

Financial Report

*Terrebonne Parish Recreation District No. 10
Theriot, Louisiana*

December 31, 2022

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December 31, 2022

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 10,
Theriot, Louisiana.

Opinion

We have audited the accompanying financial statements of the governmental activities and governmental funds of Terrebonne Parish Recreation District No. 10, (the "District"), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2022, 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 governmental funds of the District as of December 31, 2022 and the respective changes in net position and budgetary comparison for the General Fund for the year then ended 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 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, the Schedule of Changes in the District's Total OPEB Liability and Related Ratios on page 41, the Schedule of the District's Proportionate Share of the Net Pension Liability (Asset) on page 42 and Schedule of the District's Contributions on page 43 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 44 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 22, 2023 on our consideration of Terrebonne Parish Recreation District No. 10'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.



Certified Public Accountants.

Houma, Louisiana,
May 22, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Parish Recreation District No. 10

December 31, 2022

Management's Discussion and Analysis of the Terrebonne Parish Recreation District No. 10's (the "District") financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2022. 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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2022 by \$1,730,549 (net position), which represents an 11.39% decrease from last fiscal year's net position.

The District's revenue increased by \$30,742 (or 5.52%) primarily due to increases in program revenues and additional insurance proceeds received in 2022.

The District's expenses increased \$174,284 (or 27.42%) primarily due to increases in culture and recreation expenses associated with repairs and maintenance.

The District did not have a deficit total fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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. All of the funds of the District are governmental funds.

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 one 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, 2022, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,730,549. A large portion of the District's net position (71.70%) reflects its investment in capital assets (e.g., land; buildings; improvements; office furniture, fixtures and equipment; vehicles, 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>2022</u>	<u>2021</u>	<u>Change</u>
Current and other assets	\$ 1,045,780	\$ 1,135,768	\$ (89,988)
Capital assets	1,240,857	1,339,810	(98,953)
Deferred outflows of resources	20,792	22,210	(1,418)
Total assets and deferred outflows of resources	<u>2,307,429</u>	<u>2,497,788</u>	<u>(190,359)</u>
Current and other liabilities	3,000	8,517	(5,517)
Long-term liabilities	53,027	70,930	(17,903)
Deferred inflows of resources	520,853	465,342	55,511
Total liabilities and deferred inflows of resources	<u>576,880</u>	<u>544,789</u>	<u>32,091</u>
Net position:			
Net invested in capital assets	1,240,857	1,339,810	(98,953)
Unrestricted	489,692	613,189	(123,497)
Total net position	<u>\$ 1,730,549</u>	<u>\$ 1,952,999</u>	<u>\$ (222,450)</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Governmental Activities**

Governmental activities decreased the District's net position by \$222,450. Key elements of this decrease are as follows:

Condensed Statements of Activities

	For the Years Ended December 31,		Dollar Change	Total Percent Change
	2022	2021		
Revenues:				
Program revenues:				
Charges for services	\$ 107,060	\$ 81,917	\$ 25,143	30.69%
General revenues:				
Taxes	444,824	495,232	(50,408)	-10.18%
Intergovernmental	7,980	8,700	(720)	-8.28%
Impairment losses	-	(35,466)	35,466	-100.00%
Miscellaneous	27,580	6,319	21,261	336.46%
Total revenues	<u>587,444</u>	<u>556,702</u>	<u>30,742</u>	5.52%
Expenses:				
General government	25,145	56,494	(31,349)	-55.49%
Culture and recreation	784,749	579,116	205,633	35.51%
Total expenses	<u>809,894</u>	<u>635,610</u>	<u>174,284</u>	27.42%
Decrease in net position	(222,450)	(78,908)	(143,542)	181.91%
Net Position:				
Beginning of year	<u>1,952,999</u>	<u>2,031,907</u>	<u>(78,908)</u>	-3.88%
End of year	<u>\$ 1,730,549</u>	<u>\$ 1,952,999</u>	<u>\$ (222,450)</u>	-11.39%

In 2022, the District's total revenues increased by \$30,742 because of increases in program revenues and receipt of additional insurance proceeds related to Hurricane Ida. Also, during the year ended December 31, 2022, expenses increased by \$174,284 primarily due to increases in repairs and maintenance needed for ongoing Hurricane Ida repairs.

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 governmental funds reported combined ending fund balances of \$494,855, a decrease of \$149,450 compared to the prior year. The fund balance is reported as unassigned and is available for spending at the District's discretion.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the District's total fund balance is within the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare both, unassigned fund balance to total fund expenditures. The fund balance of the District's General Fund decreased by \$149,450 during the current fiscal year.

General Fund Budgetary Highlights

The budget was amended once during the year. The primary reason for amending the budget was to align budgeted expenditures with actual. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Ad valorem taxes decreased \$79,400 to better reflect amounts actually received.
- Charges for services were increased by \$105,560 to recognize revenues from programs that were originally not considered a definite source of revenue.

Expenditures

- Personal services was increased by \$61,350 to better reflect actual expenditures relating to employees.
- Repairs and maintenance was increased by \$50,000 to account for greater than expected expenditures in the current year.

During the year, actual revenues were greater than budgetary estimates and expenditures were greater than budgetary estimates. See Exhibit E for a comparison of budgeted and actual revenue and expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

The District's net investment in capital assets for its governmental activities as of December 31, 2022, amounts to \$1,240,857 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, office furniture, fixtures and equipment as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 122,440	\$ 122,440
Buildings	2,407,993	2,407,993
Improvements other than buildings	941,299	962,268
Vehicles, machinery, and equipment	543,872	551,294
Office furniture, fixtures, and equipment	<u>23,003</u>	<u>23,003</u>
Totals	<u>\$ 4,038,607</u>	<u>\$ 4,066,998</u>

Major capital asset events during the current fiscal year included the following:

- The District purchased patio covers for the concession stand and the shed.
- The District recognized a loss on assets of \$34,602 net of \$42,672 in accumulated depreciation due to the removal of assets located at the Crozier property.

