

**RECREATION DISTRICT NO. 2**

**OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA**

**Annual Component Unit Financial Statements  
with Independent Auditors' Report**

**and**

**Report on Internal Control Over Financial Reporting  
and Compliance and Other Matters**

**For the Year Ended September 30, 2024**

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## FINANCIAL INFORMATION SECTION



INDEPENDENT AUDITORS' REPORT

The Board of Commissioners  
Recreation District No. 2 of the Parish  
of St. Mary, State of Louisiana  
Morgan City, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Recreation District No. 2 of the Parish of St. Mary, State of Louisiana (District), a component unit of St. Mary Parish, as of and for the year ended September 30, 2024, and the related notes to these 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 and changes in financial position of the District, as of September 30, 2024, 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 relating 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 preparation and fair presentation of the 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 judgement 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

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

We have applied certain limited procedures to the required supplementary information related to budgetary comparison information as listed in the table of contents in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate 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 Schedule of Compensation, Benefits, and Reimbursements to Agency Head is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Reimbursements to Agency Head is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, and in all material respects in relation to the basic financial statements as a whole.

#### Other Reporting Requirements by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 26, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana  
March 26, 2025

**RECREATION DISTRICT NO. 2 OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA**

**Statement of Net Position  
September 30, 2024**

	Governmental Activities
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 576,121
Due from other governments	27,678
Prepaid insurance	56,586
Deposit	305
Total current assets	<u>660,690</u>
Capital assets-net of accumulated depreciation	<u>3,819,417</u>
Total assets	<u><u>\$ 4,480,107</u></u>
<b>LIABILITIES AND NET POSITION</b>	
Liabilities	
Current liabilities	
Accounts payable and accrued expenses	\$ 30,340
Current portion of long-term debt	191,000
Total current liabilities	<u>221,340</u>
Noncurrent liabilities	
Noncurrent portion of long-term debt	<u>1,458,000</u>
Total noncurrent liabilities	<u>1,458,000</u>
Total liabilities	<u>1,679,340</u>
Net position	
Investment in capital assets, net of related debt	2,170,417
Restricted for:	
Debt service	169,390
Capital projects	795,626
Unrestricted	(334,666)
Total net position	<u>2,800,767</u>
Total liabilities and net position	<u><u>\$ 4,480,107</u></u>

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

**RECREATION DISTRICT NO. 2 OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA**

**Statement of Activities  
For the Year Ended September 30, 2024**

	<u>Total</u>
<u>Expenses</u>	
Current operating:	
Culture and recreation	
Salaries and wages	\$ 146,353
Benefits	52,171
Commissioners per diem	4,010
Casual Labor	35,333
Insurance	142,556
Utilities & telephone	75,699
Accounting & professional fees	22,876
Supplies & office	17,703
Repairs & maintenance	59,300
Truck, bus, & tractor expenses	10,896
Public relations	5,609
Pension - ad valorem taxes	19,702
Miscellaneous	205
Depreciation expense	297,893
Interest and fiscal charges on debt	38,160
	<hr/>
Total program expenses	928,466
	<hr/>
<u>Program revenues</u>	
Rental income	\$ 13,900
	<hr/>
Total program revenues	13,900
	<hr/>
Net program expenses	914,566
	<hr/>
<u>General revenues</u>	
Taxes:	
Ad valorem	\$ 530,956
Sales tax allocation	59,902
Interest income	9,883
	<hr/>
Total general revenues	600,741
	<hr/>
<u>Other Financing Sources (Uses)</u>	
Loss on disposal of equipment	(4,140)
	<hr/>
Increase (decrease) in net position	(317,965)
Net position - beginning of year	3,118,732
	<hr/>
Net position - end of year	\$ 2,800,767
	<hr/>

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



**RECREATION DISTRICT NO. 2 OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA**

**Balance Sheet  
Governmental Funds  
September 30, 2024**

	<u>Governmental Fund Types</u>			<u>Total</u>
	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Governmental</u>
<u>ASSETS</u>	<u>Fund</u>	<u>Service</u>	<u>Projects</u>	<u>Funds</u>
Cash and cash equivalents	\$ 91,455	\$ 149,040	\$ 335,626	\$ 576,121
Due from other governments	27,678			27,678
Due from other funds		20,350	460,000	480,350
Prepaid insurance	56,586			56,586
Deposits	305			305
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ <u>176,024</u>	\$ <u>169,390</u>	\$ <u>795,626</u>	\$ <u>1,141,040</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable and accrued expenses	\$ 30,340	\$ -	\$ -	\$ 30,340
Due to other funds	480,350			480,350
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	510,690	-	-	510,690
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances:				
Nonspendable	56,891			56,891
Restricted		169,390	795,626	965,016
Unassigned	(391,557)			(391,557)
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficit)	(334,666)	169,390	795,626	630,350
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ <u>176,024</u>	\$ <u>169,390</u>	\$ <u>795,626</u>	\$ <u>1,141,040</u>

Reconciliation of the total fund balance -- total governmental funds  
to the net position of governmental activities:

Total fund balance - Governmental Funds	\$	630,350
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Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		3,819,417
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Noncurrent liabilities are not due and payable in the current period and,  
therefore, they are not reported in the governmental funds balance  
sheet.

Current portion of long-term debt	\$191,000	
Noncurrent portion of long-term debt	<u>1,458,000</u>	<u>(1,649,000)</u>

Net position of governmental activities	\$	<u><u>2,800,767</u></u>
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The accompanying notes are an integral part of these financial statements.

