of Accounting

The government-wide financial statements are accounted for using an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income and changes in financial position.

The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows.

See independent accountant's review report.

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus/Basis of Accounting (Continued)

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

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

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

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

Budget and Budgetary Accounting

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

See independent accountant's review report.

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Cash

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

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

Receivables

Receivables are reported net of estimated uncollectible amounts. At December 31, 2021, the allowance for uncollectibles was \$17,146. This represents 4% of the total ad valorem tax assessed. This estimate is based on the District's history of collections within this revenue stream.

Capital Assets

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

Equity Classifications

Government-wide net position is divided into three components:

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

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

See independent accountant's review report.

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Equity Classifications (Continued)

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

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

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

Use of Estimates

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

See independent accountant's review report.

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 2. Cash

The following is a summary of cash (book balances) at December 31, 2021:

Demand Deposits per Bank	\$ 458,613
Secured by Federal Deposit Insurance	<u>(458,613)</u>
Unsecured / Uncollateralized	<u><u>\$ -</u></u>

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 bank. 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.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. The District does not have a deposit policy for custodial credit risk. As of December 31, 2021, none of the District's bank balance was exposed to custodial credit risk.

Note 3. Ad Valorem Taxes

The District's ad valorem tax is levied in October of each year on the assessed value of property within the District's taxing area. Taxes are due and payable by December 31st, and an enforceable lien attaches to the property on January 1st. The taxes are collected on behalf of the District by the St. Tammany Parish Sheriff and then remitted to the District. The District receives most of the ad valorem taxes in February, March, and April. For the year ended December 31, 2021, taxes of 10.61 mills were levied on property within the District.

See independent accountant's review report.

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 4. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated				
Recreational Facilities	\$ 1,689,289	\$ -	\$ -	\$ 1,689,289
Total Capital Assets Being Depreciated	<u>1,689,289</u>	<u>-</u>	<u>-</u>	<u>1,689,289</u>
Less Accumulated Depreciation for:				
Recreational Facilities	<u>(867,343)</u>	<u>(64,163)</u>	<u>-</u>	<u>(931,506)</u>
Total Accumulated Depreciation	<u>(867,343)</u>	<u>(64,163)</u>	<u>-</u>	<u>(931,506)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 821,946</u>	<u>\$ (64,163)</u>	<u>\$ -</u>	<u>\$ 757,783</u>

The District recorded \$64,163 of depreciation expense on its capital assets for the year ended December 31, 2021.

Note 5. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2021, the District carried insurance through various commercial carriers to cover all risks of loss. The District had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

See independent accountant's review report.

REQUIRED SUPPLEMENTARY INFORMATION

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended December 31, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Ad Valorem Taxes	\$ 390,900	\$ 390,900	\$ 413,517	\$ 22,617
Sports Registration Fees	7,100	7,100	18,296	11,196
Folgers	-	-	15,000	15,000
Concession Revenue	2,000	2,000	1,135	(865)
Facility Rentals	5,500	5,500	1,970	(3,530)
State Revenue Sharing	5,000	5,000	15,816	10,816
Grants	5,000	5,000	-	(5,000)
Other Income	7,900	7,900	138	(7,762)
Interest Revenue	-	-	528	528
Total Revenues	<u>423,400</u>	<u>423,400</u>	<u>466,400</u>	<u>43,000</u>
Expenditures				
General and Administration	339,073	339,073	261,491	77,582
Recreation	65,100	65,100	79,957	(14,857)
Total Expenditures	<u>404,173</u>	<u>404,173</u>	<u>341,448</u>	<u>62,725</u>
Net Change in Fund Balance	<u>\$ 19,227</u>	<u>\$ 19,227</u>	<u>124,952</u>	<u>\$ 105,725</u>
Fund Balance, Beginning of Year			<u>687,646</u>	
Fund Balance, End of Year			<u>\$ 812,598</u>	

See independent accountant's review report.

OTHER SUPPLEMENTARY INFORMATION

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH
Schedule of Governing Board
For the Year Ended December 31, 2021

Board of Commissioners	Expiration	Compensation
Wendy Batiste P.O. Box 15 Lacombe, LA 70445	December 31, 2021	\$-0-
Albert Hamauei 60162 Oaklawn Avenue Lacombe, LA 70445	December 31, 2021	\$-0-
Shannon Menard 61545 Fish Hatchery Road Lacombe, LA 70445	December 31, 2021	\$-0-
Jimmy Laurent 28750 Montana Street Lacombe, LA 70445	December 31, 2021	\$-0-
Marie Wright P.O. Box 491 Lacombe, LA 70445	December 31, 2021	\$-0-
Gerrin Narcisse 27223 Hellemes Lane Lacombe, LA 70445	December 31, 2021	\$-0-
Steve Muller 27056 Lucille Drive Lacombe, LA 70445	December 31, 2021	\$-0-

See independent accountant's review report.