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

Long-Term Obligations

The District reported a net pension asset of \$30,209 as of December 31, 2022 related to GASB No. 68. In 2021, the District recognized a net pension asset related to GASB No. 68 of \$13,841. Other postemployment benefit obligations decreased \$18,145 to \$41,006 as of December 31, 2022 due to changes in assumptions and other inputs. Obligations for unpaid annual leave increased by \$242. Unpaid annual leave obligations totaled \$12,021 as of December 31, 2022.

More detailed information about the District's long-term obligations is presented in Note 7, Exhibit F of this report. This includes liabilities for compensated absences and other postemployment benefits. More detailed information about the District's other postemployment benefits is presented in Note 8, Exhibit F of this report. More detailed information about the District's net pension asset 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 is budgeted to be consistent with past collections.
- Interest income is budgeted to be consistent with prior year.
- Continuing repairs to the District's aging properties and facilities continues to be a source of concern.
- The District purchased property in 2021 to re-locate the Crozier playground. The property will require additional funds for re-location, maintenance and improvements. It is unknown what those costs will be as of December 31, 2022.
- The Board is continuing the process of obtaining the property which incorporates the Crozier playground by negotiated sale or expropriation, the cost should be around \$125,000 plus legal fees.
- Air conditioning and heating equipment may need replacement in 2023. The replacement of that system will be in excess of \$50,000. The District will continue to utilize the existing system until constant expensive repairs dictate that it be replaced.

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. 10, 1330 Dr. Beatrous Road, Theriot, LA 70397.

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

Terrebonne Parish Recreation District No. 10

December 31, 2022

	General Fund	Adjustments (Exhibit B)	Statement of Net Position
Assets			
Cash	\$ 524,249	\$ -	\$ 524,249
Receivables:			
Taxes	45,579	-	45,579
Due from other governmental units	400,919	-	400,919
Prepaid insurance	-	44,824	44,824
Net pension asset	-	30,209	30,209
Capital assets:			
Non-depreciable	-	122,440	122,440
Depreciable, net of accumulated depreciation	-	1,118,417	1,118,417
Total assets	970,747	1,315,890	2,286,637
Deferred Outflows of Resources			
Other postemployment benefits	-	14,280	14,280
Pensions	-	6,512	6,512
Total deferred outflows of resources	-	20,792	20,792
Total assets and deferred outflows of resources	\$ 970,747	1,336,682	2,307,429
Liabilities			
Accounts payables and accrued expenditures	\$ 3,000	-	3,000
Long-term liabilities:			
Due after one year	-	53,027	53,027
Total liabilities	3,000	53,027	56,027
Deferred Inflows of Resources			
Ad valorem taxes	472,892	-	472,892
Other postemployment benefits	-	25,041	25,041
Pensions	-	22,920	22,920
Total deferred inflows	472,892	47,961	520,853
Total liabilities and deferred inflows of resources	475,892	100,988	576,880
Fund Balances/Net Position			
Fund balances:			
Unassigned	494,855	(494,855)	-
Total liabilities and fund balances	\$ 970,747		
Net position:			
Net investment in capital assets		1,240,857	1,240,857
Unrestricted		489,692	489,692
Total net position		\$ 1,730,549	\$ 1,730,549

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 10

December 31, 2022

Fund Balances - Governmental Fund		\$ 494,855
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 4,038,607	
Less accumulated depreciation	<u>(2,797,750)</u>	1,240,857
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Pensions	6,512	
Other postemployment benefit obligation	<u>14,280</u>	20,792
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Prepaid insurance	44,824	
Net pension asset	<u>30,209</u>	75,033
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Other postemployment benefit obligation	(41,006)	
Compensated absences payable	<u>(12,021)</u>	(53,027)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Pensions	(22,920)	
Other postemployment benefit obligation	<u>(25,041)</u>	<u>(47,961)</u>
Net Position of Governmental Activities		<u>\$ 1,730,549</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. 10

For the year ended December 31, 2022

	<u>General Fund</u>	<u>Adjustments (Exhibit D)</u>	<u>Statement of Activities</u>
Revenues			
Taxes	\$ 444,824	\$ -	\$ 444,824
Intergovernmental:			
State of Louisiana:			
State revenue sharing	7,980	-	7,980
Charges for services	107,060	-	107,060
Miscellaneous:			
Interest	972	-	972
Other	6,271	-	6,271
Total revenues	<u>567,107</u>	<u>-</u>	<u>567,107</u>
Expenditures/Expenses			
Current:			
General government:			
Ad valorem tax adjustment	10,488	-	10,488
Ad valorem tax deductions	14,657	-	14,657
Total general government	<u>25,145</u>	<u>-</u>	<u>25,145</u>
Culture and recreation:			
Personal services	273,588	(12,178)	261,410
Supplies and materials	39,430	-	39,430
Other services and charges	120,120	(13,775)	106,345
Repairs and maintenance	229,728	34,602	264,330
Depreciation	-	113,234	113,234
Total culture and recreation	<u>662,866</u>	<u>121,883</u>	<u>784,749</u>
Capital outlay	<u>48,883</u>	<u>(48,883)</u>	<u>-</u>
Total expenditures/expenses	<u>736,894</u>	<u>73,000</u>	<u>809,894</u>
Net Change Fund Balance Before Other Sources	(169,787)	(73,000)	(242,787)
Other Sources			
Insurance proceeds	<u>20,337</u>	<u>-</u>	<u>20,337</u>
Net Change Fund Balance	(149,450)	149,450	-
Change in Net Position	-	(222,450)	(222,450)
Fund Balances/Net Position			
Beginning of year	<u>644,305</u>	<u>1,308,694</u>	<u>1,952,999</u>
End of year	<u>\$ 494,855</u>	<u>\$ 1,235,694</u>	<u>\$ 1,730,549</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. 10

For the year ended December 31, 2022

Net Change in Fund Balances - Governmental Funds		\$ (149,450)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 48,883	
Depreciation expense	<u>(113,234)</u>	
Excess of depreciation expense over capital outlay		(64,351)
The net effect of miscellaneous transactions involving capital assets, such as, dispositions, trade-ins, and donations, is to decrease capital assets.		
Disposition of assets		(34,602)
Prepaid expenses reported in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Increase in prepaid insurance		13,775
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Decrease in other postemployment benefit obligations	3,476	
Increase in compensated absences payable	(242)	
Pension expense	<u>8,944</u>	<u>12,178</u>
Change in Net Position of Governmental Activities		<u><u>\$ (222,450)</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. 10