**RECREATION DISTRICT NO. 2 OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2024**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Rental and activity income	\$ 13,900	\$ -	\$ -	\$ 13,900
Ad valorem taxes	265,478	265,478		530,956
Sales tax allocation	59,902			59,902
Interest and investment income	<u>806</u>	<u>1,027</u>	<u>8,050</u>	<u>9,883</u>
 Total revenues	 <u>340,086</u>	 <u>266,505</u>	 <u>8,050</u>	 <u>614,641</u>
 <u>Expenditures</u>				
Current:				
Culture and recreation				
Salaries and wages	\$ 146,353	\$ -	\$ -	\$ 146,353
Benefits	52,171			52,171
Commissioners per diem	4,010			4,010
Casual Labor	35,333			35,333
Insurance	142,556			142,556
Utilities & telephone	75,699			75,699
Accounting & professional fees	22,876			22,876
Supplies & office	14,156		3,547	17,703
Repairs & maintenance	53,561		5,739	59,300
Truck, bus, & tractor expenses	10,896			10,896
Public relations	5,609			5,609
Pension - ad valorem taxes	9,851	9,851		19,702
Miscellaneous	169	16	20	205
Capital Outlay			527,711	527,711
Debt service:				
Principal		187,000		187,000
Interest and fiscal charges		<u>38,160</u>		<u>38,160</u>
 Total expenditures	 <u>573,240</u>	 <u>235,027</u>	 <u>537,017</u>	 <u>1,345,284</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures	 (233,154)	 31,478	 (528,967)	 (730,643)
 Fund balances, beginning of year	 <u>(101,512)</u>	 <u>137,912</u>	 <u>1,324,593</u>	 <u>1,360,993</u>
 Fund balances, end of year	 <u>\$ (334,666)</u>	 <u>\$ 169,390</u>	 <u>\$ 795,626</u>	 <u>\$ 630,350</u>

Reconciliation of the changes in fund balances - total governmental  
funds to the change in net position of governmental activities:

Net change in fund balance prior to residual equity transfer - Governmental Funds \$ (730,643)

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 as  
depreciation expense. This is the amount by which depreciation (\$297,893) was exceeded by  
capital outlays which meet the District's capitalization policy (\$527,711) in the current period. 229,818

Loss on the disposal of equipments (4,140)

Bond proceeds provide current financial resources to governmental funds,  
but issuing debt increases long-term liabilities in the statement of net  
position. Repayment of bond principal is an expenditure in the governmental  
funds, but the repayment reduced long-term liabilities in the statement of net position.  
This is the amount by which repayments (\$187,000) exceeded proceeds (\$0). 187,000

Change in net position of governmental activities \$ (317,965)

**RECREATION DISTRICT NO. 2 OF THE PARISH OF  
ST. MARY, STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Recreation District No. 2 of the Parish of St. Mary, State of Louisiana (District), was created by Ordinance No. 961 of the St. Mary Parish Council (Council) on June 26, 1985. The District encompasses Wards 6 and 9. The District is authorized to acquire land and to construct and maintain buildings, equipment, and other facilities to be used in providing recreation facilities within the corporate boundaries of the District.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

In evaluating how to define the governmental unit, for financial reporting purposes, consideration has been given to the following criteria as set forth in GAAP:

- a. Financial benefit or burden
- b. Appointment of a voting majority
- c. Imposition of will
- d. Fiscally dependent

Based upon the above criteria, the District is a component unit and integral part of the St. Mary Parish Council (the primary government).

These financial statements include only the operations of the District.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### B. Basic Financial Statements - Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities which report all activities of the District as a whole. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

### C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The following is a description of the funds utilized by the District.

#### Governmental Funds

##### General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in other funds.

##### Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

##### Capital Project Fund

The Capital Project Fund is used to account for debt proceeds that are dedicated to expenditure for improvements or maintenance of facilities and equipment used for recreation purposes.

### D. Basis of Accounting

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Government-wide Statements

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, all liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the statement of net position, and the statement of activities presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

### Fund Financial Statements

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

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities (the District uses a sixty day period after year end).

### E. Revenues

The following is a summary of the District's recognition policies for its major revenue sources:

Ad valorem taxes (which are based on property and homesteads in the District) are recorded in the year the taxes are assessed.

Sales taxes are received by the St. Mary Parish Council and held on behalf of the District. Revenue is recorded as it is received by the St. Mary Parish Council.

Interest earnings are generally recorded when earned.

Substantially all other revenues are recorded when received.

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.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### F. Deferred Outflows and Inflows of Resources

The District has evaluated its transactions with the requirements of GASB pronouncements, related to deferred items, and determined that there are no significant transactions that meet the requirements of these statements. Therefore as of September 30, 2024, the District is not presenting any Deferred Outflows or Inflows of Resources in its financial statements.

### G. Expenses/Expenditures

The government-wide financial statements recognize expenses under the accrual basis of accounting and records the related liability at the time the expense is incurred.

In the fund financial statements, expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except principal and interest on long-term debt which is not recognized until due.

### H. Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include bank deposits and/or certificates of deposit with original maturities of less than three months.

### I. Prepaid Expenses

The District has certain expenses in which they record the prepayment of these expenses, such as insurance, as an asset on the balance sheet and systematically recognize the expense over the period of the prepayment.

### J. Fixed Assets

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

### Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All purchased fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair market value on the date received. Fixed assets are reported at their historical cost or estimated fair market value less their accumulated depreciation. 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.



## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation is computed using the straight-line method based on the estimated useful life of the various assets. The following is a summary of estimated useful lives by classification of the fixed assets:

<u>Category</u>	<u>Years</u>
Buildings and building improvements	10-40
Furniture and fixtures	5-12
Equipment	3-15

### Fund Financial Statements

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

### K. Long-term Debt

### Government-wide Financial Statements

In the government-wide financial statements, all long-term debt is reported as a liability. The long-term debt of the District consists of bonds payable.

### Fund Financial Statements

Long-term debt for governmental funds is not reported as liability in the fund financial statements. The debt proceeds and the repayment of existing debt, with new debt proceeds are reported as other financing sources and uses; and the payment of principal and interest with other funds are reported as expenditures.

### L. Equity Classifications

### Government-wide Statements

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

- a) Net investment in capital assets - Consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position - Consists of 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.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- c) Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

### Fund Financial Statements

Governmental fund equity is classified by five categories; nonspendable, restricted, committed, assigned, or unassigned. At present, the District only requires reporting of nonspendable, restricted, and unassigned. Nonspendable represents those portions of fund equity that cannot be spent because they are not in a spendable form. Restricted represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Unassigned represents those portions of fund equity that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purpose within the General Fund.

### M. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make certain estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### N. Budget Process

The District adopts a budget for its General Fund. The budget is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end. Budgets are amended when necessary with board approval. In the financial statement comparison of budget to actual amounts both original and final amended amounts are shown.

## NOTE 2 - CASH AND CASH EQUIVALENTS

The District does not have a formal investment policy related to interest rate risk (the risk of an investment decreasing in value due to increasing interest rates).

In addition the District does not have a formal investment policy related to credit risk (including concentrations of credit and custodial credit risk). However the District does follow state law as to limitations on types of deposits and investments as described below.

