

**ST. TAMMANY PARISH
DEVELOPMENT DISTRICT**

Audits of Financial Statements

December 31, 2018 and 2017



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Independent Auditor's Report

To the Board of Commissioners
St. Tammany Parish Development District
Mandeville, Louisiana

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of St. Tammany Parish Development District (the District), as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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 major fund of the District as of December 31, 2018 and 2017, and the respective changes in financial position for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 - 7 and the budgetary comparison information on page 27 be presented to supplement the basic financial statements. Such 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. 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules of compensation paid to board members and compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of compensation paid to board members and compensation, benefits, and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedules of compensation paid to board members and compensation, benefits, and other payments to agency head are 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 15, 2019, on our consideration of the St. Tammany Parish Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. Tammany Parish Development 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.



A Professional Accounting Corporation

Covington, LA
May 15, 2019

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The basic financial statements of the St. Tammany Parish Development District (the District) include government-wide and governmental fund statements. The government-wide statements of net position and statements of activities present information for all the activities of the District's office, from an economic resources measurement focus using the accrual basis of accounting. Primarily, for our office, the difference between these statements and governmental fund statements is that assets are capitalized and depreciated over their estimated useful lives versus expensed in the governmental fund statements. The balance sheets - governmental fund detail the assets and liabilities of the governmental fund while the reconciliation of the governmental fund balance sheets to the statements of net position reflect the differences from the amounts reported in the statements of net position. The statements of revenues, expenditures, and changes in fund balance - governmental fund reflect the current year receipt and disbursement of funds and the reconciliation of the statements of revenues, expenditures, and changes in fund balance of the governmental fund to the statements of activities report the differences in the change in fund balance to the change in net position of the governmental activities. The differences between the adopted budget and the actual activities are reflected in the schedules of revenues, expenditures, and changes in fund balance - budget and actual - general fund.

The District is a subdivision of the State of Louisiana located in St. Tammany Parish. The accompanying financial statements only present information in the funds maintained by the District.

STATEMENTS OF NET POSITION AND STATEMENTS OF ACTIVITIES

The statements of net position and statements of activities report information about the funds maintained by the District as a whole and about its activities in a way which helps answer one of the most important questions asked about the District's finances: "Is the District, as a whole, better off or worse off as a result of the year's activities?" These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting used by most private sector companies. Accrual of the current year's revenues and expenses is taken into account regardless of when the cash was received or paid.

These two statements report the District's net position and the changes in it. This net position, the difference between the assets, deferred outflows, liabilities, and deferred inflows, is one way to measure the District's financial health and, over time, increases or decreases in net position are one indicator of whether its financial health is improving or deteriorating.

The funds maintained by the District are recorded as governmental activities in the statements of net position and statements of activities.

All of the expenses paid from the funds maintained are reported here as governmental activities and consist primarily of insurance, accounting fees, and support payments. A percentage of the state hotel and motel sales tax collections finance the operating activities of the District.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL HIGHLIGHTS

The District's assets exceeded its liabilities at the close of fiscal years 2018 and 2017 by \$1,226,722 and \$1,197,578 (net position), respectively, which represents a 2% and 29% increase, respectively, over the previous year. The District had no deferred outflows or deferred inflows as of December 31, 2018.

Cash was \$1,137,975 at December 31, 2018, compared to \$505,825 at December 31, 2017. This is an increase of \$632,150, or 125%.

The District's revenue decreased by \$141,414, or 12%, for the year ended December 31, 2018, and increased by \$188,135 for the year ended December 31, 2017.

The District's expenses for the year ended December 31, 2018 increased by \$98,072, or 10%, and decreased \$52,644, or 5%, for the year ended December 31, 2017.

At December 31, 2018, the District's General Fund had an unassigned fund balance of \$810,827. The District's General Fund had an unassigned fund balance of \$776,740 at December 31, 2017.

As a result of subtracting total expenses from total revenue, the District's net position increased by \$29,144 for the year ended December 31, 2018 and increased by \$268,630 for the year ended December 31, 2017.

Revenue to the District consisted principally of state hotel and motel sales tax collections, lease income, and administrative fees, and pass-through funds for various projects the District was involved in. Expenditures for the District consisted primarily of salaries and PILOT expenditures.