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2021

Agency Head

Jordan Johnson, Executive Director

Purpose	Amount
Salary	\$29,166
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$429
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent accountant's review report.

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH
Schedule of Findings and Management Corrective Action Plan
For the Year Ended December 31, 2021

2021-001 Misappropriation of Public Funds

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

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

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

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

For the year ended December 31, 2021, another employee used 160 hours of compensated PTO hours which exceeded accrued PTO hours of 120 hours for the year.

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

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

Cause: Unknown.

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

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

See independent accountant's review report.

RECREATION DISTRICT NO. 4 OF ST. TAMMANY PARISH
Schedule of Findings and Management Corrective Action Plan (Continued)
For the Year Ended December 31, 2021

*Management's
Response:*

The Board and management will implement additional procedures to ensure that time and attendance is properly documented and that vacation hours are accrued in accordance with District policy. In addition, the District will implement procedures to ensure that all collections are deposited in a timely manner.

See independent accountant's review report.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures included in the *Louisiana Governmental Audit Guide* (the Subject Matter) and enumerated below, which were agreed to by the management of Recreation District No. 4 of St. Tammany Parish (the District) and the Legislative Auditor, State of Louisiana (LLA), solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2021, included in the accompanying *Louisiana Attestation Questionnaire*. The District's management is responsible for the Subject Matter.

Management of Recreation District No. 4 of St. Tammany Parish 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 compliance areas identified by the LLA in accordance with the *Louisiana Governmental Audit Guide* for the period January 1, 2021 to December 31, 2021. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate to meet its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

Public Bid Law

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

Results: A review was made of all disbursements for the year. We noted no purchases of material and supplies that exceeded \$30,000 or public works that exceeded \$150,000.

Code of Ethics for Public Officials and Public Employees

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

Results: Management provided us with the required list including the noted information.

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

Results: Management provided us with the required list.

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

Results: None of the individuals included on the list of employees provided by management in agreed-upon procedure #3 appeared on the list provided by management in agreed-upon procedure #2 as immediate family members.

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

Results: Management provided the list of disbursements. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements for those board members who provided a list of immediate family members. We were unable to perform this procedure for two board members as we were not provided lists of immediate family members.

Budgeting

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

Results: Management provided us with a copy of the original budget. Management represented that there were no amendments to the budget during the year. The budget was not formally adopted prior to the fiscal year.

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

Results: The budget was not legally adopted before the beginning of the year.

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

Results: No exceptions were noted as budgeted expenditures were below \$500,000 for the year ended December 31, 2021.

Accounting and Reporting

9. Randomly select six disbursements made during the period under review and:
 - a. Trace payments to supporting documentation as to proper amount and payee;
 - b. Determine if payments were properly coded to the correct fund and general ledger account; and
 - c. Determine whether payments received approval from proper authorities.

Results: The disbursements were traced to supporting documentation, and we noted that each was coded to the correct general ledger account, and that checks were signed by two board members.

Meetings

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

Results: The District did not advertise its meeting dates for 2021. The meeting agendas are posted online on the District's website.

Debt

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

Results: There were no proceeds from bank loans, bonds, or like indebtedness identified in our review of deposits.

Advances and Bonuses

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

Results: A reading of the minutes of the District for the year indicated no approval of such payments noted. We also inspected the list of payroll disbursements for the year, and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

State Audit Law

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

Results: The District submitted its financial statements for the year ended December 31, 2021 by the extended deadline approved by the Legislative Auditor.

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

Results: Inquired of management who indicated that there were no contracts that utilized state funds for the year ended December 31, 2021.

We were engaged by Recreation District No. 4 of St. Tammany Parish 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 compliance areas identified by the LLA. 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 Recreation District No. 4 of St. Tammany Parish 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 for the use of the management of Recreation District No. 4 of St. Tammany Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for its purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
June 22, 2022

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana governmental agencies. The completed and signed questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected government officials should sign the document, in lieu of such a resolution.