## NOTE 2 - CASH AND CASH EQUIVALENTS (continued)

The District does not invest in any investments subject to foreign currency risk.

### Cash and cash equivalents

Under state law the District may deposit its funds with certain state and federally chartered financial institutions. The deposits are required to be insured or collateralized by the financial institutions.

At year end, the carrying amount of the District's cash was \$576,121 and the bank balance was \$630,412. A portion of these balances was covered by federal depository insurance, the uninsured portion of \$85,626 is subject to custodial credit risks and was collateralized with securities held by the pledging financial institutions.

## NOTE 3 - TAXES

The District's property tax is levied in October of each year on the assessed value of property within the District's taxing area. Taxes are due and payable by December 31 and taxes are considered delinquent January 1. Notices regarding seizures are sent out in April with the seizure date being May 1. The taxes are collected on behalf of the District by the Sheriff and then remitted to the District. The District actually receives most of the taxes in January.

The District receives 26.68 mils of property tax. For the year ended September 30, 2024, 13.34 mils were distributed to the General Fund and dedicated to operations and maintenance and 13.34 mils were distributed to the Debt Service fund and dedicated to debt retirement. For the year ended September 30, 2024 each mil levied resulted in approximately \$19,000 in ad valorem taxes received by the District.

## NOTE 4 - DUE FROM OTHER GOVERNMENTS

The District received Parish funding during the fiscal year as outlined below:

	Revenues	
	<u>Recorded</u>	<u>Receivable</u>
St. Mary Parish-Sales Tax Receivable-held by the Parish	\$59,902	\$27,678

The amounts recorded as revenue and receivable, respectively, from St. Mary Parish are for sales tax money held by the parish for the District to use as needed for operating expenditures.

## NOTE 5 - FIXED ASSETS

Capital assets activity for the year ended September 30, 2024 is as follows:

	Balance September 30, <u>2023</u>	<u>Additions</u>	<u>(Deletions)</u>	Balance September 30, <u>2024</u>
Capital assets not being depreciated				
Land	\$ 13,981	\$ -	\$ -	\$ 13,981
Total capital assets not being depreciated	<u>13,981</u>	<u>-</u>	<u>-</u>	<u>13,981</u>
Capital assets				
Building and improvements	\$ 6,502,688	\$ 499,365	\$ -	\$ 7,002,053
Land Improvements	21,482			21,482
Kitchen Equipment	48,243			48,243
Maintenance Equipment	240,059	12,620	(21,319)	231,360
Office F&F	140,672			140,672
Recreation Equipment	544,321	9,500	(9,679)	544,142
Transportation Equipment	<u>161,291</u>	<u>6,226</u>		<u>167,517</u>
Total other capital assets at historical cost	<u>7,658,756</u>	<u>527,711</u>	<u>(30,998)</u>	<u>8,155,469</u>
Less accumulated depreciation for:				
Building and improvements	\$ (3,115,009)	\$ (254,117)	\$ -	\$ (3,369,126)
Land Improvements	(15,413)	(1,074)		(16,487)
Kitchen Equipment	(44,692)	(789)		(45,481)
Maintenance Equipment	(203,380)	(14,512)	21,319	(196,573)
Office F&F	(130,230)	(2,388)		(132,618)
Recreation Equipment	(411,259)	(23,899)	5,539	(429,619)
Transportation Equipment	<u>(159,015)</u>	<u>(1,114)</u>		<u>(160,129)</u>
Total accumulated depreciation	<u>(4,078,998)</u>	<u>(297,893)</u>	<u>26,858</u>	<u>(4,350,033)</u>
Other capital assets, net	<u>3,579,758</u>	<u>229,818</u>	<u>(4,140)</u>	<u>3,805,436</u>
Total capital assets, net	<u>\$ 3,593,739</u>	<u>\$ 229,818</u>	<u>\$ (4,140)</u>	<u>\$ 3,819,417</u>

Depreciation expense for the year totaled approximately \$298,000.

#### NOTE 6- LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended September 30, 2024:

Balance at October 1, 2023	\$1,836,000
Reductions	( 187,000)
Balance at September 30, 2024	<u>\$1,649,000</u>

Obligations payable at September 30, 2024, are as follows:

##### General Obligation Bonds

\$2,000,000 of General Obligation Bonds, Series 2022 issued March 1, 2022. The bonds bear interest at a rate of 2.19% and are payable through the year 2032. The bonds are being retired from ad valorem taxes by the Debt Service Fund.

\$1,649,000

The following is an approximation of future debt requirements at September 30, 2024:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 191,000	\$ 34,022	\$ 225,022
2026	195,000	29,795	224,795
2027	199,000	25,481	224,481
2028	204,000	21,068	225,068
2029	208,000	16,556	224,556
2030-2032	<u>652,000</u>	<u>21,615</u>	<u>673,615</u>
	<u>\$1,649,000</u>	<u>\$148,537</u>	<u>\$1,797,537</u>

#### NOTE 7 - PENSION PLAN

The District's employees are covered under the Federal Insurance Contributions Act (Social Security). The District makes the required contributions to the fund and is not responsible for the benefits. During the year ended September 30, 2024 the District contributed \$9,162 and the District's employees contributed \$9,162.

The District does not maintain any other post employment benefit plans.

#### NOTE 8 – ON-BEHALF PAYMENTS

Property tax revenues include amounts withheld by the Sheriff to make on-behalf payments which represents the District's pro-rata share of retirement plan contributions for other governmental units. Because the District is one of multiple governmental agencies receiving proceeds from a property tax assessment, it has to bear a pro-rata share of the pension expense relating to the public employees who participate in the Assessor's Retirement Fund, Clerk of Court Retirement Fund, District Attorney's Retirement System, Municipal Employees' Retirement System, Parochial Employees' Retirement System, Registrar of Voter Employees' Retirement System, Sheriffs' Pension & Relief Fund, and Teacher's Retirement System.

The pro-rata share of the required contribution (\$19,292) that was withheld by the Sheriff from property tax collections to satisfy the District's obligation has been presented as "pension – ad valorem" in the expenditure of the General and Debt Service funds in these financial statements. The District has also increased its property tax revenues by the same amount of the expenditure.