CAPITAL ASSETS

For the year ended December 31, 2018, capital assets, net of depreciation, decreased by \$4,943 and increased by \$20,838 for the year ended December 31, 2017.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the years ended December 31, 2018 and 2017, there were no significant unfavorable variances in the budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District considered many factors when setting the operating budget for its General Fund for the year ending December 31, 2019. The District anticipates no significant changes in the budget for 2019 and expects expenditures to remain comparable to 2018.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens and taxpayers with a general overview of the funds maintained by St. Tammany Parish Development District and to show the accountability for the money it receives. If you have any questions or need additional information, contact the District's office at 21489 Koop Drive, Suite 7, Mandeville, LA 70471.

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

ST. TAMMANY PARISH DEVELOPMENT DISTRICT
Statements of Net Position
December 31, 2018 and 2017

	Governmental Activities	
	2018	2017
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,137,975	\$ 505,825
Investments	1,034	1,014
Accounts Receivable	-	365,403
Intergovernmental Receivable	168,609	212,592
Prepaid Expenses	-	2,924
Total Current Assets	1,307,618	1,087,758
Capital Assets		
Office Furniture and Equipment, Net	15,895	20,838
Land	400,000	400,000
Total Capital Assets	415,895	420,838
Total Assets	1,723,513	1,508,596
Liabilities		
Accounts Payable	78,403	10,977
Unearned Revenue, Net	418,388	277,696
Due to St. Tammany Parish	-	22,345
Total Liabilities	496,791	311,018
Net Position		
Net Investment in Capital Assets	415,895	420,838
Unrestricted	810,827	776,740
Total Net Position	\$ 1,226,722	\$ 1,197,578

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

ST. TAMMANY PARISH DEVELOPMENT DISTRICT
Statements of Activities
For the Years Ended December 31, 2018 and 2017

	Governmental Activities	
	2018	2017
Expenses		
Economic Development:		
Salaries	\$ 394,351	\$ -
PILOT Expense	215,500	215,500
Consulting	146,033	11,250
Legal and Professional	56,711	27,070
Marketing	38,822	-
Payroll Taxes	34,794	-
Insurance	33,380	-
Repairs and Maintenance	30,843	-
Rent	18,225	-
Travel	15,062	-
Dues and Subscriptions	10,295	-
Business Intelligence	8,417	-
Staff Development	7,757	-
Telephone	7,480	-
Supplies	7,476	-
Depreciation	4,943	595
Utilities	3,837	-
Service Charges	3,488	-
Other	3,413	11,786
Printing and Reproduction	2,886	-
Economic Development Support	-	679,440
	<hr/>	<hr/>
Total Expenses	1,043,713	945,641
Program Revenues		
PILOT Service Fees	215,500	215,500
Administrative Fees	169,668	167,170
Bond Closing Fees	37,000	58,492
Contributions	27,056	244,030
Interest Income	2,548	1,295
	<hr/>	<hr/>
Total Program Revenues	451,772	686,487
Net Expense	(591,941)	(259,154)
General Revenues		
Hotel/Motel Tax Revenue, Net	621,085	527,784
	<hr/>	<hr/>
Change in Net Position	29,144	268,630
Net Position, Beginning of Year	1,197,578	928,948
	<hr/>	<hr/>
Net Position, End of Year	\$ 1,226,722	\$ 1,197,578
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The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUND**

ST. TAMMANY PARISH DEVELOPMENT DISTRICT
Balance Sheets
Governmental Fund
December 31, 2018 and 2017

	General Fund	
	2018	2017
Assets		
Cash and Cash Equivalents	\$ 1,137,975	\$ 505,825
Investments	1,034	1,014
Accounts Receivable	-	365,403
Intergovernmental Receivable	168,609	212,592
Prepaid Insurance	-	2,924
Total Assets	\$ 1,307,618	\$ 1,087,758
Liabilities		
Accounts Payable	\$ 78,403	\$ 10,977
Unearned Revenue, Net	418,388	277,696
Due to St. Tammany Parish	-	22,345
Total Liabilities	496,791	311,018
Fund Balance		
Unassigned	810,827	776,740
Total Fund Balance	810,827	776,740
Total Liabilities and Fund Balance	\$ 1,307,618	\$ 1,087,758
Reconciliation of the Governmental Fund Balance Sheets to the Statements of Net Position		
Total Fund Balance	\$ 810,827	\$ 776,740
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	415,895	420,838
Net Position of Governmental Activities	\$ 1,226,722	\$ 1,197,578

