

**ST. TAMMANY PARISH  
DRAINAGE DISTRICT NO. 4**

Compiled Financial Statements  
and  
Independent Accountant's Compilation Report

December 31, 2021



## Contents

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<b>Independent Accountant's Compilation Report</b>	1 - 2
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### **Basic Financial Statements**

Government-Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Governmental Fund	
Balance Sheet	7
Statement of Revenues, Expenditures, and Change in Fund Balance	8
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance of the Governmental Fund to the Statement of Activities	9

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### **Supplemental Schedule**

Schedule of Compensation, Benefits, and Other Payments to Agency Head	10
Schedule of Compensation Paid to Board Members	11

## Independent Accountant's Compilation Report

To the Board of Commissioners  
St. Tammany Parish Drainage District No. 4  
Slidell, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities and the major fund of St. Tammany Parish Drainage District No. 4 (the District) as of and for the year ended December 31, 2021, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the accompanying financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

### Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head and schedule of compensation paid to board members are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the representation of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

### Required Supplementary Information

Management has elected to omit the management's discussion and analysis and budgetary comparison information ordinarily included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted statements were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

**Other Matters**

Management has elected to omit substantially all of the disclosures required in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

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

A Professional Accounting Corporation

Covington, LA  
March 23, 2022

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

**ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 4**  
**Statement of Net Position**  
**December 31, 2021**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 68,619
Investment in CD's	51,542
Accounts Receivable	162,213
Other Assets	5,879
Capital Assets, Net of Accumulated Depreciation	<u>1,913,678</u>
<b>Total Assets</b>	<u>2,201,931</u>
<b>Liabilities</b>	
Accounts Payable and Accrued Expenses	25,062
Due to the State of Louisiana	<u>47,386</u>
<b>Total Liabilities</b>	<u>72,448</u>
<b>Net Position</b>	
Net Investment in Capital Assets	1,913,678
Unrestricted	<u>215,805</u>
<b>Total Net Position</b>	<u><u>\$ 2,129,483</u></u>

See independent accountant's compilation report.

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

<b>Activities</b>	<b>Expenses</b>	<b>Capital Grants and Contributions</b>	<b>Net (Expense) Revenues and Change in Net Position Governmental Activities</b>
<b>Governmental Activities</b>			
Drainage	\$ 254,903	\$ -	\$ (254,903)
<b>Total Governmental Activities</b>	<u>\$ 254,903</u>	<u>\$ -</u>	<u>(254,903)</u>
<b>General Revenues</b>			
Parcel Fee Revenue			163,956
Earnings on Investments			<u>1,060</u>
<b>Total General Revenues</b>			<u>165,016</u>
<b>Change in Net Position</b>			(89,887)
<b>Net Position, Beginning of Year</b>			<u>2,219,370</u>
<b>Net Position, End of Year</b>			<u>\$ 2,129,483</u>

See independent accountant's compilation report.

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

**ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 4**  
**Balance Sheet**  
**Governmental Fund**  
**December 31, 2021**

	<b>General Fund</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 68,619
Investment in CD's	51,542
Parcel Fee Tax Receivable	162,213
Other Assets	<u>5,879</u>
<b>Total Assets</b>	<b><u>\$ 288,253</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	
<b>Liabilities</b>	
Accounts Payable and Accrued Expenses	\$ 25,062
Due to the State of Louisiana	<u>47,386</u>
<b>Total Liabilities</b>	<b><u>72,448</u></b>
<b>Deferred Inflows of Resources</b>	
Unavailable Parcel Fee Revenue	<u>2,567</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>2,567</u></b>
<b>Fund Balance</b>	
Unassigned	<u>213,238</u>
<b>Total Fund Balance</b>	<b><u>213,238</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b><u>\$ 288,253</u></b>
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>	
Total Fund Balance	\$ 213,238
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	1,913,678
Deferred inflows of resources - unavailable parcel fee revenue is not reported on government-wide financial statements.	<u>2,567</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 2,129,483</u></b>

See independent accountant's compilation report.

**ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 4**  
**Statement of Revenues, Expenditures, and Change in Fund Balance**  
**Governmental Fund**  
**For the Year Ended December 31, 2021**

	<b>General Fund</b>
<hr/>	
<b>Revenues</b>	
Parcel Fee Revenue	\$ 167,731
Earnings on Investments	1,060
	<hr/>
<b>Total Revenues</b>	<b>168,791</b>
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<b>Expenditures</b>	
Drainage	
Salaries	42,473
Hurricane Ida Expenses	34,918
Professional Services	31,797
Repairs and Maintenance	18,395
Fuel	13,150
Rent	9,600
Board Per Diem	9,075
Utilities	8,849
Taxes and Licenses	4,204
Payroll Taxes	3,280
Insurance	2,736
Office Supplies	2,458
Other	2,315
Capital Outlay	19,251
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<b>Total Expenditures</b>	<b>202,501</b>
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<b>Net Change in Fund Balance</b>	<b>(33,710)</b>
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<b>Fund Balance, Beginning of Year</b>	<b>246,948</b>
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<b>Fund Balance, End of Year</b>	<b>\$ 213,238</b>
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See independent accountant's compilation report.

**ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 4**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Change in Fund Balance of the**  
**Governmental Fund to the Statement of Activities**  
**For the Year Ended December 31, 2021**

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

Net Change in Fund Balance - Total Governmental Fund \$ (33,710)

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 and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

(52,402)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in Unavailable Parcel Fee Revenue (3,775)

**Change in Net Position of Governmental Activities** \$ (89,887)

See independent accountant's compilation report.

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

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**Agency Head**  
Wayne Espat

<b>Purpose</b>	<b>Amount</b>
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$12,000
Reimbursements	\$3,632
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent accountant's compilation report.

**ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 4**  
**Schedule of Compensation Paid to Board Members**  
**For the Year Ended December 31, 2021**

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Tim Asher 1906 Brookter Street Slidell, LA 70461	\$ 2,625
Carolyn Cavaliers 1904 Brookter Street Slidell, LA 70461	3,000
Emile Henriquez 1818 Barrymore Street Slidell, LA 70461	2,250
Michail Armolie 1712 Kinds Row Slidell, LA 70461	<u>1,200</u>
<b>Total</b>	<u><u>\$ 9,075</u></u>

See independent accountant's compilation report.

## **AGREED-UPON PROCEDURES REPORT**

Drainage District No. 4 of St. Tammany Parish

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

**For the Period of January 1, 2021 - July 31, 2021**

To the Board of Commissioners  
Drainage District No. 4 of St. Tammany Parish  
Slidell, 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. Drainage District No. 4 of St. Tammany Parish's (the District) management is responsible for those C/C areas identified in the AUPs.

Management of Drainage 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.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures (follow-up)***

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1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a. **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.

- b. **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.
- c. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** We obtained the District's written policies and procedures over ethics and sexual harassment and noted that they did not address all the requirements listed above. We obtained the District's written policies and procedures over information technology disaster recovery/business continuity and discussed the results with management.

### ***Bank Reconciliations***

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1. 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); and
  - 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).

**Results:** Of the statements reviewed, we noted that one statement did not include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks had reviewed the reconciliation. No other exceptions noted.

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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1. 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.
2. 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 that there is no cash advance feature or annual fee charged.

**Results:** For one of the three credit cards held by the District, we noted that there was a cash advance feature and an annual fee charged. No other exceptions noted.

### ***Sexual Harassment***

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1. 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/officials and obtain sexual harassment training documentation from management for each of the selected employees, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year. If your sample includes supervisors, observe the documentation demonstrates additional training as per 42:342 (A)(2).

**Results:** No exceptions noted.

2. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1<sup>st</sup>, and observe that 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;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

**Results:** No exceptions noted.

We were engaged by Drainage 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 Drainage 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 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

## Drainage District No. 4 St. Tammany Parish

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July 27, 2022

Mr. Michael J. Waguespack  
Louisiana Legislative Auditor  
1600 N 3<sup>rd</sup> Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

RE: Act 774 Agreed-Upon Procedures

The management Drainage District No. 4 of St. Tammany Parish wishes to provide the following responses relative to the results of the 2021 Act 774 agreed-upon procedures engagement:

- 1) In response to the results of the Written Policies and Procedures section, We will review our policies and procedures and make sure they address all required procedures listed in the AUP's.
- 2) In response to the results of the Bank Reconciliations section, we will make sure that all bank reconciliations will be reviewed, initialed and dated by a member of management and/or a board member who does not handle the cash, post ledgers, or issue/sign checks.
- 3) In response to the results of the Credit Cards/Debit Cards/Fuel Cards/P-Cards section, we will make it our policy that there is no cash advance feature or annual fee charged on credit cards.

Sincerely,

Drainage District No. 4 of St. Tammany Parish

  
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Authorized Representative  
President