#### NOTE 9 - COMPENSATION OF BOARD MEMBERS AND OFFICERS

Board members received the following per diems for the year ended September 30, 2024:

<u>Name</u>	<u>Amount</u>
Nelda Dural	\$775
Ann Poole	775
Norma Skinner	905
Oscar Toups	905
Sandra Wilkerson	<u>650</u>
	<u>\$4,010</u>

#### NOTE 10 – SIGNIFICANT BUDGET REVENUE SHORTFALL

During 2024 actual revenue received by the General Fund was significantly less than the actual budget. This variance is a material finance related legal provision violation.

<u>Actual Revenue</u>	<u>Budget Revenue</u>	<u>Shortfall</u>
\$340,086	\$500,000	\$(159,914)

This shortfall was due to a clerical error and will be eliminated by monitoring the budget in the future.

#### NOTE 11 – EXPENDITURES – EXCESS OF ACTUAL OVER APPROPRIATED

Actual expenditures exceeded appropriated expenditures by a significant amount in the following for 2024. This variance is a material finance related legal provision violation.

<u>Actual Expenditures</u>	<u>Budgeted Expenditures</u>	<u>Variance</u>
\$573,240	\$472,500	\$(100,740)

NOTE 12 - CONCENTRATIONS

The District receives eighty-six percent of its revenues from the general public in the form of ad valorem taxes.

NOTE 13 - RISK MANAGEMENT AND CONTINGENCIES

The District is exposed to various risks of loss related to torts, theft or damage to assets, errors and omissions, injuries to employees and natural disasters. The District has purchased commercial insurance to protect against loss from substantially all of these perils.

There has been no significant reduction in insurance coverage from prior years. Settlements in the prior three years have not exceeded insurance coverages.

REQUIRED SUPPLEMENTAL INFORMATION



**RECREATION DISTRICT NO. 2 OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA**

**Budget Comparison Schedule  
General Fund  
For the Year Ended September 30, 2024**

	Original & Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Rental and activity income	\$ -	\$ 13,900	\$ 13,900
Ad valorem taxes	400,000	265,478	(134,522)
Sales tax allocation	40,000	59,902	19,902
Interest and other income	-	806	806
Other revenue	60,000	-	(60,000)
Total revenues	500,000	340,086	(159,914)
<u>Expenditures</u>			
Current:			
Culture and recreation			
Salaries and Wages	\$ 190,000	\$ 181,686	\$ 8,314
Benefits	40,000	52,171	(12,171)
Commissioners per diem	4,000	4,010	(10)
Insurance	80,000	142,556	(62,556)
Utilities & telephone	66,000	75,699	(9,699)
Accounting & professional fees	20,000	22,876	(2,876)
Supplies & office	6,000	14,156	(8,156)
Repairs & maintenance	55,000	53,561	1,439
Truck, bus, & tractor expenses	5,500	10,896	(5,396)
Summer program cost	5,000	-	5,000
Public relations	-	5,609	(5,609)
Pension - ad valorem taxes	-	9,851	(9,851)
Miscellaneous	1,000	169	831
Total expenditures	472,500	573,240	(100,740)
Excess (deficiency) of revenues over expenditures	27,500	(233,154)	(260,654)
Fund balances, beginning of year	55,490	(101,512)	(157,002)
Fund balances, end of year	\$ 82,990	\$ (334,666)	\$ (417,656)

## SUPPLEMENTAL INFORMATION

**RECREATION DISTRICT NO. 2 OF THE PARISH OF ST. MARY**  
Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended September 30, 2024

Agency Head Name: Leroy Trim, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 59,800
Benefits-Insurance	20,335
Benefits - FICA & Medicare	<u>4,575</u>
Total	<u>\$ 84,710</u>

These amounts represent all compensation, benefits, and reimbursements for the year.

INTERNAL CONTROL AND COMPLIANCE  
AND OTHER MATTERS SECTION



INDEPENDENT AUDITORS' 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

Board of Commissioners  
Recreation District No. 2 of the Parish  
of St. Mary, State of Louisiana  
Morgan City, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Recreation District No. 2 of the Parish of St. Mary, State of Louisiana (District), which comprise the District's basic financial statements as of and for the year ended September 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2025.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during the audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is detailed in the accompanying schedule of findings as 2024-001 and 2024-002.

#### The District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. 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 it.

#### 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.



CERTIFIED PUBLIC ACCOUNTANTS

March 26, 2025  
Morgan City, Louisiana

**RECREATION DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA**

**Schedule of Findings  
For the Year Ended September 30, 2024**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditors' report expressed an unmodified opinion on the financial statements of the Recreation District No. 2 of the Parish of St. Mary, which are prepared in accordance with GAAP.
2. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

No findings are required to be reported for the year ended September 30, 2024.

Compliance and Other Matters

There were two material instances of noncompliance or other matters noted during the audit of the financial statements that are required to be reported for the year ended September 30, 2024.

3. Federal Awards

This section is not applicable for the year ended September 30, 2024.

4. Management Letter

No letter was issued.

## B.FINDINGS – FINANCIAL STATEMENT AUDIT

### INTERNAL CONTROL

#### NO MATTERS TO BE REPORTED

#### COMPLIANCE AND OTHER MATTERS

### ITEM NO. 2024-001 NONCOMPLIANCE WITH BUDGET MONITORING

#### Auditors' Comments

Condition: During the course of the audit for the year ended September 30, 2024, it was noted that the District's operating budget needed amendments which were not made.

Criteria: State Statutes require that budgets be amended when actual revenues are less than budgeted revenues by five percent or more or actual expenditures exceed budgeted expenditures by five percent or more.

Effect: Failure to amend budgets to recognize anticipated shortfalls in funds prevents the District from effectively curtailing projects and/or services in accordance with actual available resources.

Cause: The operating budget was not amended although actual revenues were less than budgeted revenues and actual expenditures were more than budgeted expenditures by five percent or more:

<u>General Fund</u>	<u>Actual Amount</u>	<u>Budgeted Amount</u>	<u>Variance</u>	<u>Percent</u>
Revenues	\$340,086	\$500,000	\$(159,914)	32.0%
Expenditures	\$573,240	\$472,500	\$(100,740)	21.3%

Recommendation: The District should fine tune its budget monitoring program to make budget adjustment monthly when actual revenues are less than budgeted revenues by five percent or more or actual expenditures exceed budgeted expenditures by five percent or more as specified in the state statute.

Management's Response: We will monitor budget variances on a monthly basis and budget adjustments will be made when variances exceed the percentages as specified in the state statute.