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

ST. TAMMANY PARISH DEVELOPMENT DISTRICT
Statements of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Years Ended December 31, 2018 and 2017

	General Fund	
	2018	2017
Revenues		
Hotel/Motel Tax Revenue, Net	\$ 621,085	\$ 527,784
PILOT Revenue	215,500	215,500
Administrative Fees	169,668	167,170
Bond Closing Fees	37,000	58,492
Contributions	27,056	240,373
Interest Income	2,548	1,295
Total Revenues	1,072,857	1,210,614
Expenditures		
Salaries	394,351	-
PILOT Expenditure	215,500	215,500
Consulting	146,033	11,250
Legal and Professional	56,711	27,070
Marketing	38,822	-
Payroll Taxes	34,794	-
Insurance	33,380	-
Repairs and Maintenance	30,843	-
Rent	18,225	-
Travel	15,062	-
Dues and Subscriptions	10,295	-
Business Intelligence	8,417	-
Staff Development	7,757	-
Telephone	7,480	-
Supplies	7,476	-
Utilities	3,837	-
Service Charges	3,488	-
Other	3,413	11,786
Printing and Reproduction	2,886	-
Capital Outlay	-	17,776
Economic Development Support	-	679,440
Total Expenditures	1,038,770	962,822
Net Change in Fund Balance	34,087	247,792
Fund Balance, Beginning of Year	776,740	528,948
Fund Balance, End of Year	\$ 810,827	\$ 776,740

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

ST. TAMMANY PARISH DEVELOPMENT DISTRICT
Reconciliation of the Statements of Revenues, Expenditures,
and Changes in Fund Balance of the Governmental Fund to the
Statements of Activities
For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Net Change in Fund Balance - Total Governmental Fund	\$ 34,087	\$ 247,792
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statements 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 is different from capital outlay in the current period.</p>	<u>(4,943)</u>	<u>20,838</u>
Change in Net Position of Governmental Activities	<u>\$ 29,144</u>	<u>\$ 268,630</u>

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

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Organization

St. Tammany Parish Development District (the District) was established for the purpose of promoting and encouraging the development of economic and industrial opportunities, stimulating the economy, and utilizing and developing the natural and human resources of St. Tammany Parish. The District was created by the State of Louisiana Revised Statutes (LRS) 33.130.401 to 33.130.409. It was reestablished as a separate political body under the provisions of Article VI, Section 44 of the Constitution of Louisiana. The District is governed by a Board of Commissioners (the Board), consisting of eleven voting members, nominated by the District and submitted to the St. Tammany Parish Council for confirmation. Commissioners serve 3-year terms.

The Reporting Entity

Governmental accounting standards established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. A component unit is a government that is financially accountable to another government or one for which another government can exert influence over its budget and operations. As St. Tammany Parish only confirms, but does not appoint, the District's Commissioners, the District is not considered to be a component unit of St. Tammany Parish. The District has no component units.

Basic Financial Statements - 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 nonfiduciary 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. There were no activities of the District categorized as business-type activities.

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 included among program revenues are reported instead as general revenues.

Basic Financial Statements - Fund Financial Statements

The District uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basic Financial Statements - Fund Financial Statements (Continued)

Funds are ordered into three major categories: governmental, proprietary, and fiduciary, which are grouped by fund type in the financial statements. Governmental fund types are those through which general governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds. The General Fund, the main operating fund of the District, is used to account for all financial resources.

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Receivables

All receivables are shown net of an allowance for uncollectibles. Intergovernmental receivables represent amounts due from the State for hotel/motel tax revenue. The District believes that all receivables are collectible at December 31, 2018.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include land and office furniture and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets of the governmental funds are recorded as expenditures at the time they are purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets, except for land, are defined by the District as assets with an initial individual cost of more than \$1,000. Land is not depreciated. Office furniture and equipment is depreciated using the straight-line method over useful lives of 5 - 7 years.

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, deferred outflows, liabilities, deferred inflows, 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.

