

Financial Report

Terrebonne Parish Recreation District No. 4
Dulac, Louisiana

December 31, 2021

Financial Report

Terrebonne Parish Recreation District No. 4
Dulac, Louisiana

December 31, 2021

TABLE OF CONTENTS

Terrebonne Parish Recreation District No. 4

December 31, 2021

	<u>Page Numbers</u>
Financial Section	
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 10
Exhibits	
Financial Statements:	
Government-wide and Fund Financial Statements:	
A - Statement of Net Position and Governmental Fund Balance Sheet	11
B - Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	12
C - Statement of Activities and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance	13
D - Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	14
E - Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	15
F - Notes to Financial Statements	16 - 37
Required Supplementary Information Section	
G - Schedule of Changes in the District's Total OPEB Liability and Related Ratios	38

TABLE OF CONTENTS
(Continued)

Page
Numbers

Supplementary Information Section

Schedules

1 - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	39
--	----

Special Reports of Certified Public Accountants

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	40 - 41
Schedule of Findings and Responses	42

Reports by Management

Schedule of Prior Year Findings and Responses	43
Management's Corrective Action Plan	44

Statewide Agreed-Upon Procedures

Independent Accountant's Report on Applying Agreed-Upon Procedures	45 - 46
2 - Schedule of Procedure and Associated Findings of the Statewide Agreed-Upon Procedures	47 - 64

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 4,
Dulac, Louisiana.

Opinion

We have audited the accompanying financial statements of the governmental activities and General Fund of Terrebonne Parish Recreation District No. 4 (the "District"), a component unit of the Terrebonne Parish Consolidated Government, State of 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District as of December 31, 2021 and the respective changes in net position for the year then ended and budgetary comparison of the General Fund in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 10, and the Schedule of Changes in the District's Total OPEB Liability and Related Ratios page 38 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information on page 39 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2022 on our consideration of Terrebonne Parish Recreation District No. 4's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
May 24, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Parish Recreation District No. 4

December 31, 2021

The Management's Discussion and Analysis of the Terrebonne Parish Recreation District No. 4's financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District's assets exceeded its liabilities at the close of fiscal year 2021 by \$2,660,515 (net position), which represents a 31.58% increase from last fiscal year.

The District's revenues increased \$499,046 (or 83.76%) primarily due to increases in miscellaneous revenues.

The District's expenses increased \$105,052 (or 29.91%) primarily due to increases in culture and recreation expenses.

The District did not have a deficit fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's annual report consists of three parts: (1) management's discussion and analysis (this section) (2) financial statements; and (3) various governmental compliance reports and schedules by certified public accountants and management.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The financial statements include two kinds of statements that present different views of the District:

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Activities presents information showing how the District's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the District is culture and recreation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The only fund of the District is a governmental fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains an individual governmental fund. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 11 through 15 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2021, assets exceeded liabilities by \$2,660,515. A large portion of the District's net position (35.63%) reflects its net investment in capital assets (e.g., land; and construction in progress; buildings; improvements; office furniture, fixtures and equipment; machinery and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	<u>December 31,</u>		<u>Dollar</u>
	<u>2021</u>	<u>2020</u>	<u>Change</u>
Current and other assets	\$ 2,384,122	\$ 1,662,068	\$ 722,054
Capital assets	948,068	1,015,192	(67,124)
Deferred outflows of resources	43,338	12,944	30,394
Total assets and deferred outflows of resources	<u>3,375,528</u>	<u>2,690,204</u>	<u>685,324</u>
Long term liabilities	103,095	66,725	36,370
Other liabilities	3,407	5,480	(2,073)
Deferred inflows of resources	608,511	596,100	12,411
Total liabilities and deferred inflows of resources	<u>715,013</u>	<u>668,305</u>	<u>46,708</u>
Net position:			
Net investment in capital assets	948,068	1,015,192	(67,124)
Unrestricted	1,712,447	1,006,707	705,740
Total net position	<u>\$ 2,660,515</u>	<u>\$ 2,021,899</u>	<u>\$ 638,616</u>

As of December 31, 2021, capital assets decreased due to impairments resulting from Hurricane Ida. The increase in current and other assets are primarily due to collection of insurance proceeds from Hurricane Ida damage claims.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities

Governmental activities increased the District's net position by \$638,616. Key elements of this increase are as follows:

Condensed Statements of Activities

	<u>December 31,</u>		<u>Dollar</u>	<u>Total</u>
	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>Percent</u>
				<u>Change</u>
Revenues:				
Taxes	\$ 557,000	\$ 581,816	\$ (24,816)	-4.27%
Intergovernmental	39,494	8,667	30,827	355.68%
Charges for services	1,855	-	1,855	100.00%
Miscellaneous	496,518	5,338	491,180	9201.57%
Total revenues	<u>1,094,867</u>	<u>595,821</u>	<u>499,046</u>	83.76%
Expenses:				
General government	27,302	24,382	2,920	11.98%
Culture and recreation	428,949	326,817	102,132	31.25%
Total expenses	<u>456,251</u>	<u>351,199</u>	<u>105,052</u>	29.91%
Increase in net position	638,616	244,622	393,994	161.06%
Net position:				
Beginning of year	<u>2,021,899</u>	<u>1,777,277</u>	<u>244,622</u>	13.76%
End of year	<u>\$ 2,660,515</u>	<u>\$ 2,021,899</u>	<u>\$ 638,616</u>	31.58%

The Statement of Activities provides answers to the nature and source of changes in net position. In 2021, the District's total revenues increased by \$499,046 primarily due to collections of insurance claims resulting from Hurricane Ida damages. Also, during the year ended December 31, 2021, expenses increased by \$105,052 primarily due to increases in personal services and repairs and maintenance incurred due to Hurricane Ida.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's General Fund's ending unassigned fund balance is \$1,511,863, which is an increase of \$678,204 in comparison with the prior year. The unassigned balance is available for spending at the District's discretion. The increase in unassigned fund balance is largely the result of the excess of revenues over expenses of \$713,770 net of an increase in the assignment of the 2022 budgeted spending deficit of \$35,566 over the prior year.