For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 500,000	\$ 420,600	\$ 444,824	\$ 24,224
Intergovernmental:				
State of Louisiana:				
State revenue sharing	7,900	8,000	7,980	(20)
Charges for services	1,500	107,060	107,060	-
Miscellaneous:				
Interest	2,500	730	972	242
Other	-	4,900	6,271	1,371
Total revenues	<u>511,900</u>	<u>541,290</u>	<u>567,107</u>	<u>25,817</u>
Expenditures				
Current:				
General government:				
Ad valorem tax adjustments	-	-	10,488	(10,488)
Ad valorem tax deductions	-	-	14,657	(14,657)
Total general government	<u>-</u>	<u>-</u>	<u>25,145</u>	<u>(25,145)</u>
Culture and recreation:				
Personal services	193,900	255,250	273,588	(18,338)
Supplies and materials	41,000	36,000	39,430	(3,430)
Other services and charges	91,500	101,050	120,120	(19,070)
Repairs and maintenance	150,000	200,000	229,728	(29,728)
Total culture and recreation	<u>476,400</u>	<u>592,300</u>	<u>662,866</u>	<u>(70,566)</u>
Capital outlay	<u>20,000</u>	<u>6,500</u>	<u>48,883</u>	<u>(42,383)</u>
Total expenditures	<u>496,400</u>	<u>598,800</u>	<u>736,894</u>	<u>(138,094)</u>
Net Change in Fund Balance Before Other Sources and (Uses)	15,500	(57,510)	(169,787)	(112,277)
Other Sources and (Uses)				
Insurance proceeds	<u>-</u>	<u>18,100</u>	<u>20,337</u>	<u>2,237</u>
Net Change in Fund Balance	15,500	(39,410)	(149,450)	(110,040)
Fund Balance				
Beginning of year	<u>640,708</u>	<u>644,305</u>	<u>644,305</u>	<u>-</u>
End of year	<u>\$ 656,208</u>	<u>\$ 604,895</u>	<u>\$ 494,855</u>	<u>\$ (110,040)</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Recreation District No. 10**

December 31, 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Recreation District No. 10 (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, 2022.

GASB Statement No. 14, *“The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14*”, and GASB Statement No. 61, *“The Financial Reporting Entity: Omnibus an 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.

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

Emphasis in the fund financial statements is on the major funds in governmental categories. The daily accounts and operations of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, 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. The General Fund is always a major 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.

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus and Basis of Accounting (Continued)

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 position. 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 2022 property taxes which are being levied to finance the 2023 budget will be recognized as revenue in 2023. The 2022 tax levy is recorded as deferred inflows of resources in the District's 2022 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. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

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 the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the "Board") adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and a public hearing on the budget prior to adoption.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Operating Budgetary Data (Continued)

Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. In order to remain in compliance with State budgeting laws, 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 contain no 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. Prepaid Insurance

The District has recorded prepaid insurance in its government-wide financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

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.

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 \$500 or more, are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

Government-Wide Financial Statements: (Continued)

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	5 - 40 years
Improvements other than buildings	7 - 30 years
Autos and trucks	6 years
Machinery and equipment	5 - 20 years
Office furniture, fixtures, and equipment	5 - 12 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. Long-Term Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or governmental fund financial statements.

Government-Wide Financial Statements:

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of compensated absences, and other net postemployment benefit (OPEB) obligations.

Fund Financial Statements:

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest reported as expenditures.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. 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 pensions, and other postemployment benefits.

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, pensions, and other postemployment benefits.

k. Vacation and Sick Leave

The District's policies regarding vacation and sick leave permits employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

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 any annual leave, in excess of one year's earnings, remaining on the employee's anniversary date will be transferred to sick leave. Hours forfeited are transferred to retirement for participants of the Parochial Employees' Retirement System.

Employees of the District earn 56 hours sick leave per year and are permitted to accumulate a maximum of 480 hours. Upon retirement, sick leave is paid to employees at one half of their accumulated sick leave to a maximum of 240 hours.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana (the "System") and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

m. Other Postemployment Benefits

In the government-wide financial statements the other postemployment benefits liability is recorded as long-term obligations.

In the governmental fund type fund financial statements other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

n. 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.
- b. Restricted net position - Consists of assets and deferred outflows of resources less liabilities and deferred inflows 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)

n. 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, 2022 and for the year then ended the District did not have or receive restricted resources.

Fund Financial Statements:

Governmental 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 non-spendable 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. Assigned amounts may be established, modified or rescinded by a majority vote of the District's Board of Commissioners.
- e. Unassigned - all other spendable amounts.

For the classification of government 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 unassigned as of December 31, 2022.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. New GASB Statements

During the year ended December 31, 2022, the District implemented the following GASB Statements:

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 financing 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. This Statement did not affect 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. This Statement did not affect 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. This Statement did not affect the financial statements.

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. This Statement did not affect the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. New GASB Statements (Continued)

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. This Statement did not affect the financial statements.

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

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)

o. 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. 99, “*Omnibus 2022*” provides objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial report for financial guarantees. The requirements of this Statement apply to all financial statements at dates varying from upon issuance to fiscal periods beginning after June 15, 2023. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 100, “*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*” provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 101, “*Compensated Absences*” provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. 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 22, 2023, which is the date the financial statements were available to be issued.

Note 2 - DEPOSITS AND INVESTMENTS

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.