Fund Balance

In fund financials, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components, as follows:

- *Nonspendable* - Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* - Consists of amounts with constraints either by third parties (bond creditors) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used for the specific purposes stipulated in the legislation.
- *Committed* - Consists of the amounts used for specific purposes pursuant to constraints imposed by formal action of the District's Board. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

- *Assigned* - Consists of amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* - Consists of amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned).

Net Position

State and local governments enter into transactions that result in the consumption or acquisition of net position in one period that are applicable to future periods. Governmental Accounting Standards Board (GASB) Statement No. 63 requires that deferred outflows of resources should be reported in the statement of net position in a separate section following assets, and deferred inflows of resources should be reported in a separate section following liabilities.

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net position should be displayed in three components: *net investment in capital assets*, consisting of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets; *restricted*, distinguishing between major categories of restrictions and consisting of restricted assets reduced by liabilities and deferred inflows of resources related to those assets; and *unrestricted*, consisting of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Budget Policies

The District adopts an annual budget for the General Fund on the cash basis of accounting. The budget is legally adopted and amended as necessary by the District. All budgeted amounts which are not expended or obligated through contracts lapse at year-end.

Adoption of New Accounting Policies

The GASB issued Statement No. 85, *Omnibus 2017*, in March 2017. The objective of GASB 85 is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics, including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits - OPEB). This implementation did not significantly impact the financial statements or notes.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

The GASB issued Statement No. 87, *Leases*, in June 2017. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Management is still evaluating the potential impact of adoption on the District's financial statements. This Statement will be effective for the District for the fiscal year ending December 31, 2020.

Note 2. Stewardship, Compliance, and Accountability

In accordance with the Louisiana Local Government Budget Act, the procedures used by the District in establishing the budgetary data include public notices of the proposed budget, public inspections, and public hearings. The District then legally adopts the budget. Budgeted amounts for the General Fund are included in the accompanying schedules.

Note 3. Cash and Cash Equivalents

At December 31, 2018 and 2017, the District had cash and cash equivalents (book balances) totaling \$1,137,975 and \$505,825, respectively, which were demand deposits at a local financial institution. 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.

At December 31, 2018 and 2017, the District had \$1,169,108 and \$506,170, respectively, in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal deposit insurance and \$919,108 and \$256,170, of pledged securities held by the custodial bank as of December 31, 2018 and 2017, respectively.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to Financial Statements

Note 4. Investments

At December 31, 2018 and 2017, the District had investments of \$1,034 and \$1,014, respectively, which are stated at market using published quotes and consist entirely of investments in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in a pool of funds and, therefore, not evidenced by securities that exist in physical or book-entry form.

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

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

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

- *Credit risk:* LAMP is rated AAAm by Standard & Poor's.
- *Custodial credit risk:* LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- *Concentration of credit risk:* Pooled investments are excluded from the 5 percent disclosure requirement.
- *Interest rate risk:* LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments was 30, as of December 31, 2018.
- *Foreign currency risk:* Not applicable to money market-like pools.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to Financial Statements

Note 4. Investments (Continued)

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

Note 5. Receivables

Intergovernmental receivable is State Act money due from the State of Louisiana in the amount of \$168,609 and \$212,592, as of December 31, 2018 and 2017, respectively, for hotel/motel tax revenue. Management of the District considers these receivables to be fully collectible.

Note 6. State Act Income and Unearned Income

For the years ended December 31, 2018 and 2017, the District received hotel/motel taxes which were appropriated by the State. These revenues are recorded net of payments to St. Tammany Parish under the cooperative endeavor agreement as follows:

	2018	2017
Hotel/Motel Tax Revenue	\$ 836,776	\$ 845,887
Less St. Tammany Parish Cooperative Endeavor Agreement	<u>(215,691)</u>	<u>(318,103)</u>
Total	<u>\$ 621,085</u>	<u>\$ 527,784</u>

The District's appropriation for the State June 30, 2019 fiscal year is \$836,775. One half of this appropriation is recorded as unearned revenue in the amount of \$418,388, at December 31, 2018.