General Fund Budgetary Highlights

The budget was amended once during the year. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Ad valorem revenue was decreased \$16,760, to reflect the anticipated revenues to be recognized for the year.

Expenditures

- Personal services were decreased \$29,300, due to anticipated decreases in District services offered following Hurricane Ida.
- Other services and charges sustained significant cuts resulting from fewer programs being offered after Hurricane Ida.
- Repairs and maintenance increased \$105,500 to repair Hurricane Ida damages.
- Capital outlay decreased \$97,500 for deferment of planned capital projects following Hurricane Ida.

During the year, actual revenues exceeded the budgetary estimates while actual expenditures were less than the budgetary estimates.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's net investment in capital assets for its governmental activities as of December 31, 2021, amounts to \$948,068 (net of accumulated depreciation). This net investment in capital assets includes land, construction in progress, buildings, improvements, office furniture, fixtures, and equipment, and machinery and equipment.

	<u>2021</u>	<u>2020</u>
Land	\$ 265,390	\$ 265,390
Buildings	681,665	985,343
Improvements other than buildings	661,022	734,972
Machinery and equipment	280,014	317,240
Office furniture, fixtures, and equipment	<u>27,869</u>	<u>29,949</u>
Totals	<u>\$ 1,915,960</u>	<u>\$ 2,332,894</u>

The major capital asset events for the current year consisted of:

- Impairment of the gym, improvements, machinery and equipment and furnishings.
- Purchases cameras and air conditioner pans and handlers.

Additional information on the District's capital assets can be found in Note 5, Exhibit F of this report.

Long-Term Obligations

Other post-employment benefit obligations increased to \$103,095 from \$66,725 as of December 31, 2021 due to changes in other postemployment benefits.

More detailed information about the District's other postemployment benefits is presented in Note 9, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The ad valorem tax revenue budgeted represents the estimated amount of the November 2021 assessment, which the District will receive, for the most part, in January 2022.
- The District will continue to make improvements, renovations and repairs to the facilities maintained by the District. This includes the gym, swimming pool, tennis courts, ballfields, park, and walking track.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Parish Recreation District No. 4, 106 Recreation Dr., Dulac, LA 70353.

**STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET**

Terrebonne Parish Recreation District No. 4

December 31, 2021

	<u>General Fund</u>	<u>Adjustments (Exhibit B)</u>	<u>Statement of Net Position</u>
Assets			
Cash	\$ 927,686	\$ -	\$ 927,686
Investments	898,644	-	898,644
Receivables:			
Taxes	542,409	-	542,409
Due from other governmental units	15,383	-	15,383
Capital assets:			
Non-depreciable	-	265,390	265,390
Depreciable, net of accumulated depreciation	-	<u>682,678</u>	<u>682,678</u>
Total assets	<u>2,384,122</u>	<u>948,068</u>	<u>3,332,190</u>
Deferred outflows of resources:			
Other postemployment benefits	-	<u>43,338</u>	<u>43,338</u>
Total assets and deferred outflows of resources	<u><u>\$ 2,384,122</u></u>	<u><u>991,406</u></u>	<u><u>3,375,528</u></u>
Liabilities			
Accounts payable and accrued expenditures	\$ 3,407	-	3,407
Long term liabilities:			
Due in more than one year	-	<u>103,095</u>	<u>103,095</u>
Total liabilities	<u>3,407</u>	<u>103,095</u>	<u>106,502</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	557,792	-	557,792
Other postemployment benefits	-	<u>50,719</u>	<u>50,719</u>
Total deferred inflows of resources	<u>557,792</u>	<u>50,719</u>	<u>608,511</u>
Total liabilities and deferred inflows of resources	<u>561,199</u>	<u>153,814</u>	<u>715,013</u>
Fund Balance/Net Position			
Fund balance:			
Assigned - subsequent year's expenditures	311,060	(311,060)	-
Unassigned	<u>1,511,863</u>	<u>(1,511,863)</u>	<u>-</u>
Total fund balance	<u>1,822,923</u>	<u>(1,822,923)</u>	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 2,384,122</u></u>		
Net position:			
Net investment in capital assets		948,068	948,068
Unrestricted		<u>1,712,447</u>	<u>1,712,447</u>
Total net position		<u><u>\$ 2,660,515</u></u>	<u><u>\$ 2,660,515</u></u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Terrebonne Parish Recreation District No. 4

For the year ended December 31, 2021

Fund Balances - Governmental Fund	\$ 1,822,923
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.</p>	
Governmental capital assets	\$ 1,915,960
Less accumulated depreciation	<u>(967,892)</u>
	948,068
<p>Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>	
Other postemployment benefit obligation	43,338
<p>Long term liabilities are not due and payable in the current period and therefore are not reported in the government fund.</p>	
Other postemployment benefit obligation	(103,095)
<p>Deferred inflows of resources are not due and payable in the current period and are not reported in governmental funds.</p>	
Other postemployment benefit obligations	<u>(50,719)</u>
Net Position of Governmental Activities	<u><u>\$ 2,660,515</u></u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE**