ITEM NO. 2024-002 NONCOMPLIANCE WITH DEBT COVENANT

Auditors' Comment

Condition: During the course of the audit, we discovered funds were transferred from the Debt Service account to the General Fund account, upon further inquiry we determine the transfer was made from the wrong account in error.

Criteria: The District collects Ad Valorem taxes of which a portion is restricted for payment of general long term debt principal, interest, and related costs.

Effect: Failure to properly monitor funds may lead to non-compliance with debt covenant.

Cause: Funds were transferred out of the Debt Service account in error.

Recommendations: The District should monitor all accounts to ensure funds are properly maintained in accordance with debt covenant.

Management's Response: Funds were transferred back to the Debt Service account subsequent to year end. In the future, we will monitor all accounts to ensure funds are used for intended purposes.

C. FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS PROGRAMS

This section is not applicable for the year ended September 30, 2024.

**SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION**  
**PREPARED BY RECREATION DISTRICT NO. 2 OF ST. MARY PARISH**

Item of Noncompliance

Item No. 2023-001 Noncompliance with Budget Monitoring

Condition: During the course of the audit for the year ended September 30, 2023, it was noted that the District's operating budget needed amendments which were not made.

Corrective Action: This has not been corrected.

**INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

Not applicable to prior year.

# BOARD OF COMMISSION

ST MARY PARISH RECREATION DISTRICT #2  
1110 GRACE STREET  
P.O. BOX 922  
MORGAN CITY, LOUISIANA 70381

March 26, 2025

LEROY TRIM  
DIRECTOR

1110 GRACE STREET  
P.O. BOX 922  
MORGAN CITY, LA 70381  
(985) 385-4224  
FAX (985) 385-6928

OFFICE HOURS  
8:00AM TO 12:00PM  
1:00PM TO 4:00PM

Ω∞Ω∞Ω∞Ω∞Ω

## COMMISSIONERS

OSCAR TOUPS  
1124 GRACE STREET  
MORGAN CITY, LA 70380

ANN POOLE  
1024 RAMOS STREET  
MORGAN CITY, LA 70380

Tracy Wilson  
1116 GRACE STREET  
MORGAN CITY, LA 70380

NORMA SKINNER  
1061 GRACE STREET  
MORGAN CITY, LA 70380

NELDA DURAL  
1200 JOSEPH STREET  
MORGAN CITY, LA 70380

Mr. Michael Waguespack, CPA,  
Legislative Auditor  
State of Louisiana  
P.O. Box 94397  
Baton Rouge, LA 70803-9397

Dear Mr. Waguespack:

Recreation District No. 2 of the Parish of St. Mary, State of Louisiana respectfully submits the following corrective action plan for their year ended September 30, 2024.

## CORRECTIVE ACTION:

Person Responsible:

Mr. Oscar Touns, Chairman  
Recreation District No. 2 of St. Mary Parish  
State of Louisiana  
1110 Grace Street  
Morgan City, LA 70380

Time of Completion:

September 30, 2025

Noncompliance Re:

Item No. 2024-001

Noncompliance with Budget Monitoring: Our auditors notified us that we did not amend our budget as required by State Statutes.

Corrective Action: We will monitor budget variances on a monthly basis and budget adjustments will be made when variances exceed the percentages as specified in the state statute.

Item No. 2024-002

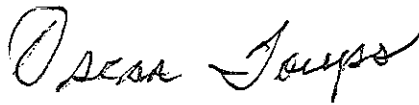
Noncompliance with Debt Covenant: Our auditors discovered funds were transferred from the Debt Service account to the General Fund account in error.

Corrective Action: Funds were transferred back to the Debt Service account subsequent to year end. In the future, we will monitor all accounts to ensure funds are used for intended purposes.

This plan of action is being submitted in accordance with Legislative requirements. If you have any questions concerning this action, contact the undersigned.

Recreation District No. 2 of the Parish of St. Mary, State of Louisiana.

Oscar Toups

A handwritten signature in cursive script that reads "Oscar Toups". The signature is written in dark ink and is positioned to the right of the printed name.

Chairman

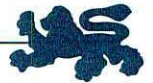
**RECREATION DISTRICT NO. 2**  
**PARISH OF ST. MARY, STATE OF LOUISIANA**

**SCHEDULE OF PROCEDURES PERFORMED AND  
ASSOCIATED FINDINGS BASED UPON THE  
STATEWIDE AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED  
September 30, 2024  
WITH  
AGREED UPON PROCEDURES REPORT  
BY  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

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**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners  
Recreation District No.2  
Of the Parish of St. Mary  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in the attached Schedule of Procedures Performed and Associated Findings Based Upon the Statewide Agreed-Upon Procedures (Schedule), on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor (LLA)'s Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2023 through September 30, 2024. Recreation District No. 2 of the Parish of St Mary (District) management is responsible for those C/C areas identified in the SAUPs presented in the attached Schedule.

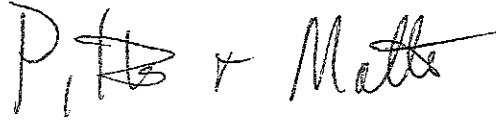
The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2023 through September 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are included in the attached Schedule.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified 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.

The purpose of this report is 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 may be distributed by the LLA as a public document.

A handwritten signature in black ink, appearing to read "P. B. & Matte". The signature is written in a cursive, stylized font.

CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana  
March 26, 2025



**RECREATION DISTRICT NO. 2**  
**PARISH OF ST. MARY, STATE OF LOUISIANA**  
**Schedule of Procedures Performed and Associated Findings Based upon the**  
**Statewide Agreed-Upon Procedures**  
**For the Year Ended September 30, 2024**

Guide to Presentation Format

This report contains these items presented in this order:

Statewide Agreed-Upon Procedures (SAUPs) prescribed by the Louisiana Legislative Auditor (LLA),  
Procedures performed by the Independent Certified Public Accountant,  
Findings based upon the procedures performed, and  
Management's Comments relative to the findings, if applicable.