The District's appropriation for the State June 30, 2018 fiscal year was \$836,775. One half of this appropriation was recorded as unearned revenue in the amount of \$418,388, at December 31, 2017, net of St. Tammany Parish's portion of \$140,692.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to Financial Statements

Note 7. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2018, for the District were as follows:

	January 1, 2018	Increases	Decreases	December 31, 2018
Capital Assets Not Being Depreciated				
Land	\$ 400,000	\$ -	\$ -	\$ 400,000
Total Capital Assets Not Being Depreciated	400,000	-	-	400,000
Capital Assets Being Depreciated				
Office Furniture and Equipment	21,433	-	-	21,433
Total Capital Assets Being Depreciated	21,433	-	-	21,433
Less Accumulated Depreciation for:				
Office Furniture and Equipment	(595)	(4,943)	-	(5,538)
Total Accumulated Depreciation	(595)	(4,943)	-	(5,538)
Total Capital Assets Being Depreciated - Net	20,838	(4,943)	-	15,895
Capital Assets - Net	\$ 420,838	\$ (4,943)	\$ -	\$ 415,895

Capital assets and depreciation activity as of and for the year ended December 31, 2017, for the District were as follows:

	January 1, 2017	Increases	Decreases	December 31, 2017
Capital Assets Not Being Depreciated				
Land	\$ 400,000	\$ -	\$ -	\$ 400,000
Total Capital Assets Not Being Depreciated	400,000	-	-	400,000
Capital Assets Being Depreciated				
Office Furniture and Equipment	-	21,433	-	21,433
Total Capital Assets Being Depreciated	-	21,433	-	21,433
Less Accumulated Depreciation for:				
Office Furniture and Equipment	-	(595)	-	(595)
Total Accumulated Depreciation	-	(595)	-	(595)
Total Capital Assets Being Depreciated - Net	-	20,838	-	20,838
Capital Assets - Net	\$ 400,000	\$ 20,838	\$ -	\$ 420,838

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to Financial Statements

Note 8. Related Party Transactions

In 2017, the District utilized the offices and services of St. Tammany Economic Development Foundation (STEDF). STEDF was a non-profit organization established for the purpose of promoting and encouraging economic development within St. Tammany Parish. Many of the District's board members were also active members of STEDF. During the year ended December 31, 2017, the District made payments to STEDF of \$679,440. During the year ended December 31, 2017, the Board of STEDF voted to dissolve STEDF and donate the remaining assets to the District and another non-profit organization. At December 31, 2017, included in accounts receivable is a receivable from STEDF in the amount of \$240,233, which represents the remaining unrestricted cash of STEDF at December 31, 2017.

Note 9. Conduit Debt Obligations

The District has issued taxable revenue bonds to provide funding for the construction of facilities for private companies. The bonds are secured by the property and facilities of the private companies. Neither the District nor the State of Louisiana is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2018 and 2017, the following conduit debt obligations were outstanding:

Series	Issued	Mature	Balance at December 31, 2018	Balance at December 31, 2017
2002	04/2002	07/2022	\$ 1,560,000	\$ 1,960,000
2003	06/2003	08/2023	25,000,000	25,000,000
2006A	12/2006	12/2036	4,660,000	4,770,000
2008	03/2008	03/2033	5,725,000	6,010,000
2008	04/2008	04/2034	3,005,000	3,090,000
2008	04/2008	07/2038	39,340,000	40,570,000
2011	09/2011	09/2041	72,138,163	72,138,163

The District has entered into agreements with a private company to issue taxable revenue bonds of up to \$850,505,000. At December 31, 2018, no bonds have been issued on these agreements.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to Financial Statements

Note 10. Leases

Pursuant to the taxable revenue bonds described in Note 9, the District has entered into lease agreements with private companies.

The District entered into a Lease Agreement with a private company, dated as of April 1, 2002, in connection with the issuance of \$15,380,000 of bonds issued for the benefit of the company. The Lease expires on the earlier of July 1, 2022, or when the said bonds are retired. Under the Lease, the company is required to make a monthly lease payment to the District equal to \$1,000. Upon payment in full of the bonds, the company has the option to purchase the property financed with the bonds for an amount equal to \$1,000, plus any of the District's fees.