Terrebonne Parish Recreation District No. 4

For the year ended December 31, 2021

	<u>General Fund</u>	<u>Adjustments (Exhibit D)</u>	<u>Statement of Activities</u>
Revenues			
Taxes	\$ 557,000	\$ -	\$ 557,000
Intergovernmental:			
State of Louisiana:			
State revenue sharing	9,494	-	9,494
Terrebonne Parish Consolidated Government	30,000	-	30,000
Charges for services	1,855	-	1,855
Miscellaneous:			
Investment earnings	1,667	-	1,667
Impairment gains	-	494,851	494,851
Total revenues	<u>600,016</u>	<u>494,851</u>	<u>1,094,867</u>
Expenditures/Expenses			
Current:			
General government:			
Ad valorem tax adjustment	8,481	-	8,481
Ad valorem tax deductions	18,821	-	18,821
Total general government	<u>27,302</u>	<u>-</u>	<u>27,302</u>
Culture and recreation:			
Personal services	144,505	8,030	152,535
Supplies and materials	37,187	-	37,187
Other services and charges	85,488	-	85,488
Repairs and maintenance	99,110	-	99,110
Depreciation	-	54,629	54,629
Total culture and recreation	<u>366,290</u>	<u>62,659</u>	<u>428,949</u>
Capital outlay	<u>32,386</u>	<u>(32,386)</u>	<u>-</u>
Total expenditures/expenses	<u>425,978</u>	<u>30,273</u>	<u>456,251</u>
Excess of Revenues over Expenditures Before Other Financing Sources	174,038	(174,038)	-
Other Financing Sources			
Insurance proceeds	<u>539,732</u>	<u>(539,732)</u>	<u>-</u>
Excess of Revenues over Expenditures	713,770	(713,770)	-
Change in Net Position	-	638,616	638,616
Fund Balance/Net Position			
Beginning of year	<u>1,109,153</u>	<u>912,746</u>	<u>2,021,899</u>
End of year	<u>\$ 1,822,923</u>	<u>\$ 837,592</u>	<u>\$ 2,660,515</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES**

Terrebonne Parish Recreation District No. 4

For the year ended December 31, 2021

Net Change in Fund Balance - Governmental Fund	\$ 713,770
<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 Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	\$ 32,386
Depreciation expense	<u>(54,629)</u>
	(22,243)
<p>The net effect of miscellaneous transactions involving capital assets, such as dispositions, trade-ins and donations, is to decrease capital assets.</p>	
Impairment of capital assets	(44,881)
<p>Expenses incurred that do not require the use of current financial resources and therefore are not reported in the governmental funds.</p>	
Other postemployment benefit expense	<u>(8,030)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 638,616</u></u>

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND**

Terrebonne Parish Recreation District No. 4

For the year ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 556,760	\$ 540,000	\$ 557,000	\$ 17,000
Intergovernmental				
State of Louisiana:				
State revenue sharing	2,500	2,500	9,494	6,994
Terrebonne Parish Consolidated Government	23,000	30,000	30,000	-
Charges for services	6,700	2,600	1,855	(745)
Miscellaneous:				
Investment earnings	3,800	1,000	1,667	667
Total revenues	<u>592,760</u>	<u>576,100</u>	<u>600,016</u>	<u>23,916</u>
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment	2,844	2,844	8,481	(5,637)
Ad valorem tax deductions	5,290	5,290	18,821	(13,531)
Total general government	<u>8,134</u>	<u>8,134</u>	<u>27,302</u>	<u>(19,168)</u>
Culture and recreation:				
Personal services	215,520	186,220	144,505	41,715
Supplies and materials	53,500	52,000	37,187	14,813
Other services and charges	137,100	111,700	85,488	26,212
Repairs and maintenance	42,500	148,000	99,110	48,890
Total culture and recreation	<u>448,620</u>	<u>497,920</u>	<u>366,290</u>	<u>131,630</u>
Capital outlay	<u>411,500</u>	<u>314,000</u>	<u>32,386</u>	<u>281,614</u>
Total expenditures	<u>868,254</u>	<u>820,054</u>	<u>425,978</u>	<u>394,076</u>
Excess (Deficit) of Revenues Over Expenditures Before Other Financing Sources	(275,494)	(243,954)	174,038	417,992
Other Financing Sources				
Insurance proceeds	-	-	539,732	539,732
Excess (Deficit) of Revenues Over Expenditures	(275,494)	(243,954)	713,770	957,724
Fund Balance				
Beginning of year	<u>358,816</u>	<u>1,109,153</u>	<u>1,109,153</u>	<u>-</u>
End of year	<u>\$ 83,322</u>	<u>\$ 865,199</u>	<u>\$ 1,822,923</u>	<u>\$ 957,724</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Recreation District No. 4**

December 31, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Recreation District No. 4 (the "District") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of the Terrebonne Parish Consolidated Government (the "Parish") and as such, these financial statements will be included in the annual comprehensive financial report (ACFR) of the Parish for the year ended December 31, 2021.

GASB No. 14, *The Financial Reporting Entity*, GASB No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*, and GASB No. 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34* established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the District and the potential component unit.
4. Imposition of will by the District on the potential component unit.
5. Financial benefit/burden relationship between the District and the potential component unit.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

The District has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

b) Basis of Presentation

The District's financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements.

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the District. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Fund Financial Statements

The daily accounts and operations of the District are organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental fund of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for and report all financial resources not accounted for and reported in another fund.

c) Measurement Focus and Basis of Accounting

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

Government-wide Financial Statements

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. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2021 property taxes which are being levied to finance the 2022 budget will be recognized as revenue in 2022. The 2021 tax levy is recorded as unavailable revenue in the District's 2021 financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

e) Operating Budgetary Data

As required by Louisiana Revised Statutes 39:1303, the Board of Commissioners (the "Board") adopted a budget for the District's General Fund. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the financial statements.

f) Accounts Receivable

The financial statements for the District do not contain an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

g) Investments

Investments consist of certificates of deposit which are stated at cost, the approximate market value.

h) Capital Assets

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Capital Assets (Continued)

Government-wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$350 or more and a useful life greater than one year are valued at historical cost, or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	10 - 40 years
Improvements other than buildings	10 - 30 years
Machinery and equipment	5 - 25 years
Office furniture, fixtures, and equipment	5 - 20 years

Fund Financial Statements

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

i) Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has deferred outflows of resources related to other postemployment benefits.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Deferred Outflows/Inflows of Resources (Continued)

The District reports deferred inflows of resources in the governmental fund financial statements and government-wide financial statements when resources associated with imposed non-exchange revenue transactions are received or reported as a receivable before (a) the period for which property taxes are levied; or (b) the period when resources are required to be used or when use is first permitted for all other imposed non-exchange revenues in which the enabling legislation includes time requirements. The District has deferred inflows of resources related to ad valorem taxes, and other postemployment benefits.

j) Vacation and Sick Leave

Employees of the District can earn 96 hours or 136 hours of vacation leave, depending on their length of employment. Accumulated vacation leave is due to the employee at the time of termination or death. The vacation policy provides that on his or her anniversary date the employee will be allowed to carry over 96 hours or 136 hours maximum each year. Employees of the District earn 56 hours sick leave per year and are permitted to accumulate a maximum of 480 hours. Upon retirement, termination or death employees are not compensated for accumulated sick leave. Accumulated vacation as of December 31, 2021 is not material to the financial statements.

k) Equity

Government-wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. As of December 31, 2021 the District had no outstanding borrowings.
- b. Restricted net position - Consists of assets and deferred outflow of resources less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Equity (Continued)

Government-wide Statements (Continued)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2021 and for the year then ended, the District did not have or receive restricted resources.