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:

	<u>Bank Balances</u>	<u>Reported Amounts</u>
Cash	<u>\$ 535,097</u>	<u>\$ 524,249</u>

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 policy to monitor or attempt to reduce exposure to custodial credit risk. As of December 31, 2022, \$285,097 of the District's bank balance of \$535,097 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.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

As of December 31, 2022, cash in excess of FDIC insurance was collateralized by securities held by an unaffiliated bank for the account of the District. The GASB considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 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, 2022 was \$11.45 per \$1,000 of assessed valuation on property within Recreation District No. 10 for the purpose of maintaining and operating recreational facilities within the District. As indicated in Note 1c, taxes levied November 1, 2022 are for budgeted expenditures in 2023 and will be recognized as revenues in 2023. The 2022 tax assessment, less deductions for the assessor’s retirement, has been reported as deferred inflows of resources as of December 31, 2022.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of December 31, 2022 consisted of the following:

State of Louisiana:	
State revenue sharing	\$ 5,098
Terrebonne Parish Tax Collector:	
December 2022 collections remitted to the District in January, 2023:	
Ad valorem taxes	393,272
State revenue sharing	<u>2,549</u>
Total	<u>\$ 400,919</u>

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
Capital assets not being depreciated:				
Land	\$ 122,440	\$ -	\$ -	\$ 122,440
Capital assets being depreciated:				
Buildings	2,407,993	-	-	2,407,993
Improvements other than buildings	962,268	40,770	(61,739)	941,299
Autos and trucks	18,196	-	-	18,196
Machinery and equipment	533,098	8,113	(15,535)	525,676
Office furniture, fixtures, and equipment	23,003	-	-	23,003
Total capital assets being depreciated	3,944,558	48,883	(77,274)	3,916,167
Less accumulated depreciation for:				
Buildings	(1,790,399)	(55,322)	-	(1,845,721)
Improvements other than buildings	(537,955)	(30,876)	29,648	(539,183)
Autos and trucks	(18,196)	-	-	(18,196)
Machinery and equipment	(359,233)	(26,592)	13,024	(372,801)
Office furniture, fixtures, and equipment	(21,405)	(444)	-	(21,849)
Total accumulated depreciation	(2,727,188)	(113,234)	42,672	(2,797,750)
Total capital assets being depreciated, net	1,217,370	(64,351)	(34,602)	1,118,417
Total capital assets, net	\$ 1,339,810	\$ (64,351)	\$ (34,602)	\$ 1,240,857

In 2022, the District purchased a patio cover for the concession stand, shed, along with various new equipment. Asset deletions consist of fixed items, shed as fencing, lights, and rubber surfacing that were removed from the Crozier Park.

District depreciation amounting to \$113,234 was recorded as cultural and recreational expenses for 2022.

Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenditures amounted to \$3,000 as of December 31, 2022 and consisted of invoices payable to vendors.

Note 7 - LONG-TERM OBLIGATIONS

The following is a summary of changes of long-term obligations of the District for the year ended December 31, 2022:

	Payable January 1, 2022	Increase/ Earned	Decrease/ Used	Payable December 31, 2022
Compensated absences	\$ 11,779	\$ 5,813	\$ (5,571)	\$ 12,021
Other postemployment benefits	59,151	-	(18,145)	41,006
	<u>\$ 70,930</u>	<u>\$ 5,813</u>	<u>\$ (23,716)</u>	<u>\$ 53,027</u>

Compensated absences are described in Note 1. Other postemployment healthcare benefits are described in Note 8.

Note 8 - 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 retiring before 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 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; 21 years or more of service, 60% plus 5.00% per year 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 Plan with benefits limited to 80%

Note 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Plan Description (Continued)

of premiums. 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 the Parochial Employees' Retirement System, see Note 9. 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.

The District's total OPEB liability of \$41,006 was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2022.

Funding Policy

The District fully funds required premiums based on pay-as-you-go financing requirements. For the fiscal year 2022 the District did not pay any premiums for the retirees.

Total OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability as of December 31, 2022 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, 2022
Actuarial Valuation Date	January 1, 2022
Inflation	2.50%
Salary Increases, Including Inflation	3.00%
Discount Rate	4.05%
Healthcare Cost Trend Rates	Medical - 6.00% in year one decreasing in decrements of 0.25% 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, 2022 Fidelity General Obligation AA 20-Year Yield.

Note 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability (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-2021 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-2021 for males or females, as appropriate.

	<u>Total OPEB Liability</u>
Balance as of December 31, 2021	\$ 59,151
Changes for the year:	
Service cost	1,516
Interest	1,037
Difference between expected and actual experience	4,151
Changes in assumptions and other inputs	(19,916)
Change in proportion	(3,450)
Benefit payments	<u>(1,483)</u>
Net changes	<u>(18,145)</u>
Balance as of December 31, 2022	<u><u>\$ 41,006</u></u>

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.

	1.00% Decrease <u>(3.05%)</u>	Current Discount Rate <u>(4.05%)</u>	1.00% Increase <u>(5.05%)</u>
Total OPEB Liability	<u>\$ 48,112</u>	<u>\$ 41,006</u>	<u>\$ 35,360</u>

Note 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability (Continued)

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>\$ 34,836</u>	<u>\$ 41,006</u>	<u>\$ 49,008</u>

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

For the year ended December 31, 2022 the District recognized OPEB expense of \$15,385. As of December 31, 2022, 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	\$ 3,735	\$ (3,430)
Change in assumptions	2,842	(18,856)
Change in proportion	<u>7,703</u>	<u>(2,755)</u>
Totals	<u>\$ 14,280</u>	<u>\$ (25,041)</u>

Note 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ (1,450)
2024	(4,874)
2025	(1,859)
2026	<u>(2,578)</u>
Total	<u>\$ (10,761)</u>

Note 9 - DEFINED BENEFIT PENSION PLAN

Plan Description. The District contributes to Plan B of the Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Retirement System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically and other general laws of the State of Louisiana.

Benefits Provided. The System provides retirement, deferred retirement, disability and death benefits to employees who work at least 28 hours a week. Retirement benefits are generally equal to 2.0% of the member's final average compensation multiplied by the years of creditable service. For members hired prior to January 1, 2007 they may retire with full benefits at age 55 upon completing 30 years of service, retire at age 60 after completing 10 years of service or retire at age 65 after completing 7 years of service. For members hired after January 1, 2007 they may retire with full benefits at age 55 after completing 30 years of service, retire at age 62 after completing 10 years of service or retire at age 67 after completing 7 years of service.