In order to facilitate understanding this report - the procedures and findings are presented in the following format:

<u>Order of Presentation</u>	<u>Presentation Format</u>
Area or function	<b>Centered all CAPITALS IN BOLD TYPE</b>
Statewide Agreed-Upon Procedures Prescribed (SAUPs) by Louisiana Legislative Auditor (LLA)	Regular type highlighted with numbers or letters (if there are multiple parts)
Actual procedures performed by Independent Certified Public Accountant	Denoted as <b>Procedure Performed:</b> (in bold type) followed by procedure in regular type
Finding based upon procedure performed	Denoted as <b>Findings:</b> (in bold type) followed by findings in regular type
Management's response to findings	Denoted as <b>Management's Response:</b> (in bold type) followed by <i>managements response in italics</i>

## WRITTEN POLICIES AND PROCEDURES

---

### 1. Written Policies and Procedures

- A) Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

#### Budgeting

- i) Budgeting, including preparing, adopting, monitoring, and amending the budget.

**Procedure Performed:** Obtained from management and inspected the District's "Policy & Procedure Manual" and read the written policies and procedures for budgeting.

**Findings:** Found the District has written policies and procedures that include the specified functions listed above.

#### Purchasing

- 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.

**Procedure Performed:** Obtained from management and inspected the District's "Policy & Procedure Manual" and read the written policies and procedures for purchasing.

**Findings:** Found the District has written policies that include the specified functions listed above.

#### Disbursements

- iii) Disbursements, including processing, reviewing, and approving.

**Procedure Performed:** Obtained from management and inspected the District's "Policy & Procedure Manual" and read the written policies and procedures for disbursements.

**Findings:** Found the District has written policies that include the specified functions listed above.

#### Receipts/Collections

- iv) Receipts/collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

**Procedure Performed:** Obtained from management and inspected the District's "Policy & Procedure Manual" and read the written policies and procedures for receipts and collections.

## WRITTEN POLICIES AND PROCEDURES (CONTINUED)

---

**Findings:** Found the District has written policies that include the specified functions listed above

### Payroll/Personnel

- 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 rates of pay or approval and maintenance of pay rate schedules.

**Procedure Performed:** Obtained from management and inspected the District's "Policy & Procedure Manual" and read the written policies and procedures for payroll and personnel.

**Findings:** Found the District has written policies and procedures that include the specified functions listed above,

### Contracting

- 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.

**Procedure Performed:** Obtained from management and inspected the District's "Policy & Procedure Manual" and read the written policies and procedures for contracts.

**Findings:** Found the District has written policies that include the specified functions listed above.

### Travel and Expense Reimbursement

- vii) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

**Procedure Performed:** Obtained from management and inspected the District's "Policy & Procedure Manual" and read written policies and procedures for travel and expense reimbursement.

**Findings:** Found the District has written policies that includes the specified functions listed above.

### Credit Cards

- viii) Credit Cards (and debit cards, fuel cards, purchase cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determine the reasonableness of fuel card purchases).

**Procedure Performed:** Obtained from management and inspected the District's "Policy & Procedure Manual" and read the written policies and procedures for credit cards.

**Findings:** Found the District has written policies that include the specified functions listed above.

## WRITTEN POLICIES AND PROCEDURES (CONTINUED)

---

### Ethics

- ix) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

**Procedure Performed:** Obtained from management and inspected the District's "Policy & Procedure Manual" and read the written policies and procedures for ethics.

**Findings:** Found the District has written policies that includes the specified functions listed above.

### Debt Service

- x) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Procedure Performed:** Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for debt service.

**Findings:** Found the District does not have written policies and procedures regarding debt service.

### Information Technology Disaster Recovery/Business Continuity

- 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.

**Procedure Performed:** We performed the procedures.

**Findings:** Discussed the findings with management.

### Prevention of Sexual Harassment

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

**Procedure Performed:** Obtained from management and inspected the District's "Policy & Procedure Manual" and read the written policies and procedures for sexual harassment.

**Findings:** Found the District has written policies that include the specified functions listed above.

## WRITTEN POLICIES AND PROCEDURES (CONTINUED)

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***Management's response:***

*The District has policies and procedures in all the areas above, however the following are not in writing:*

*Debt Service*

*We plan to put policies and procedures in all areas in writing.*

## BOARD OR FINANCE COMMITTEE

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### 2. Board or Finance Committee

- A) Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

**Procedure Performed:** Obtained and read the District's board minutes for the fiscal period as well as Louisiana State Law as it relates to Recreation Districts and the Ordinance that created the District.

**Findings:** Found that the District met with a quorum for eleven of the twelve monthly meetings.

- 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, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

**Procedure Performed:** Obtained and inspected the District's board minutes for the fiscal period.

**Findings:** Found that the minutes referenced monthly financial reports but not comparisons to the budget.

- 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 unassigned fund balance in the general fund.

**Procedure Performed:** Obtained and read the District's prior year audit report, observed the unassigned fund balance in the general fund, and inspected the minutes of the fiscal period.

## BOARD OR FINANCE COMMITTEE (CONTINUED)

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**Findings:** Found that general fund did have a negative ending unassigned fund balance in the prior year audit report. Found the minutes did not reference or include a formal plan to eliminate the negative unassigned fund balance.

- 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.

**Procedure Performed:** We obtained and read the District's meeting minutes for the fiscal period.

**Findings:** Found the minutes did not reference whether the board committee received written updates of the progress of resolving audit findings according to management's corrective action plan.

***Management's response:***

*We will attempt to meet with a quorum for all twelve months.*

*We review budget-to-actual reports during our monthly meetings. However, in the future, we will include references to these reports in our minutes.*

*In the future, when general fund has a negative ending unassigned fund balance in the prior year audit report, we will have at least one meeting referencing or including a formal plan to eliminate the negative ending unassigned fund balance.*

*In the future, we will provide the board with written updates regarding the progress of our corrective action plan for resolving audit findings.*

## BANK RECONCILIATIONS

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### 3. Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - ii) Bank reconciliations include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date reconciliation was prepared (e.g., initialed and dated, electronically logged); and
  - iii) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Procedures Performed:** Obtained the listing of bank accounts from management, and received management's written representation that the list is complete. Selected 5 bank accounts out of a total of 5 accounts and randomly selected one month from the fiscal period. Obtained and inspected bank statements and bank reconciliations prepared for the month selected for all accounts selected.

**Findings:**

- i) Observed there is evidence that each bank reconciliation was prepared within 2 months of the related statement closing date.
- ii) Observed there is no written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of date of preparation.
- iii) Observed there is no reconciling items which have been outstanding for more than 12 months from the statement closing date.