Fund Financial Statements

Government fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to maintain intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the District's Board of Commissioners. Commitments may be established, modified, or rescinded only through resolutions approved by the District's Board of Commissioners.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Assignments may be established, modified or rescinded by the Chairman of the Board of Commissioners or his representative.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available. The District's fund balance was classified as assigned and unassigned as of December 31, 2021. Fund balance assigned for subsequent year's expenditures is to finance the proposed operating deficit in the budget for the year ending December 31, 2022.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I) New GASB Statements

During the year ended December 31, 2021, the District implemented the following GASB Statements:

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Implementation of this Statement did affect the financial statements.

Statement No. 90, "*Majority Equity Interest*" the primary objectives of this Statement are to improve the consistency and comparability of reporting government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. It specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as component unit. Implementation of this Statement did affect the financial statements.

Statement No. 98, "*The Annual Comprehensive Financial Report*" establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym sounds like a profoundly objectionable racial slur. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. This Statement did not affect the District's financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I) New GASB Statements (Continued)

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. 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, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1) New GASB Statements (Continued)

Statement No. 93, "*Replacement of Interbank Offered Rates*" some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1) New GASB Statements (Continued)

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*" provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the years beginning after June 15, 2021. Management has yet to determine the effect of this Statement on the financial statements.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Note 2 - DEPOSITS (Continued)

Bank Deposits:

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balances of deposits are as follows:

	Bank Balances	Reported Amounts
Cash	\$ 929,242	\$ 927,686
Investments - certificates of deposit	898,644	898,644
Totals	\$ 1,827,886	\$ 1,826,330

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District follows state law but does not have a written policy for custodial credit risk but does comply with state law in custodial activities. As of December 31, 2021, \$1,713,346 of the District's bank balance of \$1,827,886 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, and are deemed to be held in the District's name by state statutes.

As of December 31, 2021, cash and certificates of deposit in excess of FDIC insurance were adequately collateralized in accordance with state law, by securities held by unaffiliated banks for the account of the District. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk.

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A statewide reevaluation of all property is required to be completed no less than every four years. The last statewide reevaluation was completed for the list of January 1, 2020. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2021 was \$6.91 per \$1,000 of assessed valuation on property within Recreation District No. 4 for the purpose of maintaining and operating recreational facilities within the District. As indicated in Note 1c, taxes levied November 1, 2021 are for budgeted expenditures in 2022 and will be recognized as revenues in 2022.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of December 31, 2021 consisted of the following:

State of Louisiana - State revenue sharing	\$ 5,978
Terrebonne Parish Tax Collector - December 2021 collections remitted to the District in January 2022:	
Ad valorem taxes	6,416
State revenue sharing	<u>2,989</u>
 Total	 <u><u>\$15,383</u></u>

Note 5 - CHANGES IN CAPITAL ASSETS

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

	Balance January 1, 2021	Additions	Deletions/ Transfers	Balance December 31, 2021
Capital assets not being depreciated:				
Land	265,390	-	-	265,390
Capital assets being depreciated:				
Buildings	985,343	-	303,678	681,665
Improvements other than buildings	734,972	13,680	87,630	661,022
Machinery and equipment	317,240	7,733	44,959	280,014
Office furniture, fixtures, and equipment	29,949	10,973	13,053	27,869
Total capital assets being depreciated	2,067,504	32,386	449,320	1,650,570
Less accumulated depreciation for:				
Buildings	(519,232)	(13,733)	(290,380)	(242,585)
Improvements other than buildings	(582,484)	(11,475)	(73,391)	(520,568)
Machinery and equipment	(192,241)	(26,740)	(29,326)	(189,655)
Office furniture, fixtures, and equipment	(23,745)	(2,681)	(11,342)	(15,084)
Total accumulated depreciation	(1,317,702)	(54,629)	(404,439)	(967,892)
Total capital assets being depreciated, net	749,802	(22,243)	44,881	682,678
Total capital assets, net	\$ 1,015,192	\$ (22,243)	\$ 44,881	\$ 948,068

Depreciation amounting to \$54,629 was recorded as cultural and recreation expenses for the year ended December 31, 2021.

Hurricane Impairments and Insurance Proceeds

On August 29, 2021, Hurricane Ida severely impacted the District. Numerous capital assets were heavily damaged and are still being repaired or replaced. The ultimate financial effect of the hurricane has yet to be determined. In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, the District has reviewed the various capital assets (a) to determine potential impairments from Hurricane Ida through inspection of physical damage and (b) to test for impairment to determine if the magnitude of the decline in service utility of the capital asset is significant and whether the decline in service utility is not part of the normal life cycle of the capital asset. For those properties that are impaired and will continue to be used by the District, a portion of historical cost of the asset and associated accumulated depreciation, will be written off using the Restoration

Note 5 - CHANGES IN CAPITAL ASSETS

Hurricane Impairments and Insurance Proceeds (Continued)

Cost Approach which states that the amount of impairment is derived from the estimated costs to restore the utility of the capital asset.

Impaired capital assets that will no longer be used by the District will be reported at the lower of carrying value or fair value. The District's gymnasium incurred significant damage and loss of full service utility. The District's Board is considering to demolish and replace the gymnasium or repair it as of December 31, 2021. Accordingly, the District's gymnasium has been fully written off. Other buildings incurred roof damage without a significant loss of service utility and will be repaired. The District received insurance recoveries for the gymnasium and other buildings. In addition, significant damages and loss of service utility were incurred by improvements, machinery and equipment at the District's ballfields and park, accordingly these assets have been fully written off.