Note 9 - DEFINED BENEFIT PENSION PLAN (Continued)

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years. During the three year period, employer contributions continue but employee contributions cease. The monthly service retirement allowance the employee would have received had the person elected to terminate is paid into the DROP Fund. The election to participate in DROP is irrevocable once participation begins. Upon termination of employment a participant in DROP may receive a lump sum equal to payments into the participant's account, an annuity or a roll over to an Individual Retirement Account. Members hired before January 1, 2007 with 5 or more years of service who become disabled may receive benefits determined in the same manner as retirement benefits. Members hired after January 1, 2007 with 7 or more years of service who become disabled may receive benefits determined in the same manner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's years of creditable service and compensation and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State Legislature.

Contributions. According to state statute, contributions for all employers are actuarially determined each year. For the year ending December 31, 2022, the actuarial employer contribution rate was 7.07% of member's compensation. However, the actual rate for the fiscal years ending December 31, 2022 and 2021 was 7.50%.

According to state statute, the system receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Contributions to the System from the District were \$4,724 for the year ended December 31, 2022.

Net Pension Asset. As of December 31, 2022, the District reported an asset of \$30,209 for its proportionate share of the System's net pension asset. The net pension asset was measured as of December 31, 2021 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of December 31, 2021, the District's proportion was 0.054060%, which was an increase of 0.000148% from its proportion measured as of December 31, 2020.

Note 9 - DEFINED BENEFIT PENSION PLAN (Continued)

Pension Benefit. For the year ended December 31, 2022, the District recognized pension expense of \$4,220.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 574	\$ (3,210)
Net difference between projected and actual earnings on pension plan investments	-	(19,680)
Change in proportionate share	-	(30)
Changes in assumptions	1,214	-
Contributions subsequent to the measurement date	<u>4,724</u>	<u>-</u>
	<u>\$ 6,512</u>	<u>\$ (22,920)</u>

The District reported \$4,724 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension asset in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ (4,367)
2024	(8,753)
2025	(5,903)
2026	<u>(2,109)</u>
Total	<u>\$ (21,132)</u>

Note 9 - DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2022 are as follows:

Valuation Date	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.40%, net of investment expense, including inflation.
Projected Salary Increases	4.25% (2.30% inflation, 1.95% merit)
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the Capital Asset Pricing Model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

Note 9 - DEFINED BENEFIT PENSION PLAN (Continued)

These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% as of December 31, 2021.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2021 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33%	0.85%
Equity	51%	3.23%
Alternatives	14%	0.71%
Real assets	2%	0.11%
Totals	100%	4.90%
Inflation		2.10%
Expected Arithmetic Nominal Rate		7.00%

Discount Rate. The discount rate used to measure the collective pension liability was 6.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Collective Net Pension (Liability) Asset to Changes in the Discount Rate. The following presents the District's proportionate share of the collective net pension liability using the discount rate of 6.40%, as well as what the District's proportionate share of the net pension (liability) asset would be if it were calculated using a discount rate that is one percentage-point lower (5.40%) or one percentage-point higher (7.40%) than the current rate:

Note 9 - DEFINED BENEFIT PENSION PLAN (Continued)

	<u>1% Decrease (5.40%)</u>	<u>Current Discount Rate (6.40%)</u>	<u>1% Increase (7.40%)</u>
District's proportionate share of the net pension asset (liability)	<u>\$ 2,609</u>	<u>\$ 30,209</u>	<u>\$ 53,291</u>

Pension Plan Fiduciary Net Position. The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on their financial statements for the year ended December 31, 2021. Access to the audit report can be found on the System's website, www.persla.org or on the Louisiana Legislative Auditor's website, www.la.la.gov.

Note 10 - 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 and auto 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 premiums for auto liability are based on claims experience, vehicle type, and mileage. The Parish handles all claims filed against the District. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

<u>Coverage Policy</u>	<u>Limits</u>
General Liability	\$10,000,000
Workers' Compensation	Statutory
Auto Liability	\$10,000,000

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, then secondly by the District.

Note 10 - RISK MANAGEMENT (Continued)

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 health insurance for 2021 was \$14,007,398. 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 by assets of the Parish’s group health internal service fund, \$3,765,585 as of December 31, 2021, then secondly by the District.

Workers’ 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 the assets of the Parish’s workers’ compensation internal service fund. As of December 31, 2022, the District had no claims in excess of the above coverage limits.

Expenditures for premiums paid to the Parish for insurance coverage during the year ended December 31, 2022 totaled \$41,295.

Note 11 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 2022:

Board Members	Number of Meetings Attended	Per Diem
Lloyd Poiencot	12	\$ 300
Arthur Bishop	12	300
Brent Rodrigue	12	300
Daniel Constant	11	275
Travis Malbrough	10	250
John Bascle	8	200
Annette Burgo	10	250
Total		\$ 1,875

Note 12 - CONTINGENCIES

During the year ended December 31, 2016, the District was informally notified by the Federal Emergency Management Agency (FEMA) that it may have been over compensated for damages sustained in 2009 as a result of Hurricane Ike. The amount of overpayment is approximately \$34,000. The District expects this overpayment will be deducted from future FEMA claims.

Note 13 - STATE OF LOUISIANA TAX ABATEMENTS

The District’s ad valorem tax revenues were reduced by \$7,415 under agreements entered into by the State of Louisiana.