The completed and signed attestation questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the independent certified public accountant at the beginning of the engagement.** The CPA will, during the course of his/her engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to the Legislative Auditor's office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his/her engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Michael J. Waguespack, CPA
Louisiana Legislative Auditor

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

_____ (Date Transmitted)

_____ (CPA Firm Name)

_____ (CPA Firm Address)

_____ (City, State Zip)

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

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No [] N/A []

Code of Ethics for Public Officials and Public Employees

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

Yes [] No [] N/A []

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

Yes [] No [] N/A []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No [] N/A []

Accounting and Reporting

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

Yes [] No [] N/A []

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

Yes [] No [] N/A []

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

Yes [] No [] N/A []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No [] N/A []

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

Yes [] No [] N/A []

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

Yes No [] N/A []

Meetings

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

Yes No [] N/A []

Debt

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

Yes No [] N/A []

Advances and Bonuses

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

Yes No [] N/A []

Prior-Year Comments

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

Yes No [] N/A []

General

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

Yes No [] N/A []

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

Yes No [] N/A []

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

Yes No [] N/A []

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

Yes No [] N/A []

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

Yes No [] N/A []

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

Yes No [] N/A []

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

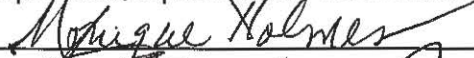
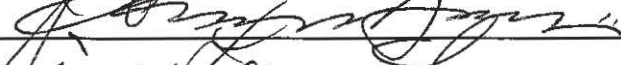
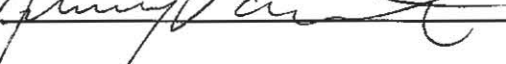
to you any such communication received between the end of the period under examination and the date of your report.

Yes No N/A

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

Yes No N/A

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

	Secretary	9-28-22	Date
	Treasurer	9-28-22	Date
	President	9-28-22	Date

AGREED-UPON PROCEDURES REPORT

Recreation District No. 4 of St. Tammany Parish

Independent Accountant's Report
on Applying Agreed-Upon Procedures

For the Period of January 1, 2021 to July 31, 2021

To the Board of Commissioners
Recreation District No. 4 of St. Tammany Parish
61100 N. 12th Street
Lacombe, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified by the Louisiana Legislative Auditor's (LLA) Agreed-Upon Procedures (AUPs) in accordance with the authority of Act 774 of the 2014 Regular Legislative Session for the period from January 1, 2021 through July 31, 2021. Recreation District No. 4 of St. Tammany Parish (the District) management is responsible for those C/C areas identified in the AUPs.

Management of Recreation District No. 4 of St. Tammany Parish, a component unit of St. Tammany Parish, Louisiana, 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 by the LLA's AUPs in accordance with the authority of Act 774 of the 2014 Regular Legislative Session for the period January 1, 2021 to July 31, 2021. Additionally, the 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 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.

Ethics (follow-up)

1. Obtain a listing of employees (and elected officials) and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period; and

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results: Exceptions noted for both a) and b). For a), two of the five selected employees/officials had not completed an hour of ethics training. For b), each of the five selected employees/officials lacked documentation of signature verification that he or she has read the ethics policy during the fiscal period.

Sexual Harassment (follow-up)

1. Obtain a listing of employees/elected officials/board members employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/elected officials/board members, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/elected official/board member completed at least one hour of sexual harassment training during the calendar year.

Results: One of the five selected employees/officials lacked documentation to certify completion of one hour of sexual harassment training.

2. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
3. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1st, and observe that it includes the applicable requirements of R.S. 42:344.

Results: No exceptions noted for 2 and 3.

Payroll and Personnel

1. Obtain and inspect the entity's written policies and procedures over payroll/personnel and observe that they address (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: The District does not have written policies and procedures that cover an approval process for employee(s) rate of pay and maintenance of pay rate schedules.

2. 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: We obtained management's representation that listing of employees and officials was complete. We noted that four of the five selected employees'/officials' pay rate per their personnel file did not match their current pay rate.

3. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #1 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (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.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results: We noted no exceptions for a). During the pay period selected, no employees used PTO, therefore b) and c) are not applicable. We noted that four of the five selected employees'/officials' pay rate per their personnel file did not match their current pay rate.

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

Results: We obtained the listing and management's representation that it was complete. There were no terminations during the period.

5. 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: We noted no exceptions in the performance of this procedure.

We were engaged by Recreation District No. 4 of St. Tammany Parish 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 by the LLA AUPs. 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 Recreation District No. 4 of St. Tammany Parish 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 by the LLA, 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 Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
July 26, 2022