**Management' response:**

*In the future, we include written evidence that a member of management/board member who does not handle cash, post ledgers, or issues checks has reviewed each bank reconciliation within 1 month of the date the reconciliations were prepared.*



## **COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)**

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### **4. Collection (excluding electronic funds transfers)**

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

**Procedure Performed:** Obtained the listing of deposit sites where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete.

**Findings:** The District has only one deposit site.

- 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., 5 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

- i) Employees responsible for cash collections do not share cash drawers/registers;
- ii) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
- 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; and
- 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/official verifies the reconciliation.

**Procedure Performed:** Obtained the listing of cash/check/money order (cash) collections locations for the District's one deposit site and management's written representation that the listing is complete and inquired of employees about the employees' job duties

**Findings:** The District has only one cash collection location.

- i) Employees responsible for cash collections do not share a cash box.
- ii) The employee who is responsible for collecting cash is also responsible for preparing/making bank deposits. However, an outside accountant is responsible for reconciling collection documentation to the deposit.
- iii) The employee who is responsible for collecting cash is also responsible for posting collection entries to the general ledger or subsidiary ledgers. However, an outside accountant is responsible for reconciling ledger postings to each other and to the deposit.

## **COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)**

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- iv) Employees are responsible for collecting cash and the outside accountant is responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions.
- C) Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.

**Procedure Performed:** Obtained and read a copy of the insurance policy for theft covering all employees who have access to cash and observed the insurance policy for theft was in force during the fiscal period.

**Findings:** The District's insurance policy for theft was in force during the fiscal period.

- D) Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - i) Observe that receipts are sequentially pre-numbered.
  - ii) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii) Trace the deposit slip total to the actual deposit per the bank statement.
  - iv) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - v) Trace the actual deposit per the bank statement to the general ledger.

**Procedure Performed:** Randomly selected two deposit dates from the bank statements for the 5 bank accounts selected for procedure #3A (selected the next deposit date chronologically if no deposit was made on the date randomly selected). Obtained supporting documentation for the selected deposits.

**Findings:** 3 of the 5 bank accounts selected for procedure #3A either had only electronic fund transfer activity or interest income activity during the fiscal period. For the remaining accounts:

## COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)

- i) Found that the District does not have sequentially pre-numbered receipts.
- ii) Found that all collection documentation agrees to the deposit slips.
- iii) Found that all the deposit slip totals agreed to the actual deposit per the bank statement.
- iv) Found deposits were not made within one business day of receipt at the collection location.
- v) Found that all the actual deposits per the bank statements were recorded in the general ledger.

### **Management's response:**

*We have sequentially prenumbered receipts for rentals, however we do not consider it necessary to have sequentially prenumbered receipts for deposits received from governmental entities.*

*In the future, we will document the date we receive deposits indicating deposits were made within one business day of receipt.*

## NON-PAYROLL DISBURSEMENTS – (EXCLUDING CARD PURCHASE/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

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### 5. Non-Payroll Disbursement (excluding card purchases, 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).

**Procedure Performed:** Obtained a listing of locations that process payments from management and management's representation that the listing is complete.

**Findings:** Found the District has one location that processes payments.

- 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 agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
- ii) At least two employees are involved in processing and approving payments to vendors;
- iii) The employees responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
- 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; and
- 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 electronic means.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

**Procedure Performed:** Obtained a listing of employees involved with non-payroll purchasing and payment functions. Inquired of employees about their job duties.

**NON-PAYROLL DISBURSEMENTS – (EXCLUDING CARD PURCHASE/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)**

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**Findings:**

- i) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.
  - ii) At least two employees are involved in processing and approving payments to vendors.
  - iii) The employees responsible for processing payments are not prohibited from adding/modifying vendor files. However, the District's board is responsible for periodically reviewing changes to vendor files
  - iv) The employee/official who is responsible for signing checks gives the check to an employee who is responsible for processing payments to mail. However, checks must be approved by the board prior to mailing
  - v) The employee/official who is authorized to sign checks approves the electronic disbursement of funds.
- C) For each location selected under procedure #5A above, obtain the entity'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
- i) Observe whether the disbursement, whether by paper or electronic, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - ii) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

**Procedure Performed:** We obtained the District's non-payroll disbursements transaction population (excluding cards and travel reimbursements) and management's representation that the population was complete. We randomly selected 5 disbursements from the listing and obtained and observed supporting documentation for each transaction.

**Findings:**

- i) Found that disbursements matched the related original itemized invoice and supporting documentation indicated deliverables included on the invoices were received by the District.

**NON-PAYROLL DISBURSEMENTS – (EXCLUDING CARD PURCHASE/PAYMENTS,  
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)**

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- ii) Found that disbursement documentation included evidence that the District is following its policies as it relates to the segregation of duties tested under 5B(i), 5B(ii), and 5B(iv). 5B(iii) is not applicable to the selected disbursements because the vendor files were not added or modified for the disbursements. 5B(v) is not applicable for the selected disbursements because none of the disbursements were electronically disbursed.

D) Using the entity'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 entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

**Procedure Performed:** Using the District's main operating account for the month selected in Bank Reconciliations procedure #3A, we selected 5 of the District's non-payroll-related electronic disbursements that occurred and obtained supporting documentation for each disbursement.

**Findings:**

- a) Found there was no evidence disbursements were approved by those persons authorized to disburse funds per the District's policy.
- b) Found there was no evidence disbursements were approved by the required number of authorized signers per the District's policy.

***Management's response:***

*Checks will no longer be mailed by the same employee who processes payments.*

*In the future, we will include evidence that employees/board members authorized to sign checks will approve the electronic disbursement of funds.*

## CREDIT CARDS/DEBIT CARDS/ FUEL CARDS/P-CARDS

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### 6. Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

**Procedure Performed:** Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period and related information for the fiscal period. Obtained management's written confirmation that the list was complete.

**Findings:** The list contains only 1 fuel card and related information. The District has no other types of cards.

- 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. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- i) Observe whether 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported.)
- ii) Observe that finance charges and late fees were not assessed on the selected statements.

**Procedure Performed:** We selected the 1 fuel card from the list obtained in #6A above that was used during the fiscal period. We randomly selected and obtained one monthly statement and supporting documentation for the selected fuel card.

**Findings:** We observed the statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder. We observed finance charges and late fees were not assessed on the selected statement.