During the year ended December 31, 2021, the District realized insurance recoveries which are reported net of write offs. The following table identifies insurance proceeds related to impaired capital assets and other activities as well as the resulting impairment gains (losses), which are reported in the Culture and Recreation function.

Culture and Recreation	Insurance Proceeds	Costs of Assets	Accumulated Depreciation Assets	Book Value Assets	Impairment Gains (Losses)
Gymnasium and other buildings	\$514,983	\$303,678	\$ (290,380)	\$13,298	\$501,685
Improvements, machinery and equipment	11,000	145,642	(114,059)	31,583	(20,583)
Emergency debris removal	13,749	-	-	-	13,749
Totals	<u>\$539,732</u>	<u>\$449,320</u>	<u>\$ (404,439)</u>	<u>\$44,881</u>	<u>\$494,851</u>

Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenditures as of December 31, 2021 consisted of the following:

Vendors	\$ 1,007
Payroll taxes	<u>2,400</u>
Total governmental funds	<u>\$ 3,407</u>

Note 7 - LEASE COMMITMENTS

The District has a ten year operating lease for use of land for recreational purposes which terminates May 31, 2024, for an annual rental of \$800. The District has the option for an additional five years at an annual rental rate of \$900, and a second five year option at an annual rental rate of \$1,000.

The District does not have the right to assign or sublet this lease to anyone other than a public body who shall use the property for recreational purposes. Within 30 days after termination of the lease, the District shall remove any and all buildings and/or improvements placed on the premises. Failure to remove such items shall cause items to become property of the lessor without any obligation on its part. Rent expense for the District during 2021 was \$800.

Note 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the District carries commercial insurance and participates in the Parish's risk management program for general liability, workers' compensation and group health. No settlements were made during the year that exceeded the District's insurance coverage. The District's premiums for general liability are based on various factors such as operations and maintenance budget, exposure and claims experience. The premiums for workers' compensation are based on a fixed percentage of payroll. The premiums for group insurance are based on a fixed rate per employee. The Parish handles all claims filed against the District for workers' compensation and general liability. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described as follows:

Coverage Policy	Limits
General Liability	\$10,000,000
Workers' Compensation	Statutory

Note 8 - RISK MANAGEMENT (Continued)

Coverage for general liability claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, \$2,038,246 as of December 31, 2020, then secondly by the District.

The Parish is self-insured for the first \$175,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2020 was \$16,149,813. Insurance contracts cover the excess liability on individual claims. There is no lifetime maximum claims limit for covered employees. Coverage for group health claim liabilities are to be funded first by assets of the Parish's group health internal service fund, \$4,089,382 as of December 31, 2020, then secondly by the District.

Worker's compensation claims in excess of \$600,000 are covered under an insurance contract for claims aggregate up to limits are to be funded first by assets of the Parish's workers' compensation internal service fund. As of December 31, 2021, the District had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverages during the year ended December 31, 2021 totaled \$35,268

Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The District administers a single employer defined benefit healthcare plan (the "Plan"). The Plan provides for the payment of medical, dental and life insurance premiums for eligible employees, retirees and their dependents as approved by the Board of Commissioners. Louisiana Revised Statute 33:5161 grants the authority to establish and amend the benefit terms and financing requirements to the Board of Commissioners. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Eligible retirees can continue their health coverage by an election at retirement. Retirees are not eligible to rejoin at any other time. For employees retired January 1, 2005, the District funds the entire premium for all benefits on employees retiring with at least ten years of service upon retiring from the formal retirement systems.

District employees retiring on or after January 1, 2005 and before January 1, 2014 with at least ten years of permanent full-time creditable service in the Parochial Employees Retirement System with the District shall be eligible to participate in the Plan approved by the Board of Commissioners under the following vesting schedule: 11 to 15 years of service, 27.50 % plus 2.75% per year; 16 to 20 years of service, 41.25% plus 3.75% per year of service; 21 years or more of service, 60% plus 5.00% per year of service over 20

Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Plan Description (Continued)

years of service limited to 85% of the premium. Employees hired after December 31, 2013 with at least 30 years of permanent full-time creditable service, age 55 and 5 years of participation in the District's group health insurance plan immediately prior to retirement shall be eligible to participate in the approved Plan with benefits limited to 80% of the premium. A retired employee may provide dependent hospitalization coverage at applicable dependent rates. To be eligible for coverage after retirement, retired employees must be eligible for retirement under Parochial Employees' Retirement System. The District currently has one active employee and no retirees in the Plan. The District does not issue a publicly available financial report on the Plan.

Total OPEB Liability

The District's total OPEB liability of \$103,095 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of December 31, 2021 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless, otherwise specified:

Measurement Date	December 31, 2021
Actuarial Valuation Date	January 1, 2020
Inflation	2.50%
Salary Increases, Including Inflation	3.00%
Discount Rate	1.84%
Healthcare Cost Trend Rates	Medical - 6.00% in year one decreasing in decrements of 0.50% per year until 5.00% through year five. Dental - 3.50% in year one decreasing in decrements of 0.25% per year until 2.50% through year five.

The discount rate was based on the December 31, 2021 Fidelity General Obligation AA 20-Year Yield.

Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Mortality rates for active employees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Employee Mortality Tables, Generational with Projection Scale MP-2019 for males or females, as appropriate.

Mortality rates for retirees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2019 for males or females, as appropriate.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of December 31, 2020	\$ 66,725
Changes for the year:	
Service cost	(463)
Interest	2,028
Difference between expected and actual experience	(331)
Changes in assumptions and other inputs	1,147
Change in proportion	36,660
Benefit payments	<u>(2,671)</u>
Net changes	<u>36,370</u>
Balance as of December 31, 2021	<u>\$ 103,095</u>

Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Sensitivity to Total OPEB Liability to Change in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

	<u>1.00% Decrease (1.00%)</u>	<u>Current Discount Rate (2.00%)</u>	<u>1.00% Increase (3.00%)</u>
Total OPEB Liability	<u>\$86,755</u>	<u>\$ 103,095</u>	<u>\$ 124,006</u>

Sensitivity to Total OPEB Liability to Change in the Health Cost Trend Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate.