REQUIRED SUPPLEMENTARY INFORMATION

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

Terrebonne Parish Recreation District No. 10

For the five years ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 1,516	\$ 1,147	\$ 1,626	\$ 1,021	\$ 2,093
Interest	1,037	1,163	1,874	1,392	3,050
Changes of benefit terms	-	-	-	-	(45,730)
Difference between expected and actual experience	4,151	(190)	(8,207)	2,045	(452)
Changes in assumptions or other inputs	(19,916)	658	(5,904)	12,191	(3,156)
Change in proportion	(3,450)	2,593	1,536	5,576	-
Benefit payments	<u>(1,483)</u>	<u>(1,533)</u>	<u>(1,038)</u>	<u>(2,033)</u>	<u>(1,269)</u>
Net Change in Total OPEB Liability	(18,145)	3,838	(10,113)	20,192	(45,464)
Beginning of year	<u>59,151</u>	<u>55,313</u>	<u>65,426</u>	<u>45,234</u>	<u>90,698</u>
End of year	<u>\$ 41,006</u>	<u>\$ 59,151</u>	<u>\$ 55,313</u>	<u>\$ 65,426</u>	<u>\$ 45,234</u>
Covered Employee Payroll	<u>\$ 62,796</u>	<u>\$ 61,741</u>	<u>\$ 61,741</u>	<u>\$ 59,942</u>	<u>\$ 58,196</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	<u>65.30%</u>	<u>95.81%</u>	<u>89.59%</u>	<u>109.15%</u>	<u>77.73%</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>4.05%</u>	<u>1.84%</u>	<u>2.00%</u>	<u>2.75%</u>	<u>3.71%</u>
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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.

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY (ASSET)**

Terrebonne Parish Recreation District No. 10

For the eight years ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	<u>0.0541%</u>	<u>0.0539%</u>	<u>0.0540%</u>	<u>0.0556%</u>	<u>0.0696%</u>	<u>0.0567%</u>	<u>0.0588%</u>	<u>0.0616%</u>
District's proportionate share of the net pension liability (asset)	<u>(\$30,209)</u>	<u>(\$13,841)</u>	<u>(\$3,904)</u>	<u>\$15,030</u>	<u>(\$8,763)</u>	<u>\$7,368</u>	<u>\$10,466</u>	<u>\$4,587</u>
District's covered-employee payroll	<u>\$61,740</u>	<u>\$61,740</u>	<u>\$59,942</u>	<u>\$58,196</u>	<u>\$56,502</u>	<u>\$56,502</u>	<u>\$56,502</u>	<u>\$56,502</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>-48.93%</u>	<u>-22.42%</u>	<u>-6.51%</u>	<u>25.83%</u>	<u>-15.51%</u>	<u>13.04%</u>	<u>18.52%</u>	<u>8.12%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>114.20%</u>	<u>106.76%</u>	<u>102.05%</u>	<u>91.93%</u>	<u>104.02%</u>	<u>95.50%</u>	<u>93.48%</u>	<u>99.89%</u>

The schedule is provided beginning with the District's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**Terrebonne Parish Recreation District No. 10**

For the eight years ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 4,724	\$ 4,631	\$ 4,631	\$ 4,496	\$ 4,365	\$ 4,521	\$ 4,520	\$ 5,085
Contributions in relation to the contractually required contribution	<u>(4,724)</u>	<u>(4,631)</u>	<u>(4,631)</u>	<u>(4,496)</u>	<u>(4,365)</u>	<u>(4,521)</u>	<u>(4,520)</u>	<u>(5,085)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 62,976</u>	<u>\$ 61,740</u>	<u>\$ 61,740</u>	<u>\$ 59,942</u>	<u>\$ 58,196</u>	<u>\$ 56,502</u>	<u>\$ 56,502</u>	<u>\$ 56,502</u>
Contributions as a percentage of covered - employee payroll	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>9.00%</u>

The schedule is provided beginning with the District's year ended December 31, 2015 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. 10

For the year ended December 31, 2022

Agency Head Name: Tammy C. Knight, Director

Purpose:

Salary	\$ 62,976
Benefits - insurance	18,636
Benefits - retirement	4,723
Benefits - other	991
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
	<hr/>
	<u>\$ 87,326</u>

Note:

Tammy C. Knight is the Director for 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. 10,
Theriot, 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 each major fund of Terrebonne Parish Recreation District No. 10 (the “District”) a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District’s financial statements and have issued our report thereon dated May 22, 2023.

Report on Internal Control Over Financial Reporting

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

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

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2022-001.

Terrebonne Parish Recreation District No. 10's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Certified Public Accountants.

Houma, Louisiana,
May 22, 2023.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2022

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

Noncompliance material to financial statements noted? X Yes ___ No

b) Federal Awards

Terrebonne Parish Recreation District No. 10 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2022 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

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

Internal Control Over Financial Reporting

There were no internal control over financial reporting findings reported during the audit of the financial statements for the year ended December 31, 2022.

Compliance and Other Matters

2022-001 Budget Variance

Criteria - In accordance with R.S. 39:1311, the governing authority must adopt a budget amendment if there is a 5% or greater variance in actual expenditures over budgeted expenditures.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements (Continued)

Compliance and Other Matters (Continued)

2022-001 Budget Variance (Continued)

Condition - Actual General Fund expenditures exceeded budgeted expenses by more than 5%.

Cause - The District did not adopt a budget amendment in the General Fund for budget variances that exceeded 5% for fiscal year ended December 31, 2022.

Effect - The District did not comply with state budget laws.

Recommendation - We recommend that the District adopt budget amendments to ensure compliance with R.S. 39:1311 and state budget laws.

Views of Responsible Officials - The District will adopt a budget amendment to ensure compliance with R.S. 39:1311 and state budget laws.

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. 10

For the year ended December 31, 2022

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 noted 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. 10 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.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2022

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, 2022.

No significant deficiencies were reported during the audit for the year ended December 31, 2022.

Compliance and Other Matters

2022-001 Budget Variance

Recommendation - We recommend that the District adopt budget amendments to ensure compliance with R.S. 39:1311 and state budget laws.

Management's Response - The District will adopt a budget amendment to ensure compliance with R.S. 39:1311 and state budget laws.

Section II - Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 10 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2022 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, 2022.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 10,
Theriot, Louisiana.

We have performed the procedures described in Schedule 5 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2022 through December 31, 2022. Terrebonne Parish Recreation District No. 10 (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, 2022 through December 31, 2022. 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 5.

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 our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
May 22, 2023.

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

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2022

The required procedures and our findings are as follows:

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

- A. 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:
- i. 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.
 - ii. 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.
 - iii. 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.
 - iv. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or District fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, District 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.

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

- v. 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.
Exceptions: There were exceptions noted due to the policy lacking reviewing and approving time and attendance records, an approval process for employee rate of pay or approval and maintenance of pay rate schedules.