The District entered into a Lease Agreement with a private company, dated as of June 1, 2003, in connection with the issuance of \$25 million of bonds issued for the benefit of the company. The Lease expires on the earlier of August 1, 2023, or when the said bonds are retired. Under the Lease, the company is required to pay an annual fee of \$2,500 to the District by April 1st of each year, as well as paying the reasonable fees and expenses of the Trustee under the trust indenture under which the bonds are issued. Also, so long as the Lease remains in effect and the project financed with the said bonds is owned by the District, the project is exempt from ad valorem tax. The Lease requires that the company make an annual payment on December 1st of each year, through and including December 1, 2022, with a final payment on June 1, 2023, in an amount based on a formula with a minimum of \$55,000 and a maximum of \$75,000. The District is required to pay 80% of this payment to St. Tammany Parish Fire Protection District No. 3 and 20% to St. Tammany Parish Recreation District No. 4. The land upon which this project was constructed was purchased by the company and donated to the District. As the District considers the value of the land to be insignificant, the land has not been recorded as an asset of the District. Upon payment in full of the bonds, the company has the option to purchase the property financed with the bonds for an amount equal to \$1,000, plus any of the District's fees.

The District entered into a Lease Agreement with a private company, dated as of April 1, 2008, in connection with the issuance of \$45 million of bonds issued for the benefit of the company. The Lease expires on the earlier of April 1, 2038, or when the said bonds are retired. Under the Lease, the company is required to pay an annual fee of \$2,500 to the District by February 1st of each year, commencing on February 1, 2009, as well as paying the reasonable fees and expenses of the Trustee under the trust indenture under which the bonds are issued. Also, so long as the Lease remains in effect and the project financed with the said bonds is owned by the District, the project is exempt from ad valorem tax.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to Financial Statements

Note 10. Leases (Continued)

The Lease requires that the company make an annual payment on February 1st of each year, through and including February 1, 2024, in the amount of \$50,000, which the District intends to pay to the local fire protection district to defray the costs of fire protection. After February 1, 2024 and until all bonds are retired, the company will make an annual payment in lieu of taxes on February 1st of each year in the amount equal to 100% of ad valorem taxes that would otherwise be due with respect to the project which PILOT payment shall be paid directly to the applicable municipal and/or parish tax collector for distribution to the applicable taxing bodies based on their then current millage rates. Upon payment in full of the bonds, the company has the option to purchase the property financed with the bonds for an amount equal to \$1,000, plus any of the District's fees.

The District entered into a Lease Agreement with a private company, dated as of September 1, 2011, in connection with the issuance of \$75 million of bonds issued for the benefit of the company (the 2011 Bonds). The Lease expires on the earlier of September 1, 2041, or when the 2011 Bonds are retired. Under the Lease, the company is required to pay an annual fee of \$25,000 to the District by February 1st of each year, as well as paying the reasonable fees and expenses of the Trustee under the trust indenture under which the 2011 Bonds are issued. Also, so long as the Lease remains in effect and the project financed with the 2011 Bonds is owned by the District, the project is exempt from ad valorem tax. The Lease requires that the company make an annual payment on February 1st of each year, through and including February 1, 2032, in the amount of \$75,000, to be distributed by the District to such taxing authorities located in the area of the project, and according to such allocation formula as the District may determine from time to time. The District also entered into a Lease Agreement and Agreement to Issue Bonds with the same private company dated as of June 1, 2015, in connection with the expansion of the company's facility (the 2015 Lease). Although no new bonds were issued, the District agrees in the 2015 Lease to issue bonds in the future under certain circumstances. Under the 2015 Lease, the company is required to continue paying the \$25,000 annual fee described above. Additionally, the 2015 Lease requires that the company make an annual payment on February 1st of each year, through and including February 1, 2032, in the amount of \$15,500, to be distributed to all taxing bodies ratably based on their then current millage rates. After February 1, 2032 and until the 2011 Bonds are retired, the company will make an annual payment in lieu of taxes on February 1st of each year in the amount equal to 100% of ad valorem taxes that would otherwise be due with respect to the project which PILOT payment shall be paid directly to the applicable municipal and/or parish tax collector for distribution to the applicable taxing bodies based on their then current millage rates. Upon payment in full of the 2011 Bonds, the company has the option to purchase the property financed with the 2011 Bonds for an amount equal to \$5,000, plus any of the District's fees.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT

Notes to Financial Statements

Note 10. Leases (Continued)

The District has entered into a series of Bareboat Charters and Agreements to Issue Bonds with a private company, and several affiliated companies under common ownership, dated as of December 1, 2011, December 1, 2012, December 1, 2013, December 1, 2014, December 1, 2015, December 1, 2016, December 31, 2017, and December 31, 2018, in connection with the acquisition by the company of a fleet of approximately 186 vessels (primarily tow boats and barges comprising a portion of the company's total fleet of vessels, of which 9 vessels were added during 2018) used by the company on domestic inland waterways. These agreements expire with respect to each of the vessels on December 31st of the years 2019 through 2026. Under the various agreements, as of December 31, 2018, the company is required to pay an annual fee of \$125,170 and a closing fee of \$7,340 to the District by November 1st of each year. Also, so long as the various agreements remain in effect and the vessels are owned by the District, those vessels are exempt from ad valorem tax in St. Tammany Parish. At the end of the respective charter terms, the company has the option to purchase the respective vessels for an amount equal to \$1,000 per vessel, plus any of the District's fees.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

ST. TAMMANY PARISH DEVELOPMENT DISTRICT
Schedules of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual - General Fund
For the Years Ended December 31, 2018 and 2017

	2018				2017			
	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			Original	Final		
Revenues								
Hotel/Motel Tax Revenue, Net	\$ 761,775	\$ 621,085	\$ 621,085	\$ -	\$ 500,175	\$ 527,784	\$ 527,784	\$ -
PILOT Revenue	215,500	215,500	215,500	-	215,500	215,500	215,500	-
Administrative Fees	169,668	169,668	169,668	-	167,170	167,170	167,170	-
Bond Closing Fees	15,000	36,000	37,000	1,000	44,000	58,492	58,492	-
Contributions	-	27,232	27,056	(176)	-	240,373	240,373	-
Other Income	750	1,830	2,548	718	1,200	1,295	1,295	-
Total Revenues	1,162,693	1,071,315	1,072,857	1,542	928,045	1,210,614	1,210,614	-
Expenditures								
Salaries	521,004	521,004	394,351	126,653	-	-	-	-
PILOT Expenditure	215,500	215,500	215,500	-	-	-	-	-
Consulting	67,000	67,000	146,033	(79,033)	12,000	11,250	11,250	-
Legal and Professional	52,500	52,500	56,711	(4,211)	13,600	27,070	27,070	-
Marketing	54,884	57,000	38,822	18,178	-	-	-	-
Payroll Taxes and Benefits	64,400	63,000	34,794	28,206	-	-	-	-
Insurance	51,200	56,169	33,380	22,789	-	-	-	-
Repairs and Maintenance	10,500	35,000	30,843	4,157	-	-	-	-
Rent	18,225	18,225	18,225	-	-	-	-	-
Travel	30,000	30,000	15,062	14,938	-	-	-	-
Dues and Subscriptions	13,800	10,000	10,295	(295)	-	-	-	-
Business Intelligence	4,480	2,500	8,417	(5,917)	-	-	-	-
Staff Development	13,000	13,000	7,757	5,243	-	-	-	-
Telephone	8,500	9,350	7,480	1,870	-	-	-	-
Supplies	8,500	8,500	7,476	1,024	-	-	-	-
Office Supplies	5,000	3,630	-	3,630	-	-	-	-
Utilities	3,600	3,600	3,837	(237)	-	-	-	-
Service Charges	4,750	4,750	3,488	1,262	215,500	215,500	215,500	-
Other	1,200	1,200	3,413	(2,213)	-	11,786	11,786	-
Printing and Reproduction	14,650	14,650	2,886	11,764	-	-	-	-
Capital Outlay	-	-	-	-	-	17,776	17,776	-
Economic Development Support	-	-	-	-	679,440	679,440	679,440	-
Total Expenditures	1,162,693	1,186,578	1,038,770	147,808	920,540	962,822	962,822	-
Net Change in Fund Balance	\$ -	\$ (115,263)	34,087	\$ 149,350	\$ 7,505	\$ 247,792	247,792	\$ -
Fund Balance, Beginning of Year			776,740				528,948	
Fund Balance, End of Year			\$ 810,827				\$ 776,740	