	<u>1.00% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$ 128,730</u>	<u>\$ 103,095</u>	<u>\$ 84,109</u>

Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021 the District recognized OPEB expense of \$6,028. As of December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 1,527	\$ (9,533)
Change in assumptions	10,025	(8,633)
Change in proportion	<u>31,786</u>	<u>(32,553)</u>
Totals	<u>\$43,338</u>	<u>\$(50,719)</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ (2,708)
2023	(2,709)
2024	(7,868)
2025	<u>5,904</u>
Total	<u>\$ (7,381)</u>

Note 10 - DEFERRED COMPENSATION PLAN

The District offers its director participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397. The District's contribution to the Plan for the year ended December 31, 2021 was \$4,591.

Note 11 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 2021 are as follows:

<u>Board Members</u>	<u>Number of Meetings Attended</u>	<u>Per Diem</u>
Pamela Carlos	10	\$ 275
Lawrence Gautier	6	175
Coy Verdin	8	200
Janie Voisin	8	225
Kirby Verret	10	<u>275</u>
Total		<u>\$1,150</u>

Note 12 - STATE OF LOUISIANA TAX ABATEMENTS

The District's ad valorem tax revenues were reduced by \$14,524 under agreements entered into by the State of Louisiana.

Note 13 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through May 24, 2022, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL
OPEB LIABILITY AND RELATED RATIOS**

Terrebonne Parish Recreation District No. 4

For the four years ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:				
Service cost	\$ (463)	\$ 1,961	\$ 1,995	\$ 4,433
Interest	2,028	2,261	2,720	6,460
Difference between expected and actual experience	(331)	(9,900)	3,995	(958)
Changes in assumptions or other inputs	1,147	(7,122)	23,821	(6,684)
Change in proportion	36,660	(40,559)	3,000	(96,840)
Benefit payments	<u>(2,671)</u>	<u>(7,760)</u>	<u>(3,478)</u>	<u>(2,687)</u>
Net change in total OPEB liability	36,370	(61,119)	32,053	(96,276)
Total OPEB liability, beginning of year	<u>66,725</u>	<u>127,844</u>	<u>95,791</u>	<u>192,067</u>
Total OPEB liability, end of year	<u>\$ 103,095</u>	<u>\$ 66,725</u>	<u>\$ 127,844</u>	<u>\$ 95,791</u>
Covered employee payroll	<u>\$ 51,007</u>	<u>\$ 51,007</u>	<u>\$ 58,910</u>	<u>\$ 50,644</u>
Total OPEB liability as a percentage of covered employee payroll	<u>202.12%</u>	<u>130.82%</u>	<u>217.02%</u>	<u>189.15%</u>
Notes to schedule:				
Changes of benefit terms:				
Effective January 1, 2019, a Medicare Advantage plan was introduced as an option for eligible retirees.				
Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period:	<u>1.84%</u>	<u>2.00%</u>	<u>2.75%</u>	<u>3.71%</u>

The schedule is provided beginning with the District's year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be reported as they become available.

SUPPLEMENTARY INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Terrebonne Parish Recreation District No. 4

For the year ended December 31, 2021

Agency Head Name: Craig Luke, Director

Purpose

Salary	\$ 51,007
Benefits - insurance	22,771
Benefits - retirement	4,591
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Travel	-
Reimbursements - mileage	3,783
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	<u>\$ 82,152</u>

Note:

Craig Luke is the Director of the District and functions as the Chief Executive Officer.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 4,
Dulac, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Terrebonne Parish Recreation District No. 4 (the "District"), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise District's financial statements and have issued our report thereon dated May 24, 2022.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 weakness 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 the District's financial statements are free of 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
May 24, 2022.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne Parish Recreation District No. 4

For the year ended December 31, 2021

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are
not considered to be a material weakness? Yes None reported

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

Terrebonne Parish Recreation District No. 4 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2021 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section II - Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 2021.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Terrebonne Parish Recreation District No. 4

For the year ended December 31, 2021

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ended December 31, 2020.

No significant deficiencies were reported during the audit for the year ended December 31, 2020.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2020.

Section II - Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 4 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2020 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2020.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Recreation District No. 4

For the year ended December 31, 2021

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ended December 31, 2021.

No significant deficiencies were reported during the audit for the year ended December 31, 2021.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2021.

Section II - Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 4 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2021 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2021.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 4,
Houma, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Village East Fire Protection District (the "District") management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Bougeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
May 24, 2022.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Terrebonne Parish Recreation District No. 4

For the year ended December 31, 2021

The required procedures and our findings are as follows:

Procedures Performed on the District's Written Policies and Procedures:

1. Obtain and inspect the District's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the District's operations:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.
Performance: Obtained and read the written policy for budgeting, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
Performance: Obtained and read the written policy for purchasing, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - c) Disbursements, including processing, reviewing, and approving.
Performance: Obtained and read the written policy for disbursements, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Performance: Obtained and read the written policy for receipts, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

Procedures Performed on the District's Written Policies and Procedures: (Continued)

- e) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the purchasing handbook for contracting, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Performance: Inquired of management for a credit card policy. There are no credit cards; therefore, there is no credit card policy.
Exceptions: The District did not have this policy during the fiscal period.

- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the District's ethics policy.
Performance: Obtained and read the written policy for ethics.
Exceptions: There were no exceptions noted.

- j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Performance: Inquired of management for a debt service policy.
Exceptions: Management confirmed the District does not have a debt service policy.

Procedures Performed on the District's Written Policies and Procedures: (Continued)

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

Performance: Obtained and read the written disaster recovery/business continuity policy.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written sexual harassment policy.

Exceptions: The District did not have this policy during the fiscal period.

Procedures Performed on the District's Board or Finance Committee:

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

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

Performance: Obtained and read the written minutes of the Board meetings.

Exceptions: The Board failed to meet in September due to Hurricane Ida and in November due to lack of quorum.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the District's collections during the fiscal period.*

Performance: Obtained and read the written minutes of the Board meetings. Inspected meeting minutes and the included budget-to-actual comparisons for the General Fund presented to the board of directors.