- vi. 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 policy for contracting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- vii. 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.

- viii. 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: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- ix. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the District's ethics policy.
Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Performance: Obtained and read the written policy for debt service and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

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

- xi. 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 policy for information technology disaster recovery/business continuity and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- xii. Prevention of 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 policy for sexual harassment and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

2) Procedures Performed on the District's Board:

- A. Obtain and inspect the board 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:

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

Performance: Obtained and read the written minutes of the Board meetings. The Board met with a quorum for each meeting.

Exceptions: There were no exceptions noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Performance: Inspected meeting minutes to see if the minutes included references to budget-to-actual comparisons for the General Fund.

Exceptions: There was an exception noted due to the District not including/referencing monthly budget-to-actual comparisons.

2) Procedures Performed on the District's Board: (Continued)

- iii. 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 unrestricted fund balance in the general fund.

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

Exceptions: There were no exceptions noted.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Performance: Obtained and read the written minutes of the Board meetings. The District did not have any findings in the prior year's audit report.

Exceptions: There were no exceptions noted.

3) Procedures Performed on the District's Bank Reconciliations:

- A. Obtain a listing of the District's bank accounts from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select the District's main operating account and select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

Exceptions: There were no exceptions noted.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Performance: Obtained monthly bank reconciliation for the month of December for the main operating bank account and 2 additional accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

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

Performance: Inspected the District's documentation for the December bank reconciliation for the 3 bank accounts selected.

Exceptions: There were no exceptions noted.

3) Procedures Performed on the District's Bank Reconciliations: (Continued)

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

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

We noted no checks outstanding for longer than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

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

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

Exceptions: There were no exceptions noted.

- B. 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 (e.g., collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter. The District has one collection location.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

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

- iii. 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 client as to all of the requirements.
 - Exceptions: There were no exceptions noted.
- iv. 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 verifies the reconciliation.
 - Performance: Inspected policy manuals, inquired of client as to all of the requirements.
 - Exceptions: There were no exceptions noted.
- C. 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 in force during the fiscal period.
 - Performance: Obtained a copy of the insurance policy for theft and a listing of all employees covered by the policy. The policy was in force during the fiscal period.
 - Exceptions: There were no exceptions noted.
- D. Randomly select 2 deposit dates for each of the District's 3 bank accounts selected for procedures #3 under "Procedures Performed on the District's Bank Reconciliations" (select the next deposit date chronologically if no deposits were made on the dates selected and randomly select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the deposits selected and:
 - i. Observe that receipts are sequentially pre-numbered.
 - Performance: Obtained supporting documentation for the selected deposits to see if receipts were sequentially pre-numbered.
 - Exceptions: There was an exception noted for the maintenance bank account.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - Performance: Traced supporting documentation to the deposit slip.
 - Exceptions: There was an exception noted for the maintenance bank account.
 - iii. 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 was an exception noted for the maintenance bank account.

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

- iv. 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.

Exceptions: There was an exception noted for the maintenance bank account.

- v. 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 were no exceptions noted.

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

- A. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Performance: Obtained a listing of locations that process payments for the fiscal period from management. The District only has one location that processes payments.

Exceptions: There were no exceptions noted.

- B. For each location selected under procedure #5A 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 District 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 employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees/contractors involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed at least two employees/contractors are involved.

Exceptions: There were no exceptions noted.

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

- ii. At least two employees are involved in processing and approving payments to vendors.
Performance: Obtained a listing of employees/contractors involved in processing and approving payments to vendors. Observed at least two employees/contractors are involved.
Exceptions: There were no exceptions noted.

- iii. The employees responsible for processing payments are prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
Performance: Obtained a listing of employees/contractors involved in processing payments to vendors. Observed if any employees involved are adding/modifying vendor files and another employee is responsible for reviewing changes to vendor files.
Exceptions: There were no exceptions noted.

- iv. 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: Obtained a listing of employees/contractors involved with signing and mailing checks. Observed the employee/official that mails the check is not responsible for processing payment.
Exceptions: There were no exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other means.
Performance: Obtained a listing of employees authorized to sign checks. Observed the employee/official authorized to sign checks approves the electronic disbursement of funds.
Exceptions: There were no exceptions noted.

- C. For each location selected under procedure #5A, 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 5 disbursements for each location, obtain supporting documentation for each transaction and:
Performance: Obtained the District's non-payroll disbursement transaction population and management's representation that the population is complete.
Exceptions: There were no exceptions noted.

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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the District.

Performance: Observed the 5 disbursements matched the related original invoice/billing statements and observed supporting documentation indicating the deliverable was received.

Exceptions: There were no exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the District's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the District's policy, and (b) approved by the required number of authorized signers per the District's policy.

Performance: Observed that selected disbursements were approved by authorized persons and required number of signers.

Exceptions: There were no exceptions noted.

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

- A. 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 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 maintain possession of the cards and management informed us there are no active cards of any type in use. Received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period, rotating cards each year. Select one monthly statement or combined statement for each card (for a debit card, select one monthly bank statement), obtain supporting documentation, and:

Performance: The District does not have any active credit cards of any type in use, therefore this step is not applicable.

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

- i. 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, by someone other than the authorized card holder.

Performance: The District does not have any active cards of any type in use, therefore this step is not applicable.

- ii. Observe that finance charges and/or late fees were not assessed on the selected statements.

Performance: The District does not have any active cards of any type in use, therefore this step is not applicable.

- C. Using the monthly statements or combined statements selected under procedure #6B, excluding fuel cards, select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: The District does not have any active cards of any type, therefore this step is not applicable.

- ii. Written documentation of the business/public purpose.

Performance: The District does not have any active cards of any type, therefore this step is not applicable.

- iii. Documentation of the individuals participating in meals (for meal charges only).

Performance: The District does not have any active cards of any type, therefore this step is not applicable.

**7) Procedures Performed on the District's Travel and Travel-Related Expense Reimbursements
(Excluding Card Transactions):**

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Performance: Obtained general ledger for travel and travel-related expense reimbursements.

No travel-related expense reimbursements were noted.

Exceptions: There were no exceptions noted.