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

ST. TAMMANY PARISH DEVELOPMENT DISTRICT
Schedule of Compensation Paid to Board Members
For the Year Ended December 31, 2018

Board Member	Compensation
Bill Davis, President 1001 Gause Boulevard, Slidell, LA 70458	\$ -0-
Mr. Marty Mayer, Vice President 109 Northpark Boulevard, Suite 300, Covington, LA 70433	-0-
Rhonda Bagby, Treasurer 424 Pencarrow Circle, Madisonville, LA 70447	-0-
Mike Gambrell 130 Carlisle Court, Slidell, LA 70458	-0-
Oscar Hernandez 41452 Fritchie Lane, Slidell, LA 70461	-0-
Scott Day 1875 Highway 59, Mandeville, LA 70471	-0-
Bill Newton 55140 Garden Drive, Slidell, LA 70460	-0-
Al Hamauei 2077 E. Gause Boulevard, Slidell, LA 70460	-0-
Bruce Javery 35103 Camp Salmen Road, Slidell, LA 70460	-0-
Mike Tillman 1330 Greengate Drive, Covington, LA 70448	-0-
William Wainwright 615 City Park Avenue, New Orleans, LA 70471	-0-

See independent auditor's report.

ST. TAMMANY PARISH DEVELOPMENT DISTRICT
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2018

Agency Head
Chris Masingill, Executive Director

Purpose	Amount
Salary	\$96,686
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$4,500
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$644
Registration Fees	\$0
Conference Travel	\$151
Continuing Professional Education Fees	\$0
Housing	\$0
Special Meals	\$31

See independent auditor's report.

**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**

Independent Auditor's Report

To the Board of Commissioners
St. Tammany Parish Development District
Mandeville, Louisiana

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 major fund of St. Tammany Parish Development District (the District), as of and for the year ended December 31, 2018, 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 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Tammany Parish Development District's internal control over financial reporting (internal control) to determine the 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 St. Tammany Parish Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Tammany Parish Development 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 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 weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Tammany Parish Development District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

A Professional Accounting Corporation

Covington, LA
May 15, 2019

ST. TAMMANY PARISH DEVELOPMENT DISTRICT
Schedule of Findings and Responses
For the Year Ended December 31, 2018

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | No |
| c. Noncompliance material to the financial statements? | No |
| d. Other matters identified? | No |
| 3. Management letter comment provided? | No |

Federal Awards

Not applicable.

Part II - Findings Related to the Financial Statements

None.

Part III - Compliance and Other Matters

None.

AGREED-UPON PROCEDURES REPORT

St. Tammany Parish Development District

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period of January 1, 2018 - December 31, 2018

To the Management of
St. Tammany Parish Development District

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable."

Management of St. Tammany Parish Development District (the District) is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of the District and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the District's compliance with certain laws and regulations during the period of January 1, 2018 through December 31, 2018, in accordance with Act 774 of 2014 Regular Legislative Session. The sufficiency of these procedures is solely the responsibility of the District and the Legislative Auditor. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the report has been requested or for any other purpose.

The procedures and associated results are as follows:

Contracts

1. Obtain and inspect the entity's written policies and procedures over contracting and observe that they address (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Results: We obtained the entities written policies and procedures over contracting and observed that they addressed (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

2. 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 that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
 - 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 that the invoice and related payment agreed to the terms and conditions of the contract.

Results: We obtained 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 and management's representation that the listing is complete. There were no exceptions for a), b), c), and d) above.

Ethics

1. Obtain and inspect the entity's written policies and procedures over ethics and observe that they address each of the following:
 - a) The prohibitions as defined in Louisiana Revised Statute 42:1111-1121;
 - b) Actions to be taken if an ethics violation takes place;
 - c) System to monitor possible ethics violations; and
 - d) Requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Results: We obtained the written policies and procedures over ethics and observed that they addressed a), b), c), and d) above.

2. 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: We obtained a listing of employees (and elected officials) and obtained management's representation that the listing is complete. There were no exceptions for a) and b) above.

This agreed-upon procedures engagement was performed 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, the objective of which would be the expression of an opinion or conclusion. 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.

This report is intended solely for the use of the management of St. Tammany Parish Development District 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 their purposes. 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
June 4, 2019