## CREDIT CARDS/DEBIT CARDS/ FUEL CARDS/P-CARDS (CONTINUED)

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- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Procedure #6C is not applicable because the District only has fuel cards, which are excluded from this step. (See procedure #6A above)**

***Management's response:***

*No comment.*



## TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

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### 7. 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:
- i) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - ii) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii) Observe 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 Policies and Procedures procedure #1A(vii); and
  - iv) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Procedure Performed:** Inquired of management and obtained management's written confirmation that they did not have travel and travel related expense reimbursements during the current fiscal period.

**Findings:** Found there was no travel and travel related expense reimbursements during the current fiscal period.

**Management's response:**  
*No Comment*

## CONTRACTS

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### 8. 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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - ii) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter)
  - iii) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - 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 the invoice and related payment agreed to the terms and conditions of the contract.

**Procedure Performed:** Inquired of management and obtained management's written representation that no contracts were initiated or renewed during the fiscal period.

**Findings:** Found that no contracts were initiated or renewed during the fiscal period.

**Management's response:**

*No Comment*

## PAYROLL AND PERSONNEL

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### 9. Payroll and Personnel

- A) Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**Procedure Performed:** Obtained a listing of employees employed during the fiscal period and obtain management's written representation that the listing is complete. We selected all 4 employees listed and obtained their related paid salaries and personnel files, and agreed salaries to authorized salaries

**Findings:** The listing contained 4 employees and no elected officials.

- B) Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
- i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Procedure Performed:** We randomly selected one pay period during the fiscal period (Pay Period ending 4/5/2024) and obtained attendance records and leave documentation for that pay period for the 4 employees selected under #9A.

**Findings:**

- i) Observed all selected employees documented their daily attendance and leave.
- ii) Observed supervisor approved the attendance and leave of the selected employees.
- iii) Observed any leave accrued or taken during the pay period is reflected in the Department's cumulative leave records.
- iv) Observed the rate paid to the employees agree to the authorized salary found within the personnel file.

## PAYROLL AND PERSONNEL (CONTINUED)

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

**Procedure Performed:** Inquired of management and obtained management's written representation that no employees received termination payments during the fiscal period.

**Findings:** Found no termination payments were made during the fiscal period.

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

**Procedure Performed:** Inquired of management and obtained management's written representation that employer and employee portions of third-party payroll related amounts have been paid, and all associated forms have been filed by required deadline.

**Findings:** Found that employer and employee portions of third-party payroll related amounts have been paid, and all associated forms have been filed by required deadlines.

*Management's response:*

*No Comment*

## ETHICS

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### 10. Ethics

- A) Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Procedure Performed:** Obtained and observed ethics documentation from management for the 4 employees selected from Payroll and Personnel procedure #9A. Obtained management's representation that there were no changes to the District's Ethics Policy during the current fiscal year.

**Findings:**

- i) Observed that the documentation demonstrates 1 of the 4 employees did not complete one hour of ethics training during the calendar year; however, the employee was no longer employed prior to the end of the calendar year.
  - ii) This procedure is not applicable. There were no changes to the District's ethics policy during the fiscal period
- B) Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**Procedure Performed:** Inquired of management and obtained management's written representation that the District has not appointed an ethics designee.

**Findings:** Found that the District has not appointed an ethics designee.

***Management's response:***

*In the future, we will appoint an ethics designee.*

## DEBT SERVICE

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### 11. 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 State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

**Procedure Performed:** Inquired of management and obtained management's representation that the listing contains no bonds/notes and other debt instruments during the fiscal period.

**Findings:** Found that the listing contained no bonds/notes and other debt instruments were issued during the fiscal period.

- 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Procedure Performed:** Obtained from management a listing of bonds/notes outstanding at the end of the fiscal period. Obtained management's written representation that the list is complete. Selected the one bond, inspected debt covenants, and obtained supporting documentation for debt covenants requirements.

**Findings:** Found that the debt covenants requirements are met.

**Management's response:**

*No comment.*

## FRAUD NOTICE

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### 12. 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 entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

**Procedure Performed:** Inquired of management and obtained management's written representation that the District did not have any misappropriation of public funds and assets during the fiscal period.

**Findings:** Found the District did not have any misappropriation of public funds and assets during the fiscal period.

- B. Observe the entity 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.

**Procedure Performed:** Observed the District posted, on its premises the notice required by R.S. 24-523.1. Obtained management's representation that the District does not have a website.

**Findings:** Found the District posted, on its premises the notice required by R.S. 24-523.1. Found the District does not have a website.

*Management's response:*

*No Comment*

## **INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY**

### **13. 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 entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week (b) was not stored on the government's local server or network, and (c) was encrypted.
- ii) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- iii) Obtain a listing of the entity'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.

**Procedure Performed:** We performed the procedures.

**Findings:** Verbally discussed the results with management.

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

**Procedure Performed:** We performed the procedures.

**Findings:** Verbally discussed the results with management.

**C) Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training is required by R.S. 42:1267. The requirements are as follows:**

- Hired before June 9, 2020 – completed the training; and
- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

**Procedure Performed:** We performed the procedures.

**Findings:** Verbally discuss the results with management.



## PREVENTION OF SEXUAL HARASSMENT

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### 14. Prevention of Sexual Harassment

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

**Procedure Performed:** Obtained and observed the sexual harassment training documentation for the 4 selected District's employees from Payroll and Personnel procedure #9A.

**Findings:** Found the documentation demonstrates 1 of the 4 selected employees did not complete at least one hour of sexual harassment training during the calendar year; however, the employee was no longer employed prior to the end of the calendar year.

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

**Procedure Performed:** Inquired of management and obtained management's written representation that the District does not have a website and observed the District did post its sexual harassment policy and complaint procedure on its premises.

**Findings:** Found the District does not have a website; However, the District did post the sexual harassment policy and complaint procedure on its premises.

- C) Obtain the entity'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:

- i) Number and percentage of public servants in the agency who have completed the training requirements;
- ii) Number of sexual harassment complaints received by the agency;
- iii) Number of complaints which resulted in a finding that sexual harassment occurred;
- iv) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v) Amount of time it took to resolve each complaint

**Procedure Performed:** Obtained the District's annual sexual harassment report for the current fiscal period.

**Findings:** The report was dated on or before February 1. The report contained all the applicable information requirements of R.S. 42:344. No complaints of sexual harassment were received by the District.

***Management's response:***

*No comment.*