Exceptions: The minutes for the months of September, October, and November did not include/reference budget comparisons.

Procedures Performed on the District's Board or Finance Committee: (Continued)

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

Performance: Obtained the prior year's audit report and observed the unrestricted fund balance in the General Fund. The General Fund did not have a negative ending unrestricted fund balance.

Exceptions: There were no exceptions noted.

Procedures Performed on the District's Bank Reconciliations:

- 3. Obtain a listing of the District's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the District's main operating account. Select the District's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated or electronically logged);

Performance: Observed that bank reconciliations were prepared within two months of the related statement closing date.

Exceptions: There were no exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Performance: Observed that a member of management or a board member reviewed each bank reconciliation.

Exceptions: There were no exceptions noted.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Performance: Inspected documents for items outstanding for more than 12 months.

Exceptions: There were no exceptions noted.

Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers):

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

Performance: Obtained the listing of deposit sites from management, and received management's representation in a separate letter. The District only has one location that prepares deposits.

Exceptions: There were no exceptions noted.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management, and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Performance: Inspected policy manuals, inquired of management and observed employees do not share cash drawers.

Exceptions: There were no exceptions noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Performance: Inspected policy manuals, inquired of management, and observed receipts employees collecting cash are not responsible for making deposits.

Exceptions: There were no exceptions noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Performance: Inspected policy manuals, inquired of management, and observed employees collecting cash do not make general ledger postings.

Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers):
(Continued)**

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Performance: Inspected policy manuals, inquired of management, and observed employees collecting cash do not make general ledger postings.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of all employees who have access to cash and inquired of management if these employees are covered by a bond or insurance policy for theft.

Exceptions: There were no exceptions noted.

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

- a) Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.

Exceptions: The receipts are not sequentially pre-numbered. The receipts are traced according to the transaction number.

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

Performance: Traced supporting documentation to the deposit ticket, deposit receipt, and bank interest receipt.

Exceptions: There were no exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

**Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers):
(Continued)**

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

Performance: Observed that the deposits tested were made within one business day of receipt or within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100.

Exceptions: There were no exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There was no exception noted.

Procedures Performed on the District's Collections Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

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

Performance: Obtained the listing of locations that process payments, and received management's representation in a separate letter. The District only has one location that processes payments.

Exceptions: There were no exceptions noted.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payments functions, and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.

Exceptions: There were no exceptions noted.

Procedures Performed on the District's Collections Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- b) At least two employees are involved in processing and approving payments to vendors.
Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.
Exceptions: There were no exceptions noted.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.
Exceptions: There were no exceptions noted.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.
Exceptions: There were no exceptions noted.
10. For each location selected under #8 above, obtain the District's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:
- Performance: Obtained the District's general ledger for the fiscal period, and obtained management's representation in a separate letter.
Exceptions: There were no exceptions noted.
 - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the District.
Performance: Obtained the disbursement and observed that the disbursement and the related original invoice/billing statement were in agreement.
Exceptions: There were no exceptions noted.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
Performance: Obtained the disbursement documentation and observed for proper segregation of duties as listing under #9 above.
Exceptions: There were no exceptions noted.

Procedures Performed on the District's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

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

Performance: Inquired of management for a listing of all active credit cards, bank debit cards, fuel cards, and P-cards, and management states no credit cards at this time. Also, received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

12. Using the listing prepared by management, randomly select five cards (or all cards if less than five) 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 evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Performance: Inquired of management for a listing of all active credit cards, bank debit cards, fuel cards, and P-cards, and management states the District has no credit cards at this time.

Exceptions: There were no exceptions noted.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Performance: Inquired of management for a listing of all active credit cards, bank debit cards, fuel cards, and P-cards, and management states the District has no credit cards at this time.

Exceptions: There were no exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select ten transactions (or all transactions if less than ten) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have ten transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Procedures Performed on the District's Credit Cards, Debit Cards, Fuel Cards, P-Cards:
(Continued)**

- a) An original itemized receipt that identifies precisely what was purchased.
Performance: Inquired of management for a listing of all active credit cards, bank debit cards, fuel cards, and P-cards, and management states the District has no credit cards at this time.
Exceptions: There were no exceptions noted.

- b) Written documentation of the business/public purpose.
Performance: Inquired of management for a listing of all active credit cards, bank debit cards, fuel cards, and P-cards, and management states the District has no credit cards at this time.
Exceptions: There were no exceptions noted.

- c) Documentation of the individuals participating in meals (for meal charges only).
Performance: Inquired of management for a listing of all active credit cards, bank debit cards, fuel cards, and P-cards, and management states the District has no credit cards at this time.
Exceptions: There were no exceptions noted.

**Procedures performed on the District's Travel And Travel-Related Expense Reimbursements
(Excluding Card Transactions):**

- 14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
Performance: Obtained a list of all travel and travel expense reimbursement, and received management's representation in a separate letter.
Exceptions: There were no exceptions noted.

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
Performance: Selected five reimbursements and obtained the supporting documentation. Observed that the reimbursement rate agreed to those rates established either by the State of Louisiana or the U.S. General Services Administration.
Exceptions: There were no exceptions noted.

Procedures performed on the District's Travel And Travel-Related Expense Reimbursements (Excluding Card Transactions): (Continued)

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
Performance: Selected five reimbursements and obtained the supporting documentation.
Observed that the reimbursement was supported by original itemized receipt.
Exceptions: There were no exceptions noted.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
Performance: Selected five reimbursements and obtained the supporting documentation.
Observed that each reimbursement has evidence of documentation of the business/public purpose and other documentation required by written policy.
Exceptions: There were no exceptions noted.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
Performance: Selected five reimbursements and obtained the supporting documentation.
Observed that each reimbursements was reviewed and approved by someone other than the person receiving the reimbursements.
Exceptions: There were no exceptions noted.

Procedures Performed on the District's Contracts:

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
Performance: Observed the listing of contracts in effect during the fiscal year from management, and received management's representation of completeness in a separate letter.
Exceptions: There were no exceptions noted.