7) Procedures Performed on the District's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions): (Continued)

- i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
Performance: No travel-related expense reimbursements were noted.
Exceptions: There were no exceptions noted.
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
Performance: No travel-related expense reimbursements were noted.
Exceptions: There were no exceptions noted.
- iii. 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 (procedures #1A(vii)).
Performance: No travel-related expense reimbursements were noted.
Exceptions: There were no exceptions noted.
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.
Performance: No travel-related expense reimbursements were noted.
Exceptions: There were no exceptions noted.

8) Procedures Performed on the District's Contracts:

- A. 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. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract and:
Performance: Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtained management's representation that the listing is complete.
Exceptions: There were no exceptions noted.
- i. 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: Observed that the contracts selected were bid in accordance with the Louisiana Public Bid Law. Only 2 of 5 contracts selected required Louisiana Public Bid Law.
Exceptions: There were no exceptions noted.

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

- ii. Observe that the contract was approved by the governing body/District Council, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Performance: Inspected board meeting minutes and confirmed the board approved the contracts requiring board approval.

Exceptions: There were no exceptions noted.

- iii. 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 (i.e., if approval is required for any amendment, the documented approval).

Performance: Observed the contracts selected and noted no contract amendments.

Exceptions: There were no exceptions noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Inspected payments for each of the 5 contracts, obtained supporting invoices, agreed invoiced to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

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

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Select 5 employees/officials, 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 management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Selected one pay period to test attendance and leave taken during that period. Inspected all daily attendance records for proper documentation. None of the employees selected for testing accrue leave.

Exceptions: There were no exceptions noted.

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

- ii. Observe that supervisors approved the attendance and leave of the selected employees/officials.

Performance: Inspected the approval of attendance by the supervisors for the selected employee/officials. None of the employees selected for testing accrue leave.

Exceptions: There were no exceptions noted.

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

Performance: None of the employees selected for testing accrue leave.

Exceptions: There were no exceptions noted.

- iv. 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 was one exception noted due to a personnel file not agreeing to the rate paid to an employee.

- C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the District's policy on termination payments. Agree the hours to the employees'/officials' cumulative leave records, agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files, and agree the termination payment to the District's policy.

Performance: Inquired of management of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. Agreed the hours to the employees' cumulative leave records, agreed the pay rates to the employees' authorized rates in the employees' personnel file and agreed the termination payment to the District's policy.

Exceptions: There were no exceptions noted.

- D. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and 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 and obtained management's representation that the associated forms were filed by required due dates.

Exceptions: There were no exceptions noted.

10) Procedures Performed on the District's Ethics:

- A. Using the 5 selected employees/officials from procedure #9 under "Procedures Performed on the District's Payroll and Personnel", obtain ethics compliance documentation from management and:
- i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170.
Performance: Inspected personnel files and ethics course completion certificates for the 5 employees tested. One of the employees selected only worked for two pay periods during which time ethics training was not available.
Exceptions: There were no exceptions noted.
 - ii. Observe whether 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: There were no changes to the ethics policy during the year.
Exceptions: There were no exceptions noted.
- B. Inquire and/or observe whether the District has appointed an ethics designee as required by R.S. 42:1170.
Performance: We inquired as to whether the District appointed an ethics designee.
Exceptions: There were no exceptions noted.

11) Procedures Performed on the District's Debt Service:

- A. 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 as required by Article VII, Section 8 of the Louisiana Constitution.
Performance: Inquired of management regarding a listing of bonds/notes issued during the fiscal period, none were noted.
Exceptions: There is no debt outstanding; therefore, there were no exceptions noted.
- B. 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.
Performance: Inquired of management regarding a listing of bonds/notes outstanding at the end of the fiscal period, none were noted.
Exceptions: There is no debt outstanding; therefore, there were no exceptions noted.

12) Procedures Performed on the District's Fraud Notice:

- A. 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 as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and received management's representation in a separate letter. There were no misappropriation of funds or assets noted.

Exceptions: There were no exceptions noted.

- B. Observe 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.

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

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

- i. Obtain and inspect the District's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personal responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the District's local server or network, and (c) was encrypted.

Performance: We performed the procedure and discussed the results with management.

- ii. 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 3 months.

Performance: We performed the procedure and discussed the results with management.

- iii. 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 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Performance: We performed the procedure and discussed the results with management.

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

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using a list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: We performed the procedure and discussed the results with management.

14) Procedures Performed on the District's Prevention of Sexual Harassment:

- A. Using the 5 randomly selected employees/officials from "Procedures Performed on the District's Payroll and Personnel" #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Performance: Examined sexual harassment training documentation for the 5 employees tested.

Exceptions: There were no exceptions noted.

- B. Observe 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: Observed that the sexual harassment policy and complaint procedure was posted on the District's website.

Exceptions: There were no exceptions noted.

- C. 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 it includes the applicable requirements of R.S. 42:344:

Performance: Obtained the District's sexual harassment report for the current fiscal period.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.

Exceptions: There were no exceptions noted.

- ii. Number of sexual harassment complaints received by the agency.

Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.

Exceptions: There were no exceptions noted.

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

- iii. Number of complaints which resulted in a finding that sexual harassment occurred.
Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.
Exceptions: There were no exceptions noted.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.
Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.
Exceptions: There were no exceptions noted.
- v. Amount of time it took to resolve each complaint.
Performance: Obtained the annual sexual harassment report and observed it contained the above requirement.
Exceptions: There were no exceptions noted.

Management's Overall Response to Exceptions:

- 1)A(v) Management will consider adding the required provisions to the existing payroll/personnel policy.
- 2)A(ii) Management will include/reference monthly budget-to-actual comparisons in their minutes.
- 4)D(i) Management will consider sequentially pre-numbering receipts for the maintenance bank account.
- 4)D(ii) Management will consider providing the deposit slips for the maintenance bank account.
- 4)D(iii) Management will consider providing the deposit slips to trace them to the bank statement for the maintenance bank account.
- 4)D(iv) Management will consider making deposits within one business day for the maintenance bank account.
- 9)B(iv) Management will ensure all pay rates agree to the authorized salary/pay rates found within the personnel files.