- 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.
Performance: Inspected supporting contract documentation and inquired of client about any contracts subject to Louisiana Public Bid Law.
Exceptions: There were no exceptions noted.

Procedures Performed on the District's Contracts: (Continued)

- 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).
Performance: Inspected board meeting minutes and confirmed the Board approved the selected contracts. One contract was not approved at the meetings, but the District did not end up paying them for the services performed.
Exceptions: There were no exceptions noted.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment was approval documented).
Performance: Inspected contract and inquired of client about any amendments to contracts in the fiscal year.
Exceptions: There were no exceptions noted.

- d) Randomly select one payment from the fiscal period for each of the five 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.
Performance: Observed the supporting invoices for the five contracts selected, agreed the invoice to the contract terms, and observed if the invoices and related payment agreed to the terms and conditions of the contract.
Exceptions: There were no exceptions noted.

Procedures Performed on the District's Payroll and Personnel:

- 16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
Performance: Obtained the listing of employees with their related salaries from management, and received management's representation in a separate letter. Randomly selected five employees and agreed paid salaries and to authorized salaries/pay rates per the personnel files.
Exceptions: There were no exceptions noted.

- 17. Randomly select one pay period during the fiscal period. For the five employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

Procedures Performed on the District's Payroll and Personnel: (Continued)

- 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.)

Performance: Selected one pay period to test leave taken during that period. Inspected all daily attendance and leave record for proper documentation.

Exceptions: There were no exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

Performance: Inspected the approval of attendance and leave by the supervisors for the selected employee/officials.

Exceptions: There were no exceptions noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the District's cumulative leave records.

Performance: Inspected any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Performance: Inspected and agreed the rate paid to employees to the pay rate in the personnel files.

Exceptions: There were no exceptions noted.

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

Performance: Inquired of management of those employees'/officials that terminated during the fiscal period and management's representation that the list is complete.

Exceptions: There were no exceptions noted.

Procedures Performed on the District's Payroll and Personnel: (Continued)

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

Performance: Inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

Procedures Performed on the District's Ethics:

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: 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.

Performance: Observed the ethics course completion certificates for the five employees tested.

Exceptions: There were no exceptions noted.

- b) Observe that the District maintains documentation which demonstrates each employee and official were notified of any changes to the District's ethics policy during the fiscal period, as applicable.

Performance: Observed the documentation demonstrating the employees and officials agree to the ethics training and policy.

Exceptions: There were no exceptions noted.

Procedures Performed on the District's Debt Service:

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

Performance: Inquired of management regarding a listing of bonds/notes issued during the fiscal period, none were noted.

Exceptions: There were no exceptions noted.

Procedures Performed on the District's Debt Service: (Continued)

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

Performance: Inquired of management regarding a listing of bonds/notes outstanding at the end of the fiscal period, none were noted.

Exceptions: There were no exceptions noted.

Procedures Performed on the District's Fraud Notice:

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

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period, none were noted.

Exceptions: There were no exceptions noted.

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

Performance: Inspected the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

Procedures Performed on the District's Information Technology Disaster Recovery/Business Continuity:

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

- a) Obtain and inspect the District's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Performance: Inspected the District's most recent documentation that it has backed up its critical data and if the backup occurred within the past week. Observed if the backups are stored on a physical medium and are encrypted before being transported.

Exceptions: The backups stored on the thumb drive are not encrypted before being transported.

Procedures Performed on the District's Information Technology Disaster Recovery/Business Continuity: (Continued)

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

Performance: Inspected if the most recent documentation has been tested/verified for restored backups. Observed evidence that the test/verification was successfully performed within the past three months.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of computers currently in use and their related locations. Selected five computers and observed the current and active antivirus software that the operating system and accounting system software in use are currently supported by the vendor.

Exceptions: There were no exceptions noted.

Procedures Performed on the District's Sexual Harassment:

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

Performance: Inquired of sexual harassment training documentation from management.

Exceptions: None of the employees/officials selected completed at least one hour of sexual harassment training during the year.

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

Performance: Inquired of management regarding the sexual harassment policy and complaint procedure on its website.

Exceptions: The District does not have the policy and complaint procedure posted on the website or on the premises. The policy was recently adopted on March 3, 2022.

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

Procedures Performed on the District's Sexual Harassment: (Continued)

- a) Number and percentage of public servants in the agency who have completed the training requirements;
Performance: Inquired of management regarding the District's annual sexual harassment report for the fiscal period.
Exceptions: The District did not have any reports dated on or before February 1, 2022.
- b) Number of sexual harassment complaints received by the agency;
Performance: Inquired of management regarding the District's annual sexual harassment report for the fiscal period.
Exceptions: The District did not have any reports dated on or before February 1, 2022.
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
Performance: Inquired of management regarding the District's annual sexual harassment report for the fiscal period.
Exceptions: The District did not have any reports dated on or before February 1, 2022.
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
Performance: Inquired of management regarding the District's annual sexual harassment report for the fiscal period.
Exceptions: The District did not have any reports dated on or before February 1, 2022.
- e) Amount of time it took to resolve each complaint.
Performance: Inquired of management regarding the District's annual sexual harassment report for the fiscal period.
Exceptions: The District did not have any reports dated on or before February 1, 2022.

Management's Overall Response to Exceptions

- 1g) Management will consider adding a credit card policy.
- 1j) Management will consider adding a debt service policy.
- 1l) The District motioned to adopt the harassment policy on March 3, 2022.
- 2a) Management will ensure that the board/finance committee meets with a quorum in the next year.
- 2b) Management will consider including/referencing monthly budget-to-actual comparisons in the minutes.
- 7a) Management will consider pre-numbering deposit receipts.

Management's Overall Response to Exceptions (Continued)

- 25a) Management will consider encrypting the thumb drive.
- 26) Management will ensure that employees/officials will complete one hour of sexual harassment training.
- 27) Management will consider adding a sexual harassment policy and complaint procedure to the premises or on the website.
- 28) Next year management will prepare and submit the annual sexual harassment report containing the applicable requirements of R.S. 42:344 on or before the February 1 deadline.