

REPORT

ST. TAMMANY PARISH RECREATION DISTRICT #7  
PEARL RIVER, LOUISIANA

DECEMBER 31, 2019



# Duplantier Hrapmann Hogan & Maher, LLP

A.J. Duplantier, Jr., CPA  
(1919-1985)

Felix J. Hrapmann, Jr., CPA  
(1919-1990)

William R. Hogan, Jr., CPA  
(1920-1996)

James Maher, Jr., CPA  
(1921-1999)

## ACCOUNTANT'S COMPILATION REPORT

Lindsay J. Calub, CPA, LLC  
Guy L. Duplantier, CPA  
Michelle H. Cunningham, CPA  
Dennis W. Dillon, CPA  
Grady C. Lloyd, III CPA

May 22, 2020

Heather M. Jovanovich, CPA  
Terri L. Kitto, CPA

Robynn P. Beck, CPA  
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Jason C. Montegut, CPA  
Paul M. Novak, CPA, AVB, CVA  
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Board of Commissioners  
St. Tammany Parish Recreation District 7  
Pearl River, LA

Management is responsible for the accompanying financial statements of the business-type activities of St. Tammany Parish Recreation District 7, a component unit of St. Tammany Parish, as of and for the year ended December 31, 2019, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

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

We are not independent with respect to St. Tammany Parish Recreation District 7.

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The accompanying supplementary information contained in the schedule of compensation, benefits and other payments to the agency head is presented for additional analysis as required by the Louisiana Revised Statute R.S. 24:513A and is not a required part of the basic financial statements. The supplementary information was not subject to our compilation engagement. We do not express an opinion, a conclusion nor provide any assurance on such information.

*Duplantier, Sharpner, Hogan and Baker, LLP*

Slidell, LA

ST. TAMMANY RECREATION DISTRICT NO 7  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019  
(Unaudited)

ASSETS

Cash	\$ 524,501
Fixed Assets:	
Building Improvements	99,138
Furniture & Equipment	42,868
Land Improvements	117,995
Land	624,050
Accumulated Depreciation	(146,833)
	737,218
TOTAL ASSETS	\$ 1,261,719

LIABILITIES AND NET POSITION

Liabilities:	
Payroll Taxes Payable	\$ 1,672
Unearned Revenue	144,011
Total Liabilities	145,683
Net Position:	
Investment in General Fixed Assets	737,218
Unrestricted	378,818
Total Net Position	1,116,036
TOTAL LIABILITIES AND NET POSITION	\$ 1,261,719

See accountant's compilation report

ST. TAMMANY RECREATION DISTRICT NO 7  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Unaudited)

OPERATING REVENUES:

Concession Income	\$ 20,961
Sport Registrations	35,033
Facility Rentals	8,720
Kids Events Income	15,222
Total Operating Income	79,936

OPERATING EXPENSES:

Bank Service Charges	338
Concession	14,814
Depreciation Expense	21,344
Equipment	1,228
Facility Maintenance	13,648
Insurance	11,010
Kids Night Out	1,944
Officials	47,021
Other	2,587
Payroll Expense	5,436
Professional Fees	29,135
Repairs and Maintenance	24,358
Salaries	23,306
Supplies	2,487
Telephone	2,616
Utilities	19,577
Total Operating Expenses	220,849

Operating Loss	(140,913)
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NON OPERATING REVENUES/(EXPENSES)

Ad Valorem	241
Interest Income	211
Other Income	3,635
Cell Tower Lease Revenue	50,950
Total Non Operating Revenues	55,037

Change in Net Position	(85,876)
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NET POSITION - BEGINNING OF YEAR	1,201,912
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NET POSITION - END OF YEAR	\$ 1,116,036
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See accountant's compilation report

ST. TAMANY PARISH RECREATION DISTRICT NO 7  
SUPPLEMENTAL INFORMATION  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Unaudited)

NO PAYMENTS MADE.

ST. TAMMANY PARISH RECREATION DISTRICT 7

ACCOUNTANT'S REPORT  
ON APPLYING AGREED UPON PROCEDURES

DECEMBER 31, 2019



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## ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

September 8, 2020

Board of Directors  
St. Tammany Parish Recreation District 7 and  
Louisiana Legislative Auditor

We have applied the procedures enumerated below which were agreed to by the St. Tammany Parish Recreation District 7 (District) and the Louisiana Legislative Auditor on the control and compliance areas identified by the Louisiana Legislative Auditor for the year ended December 31, 2019. The District's management is responsible for the control and compliance areas identified in the Procedures. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and associated results are as follows:

### Written Policies and Procedures

- 1) Obtain the District's written policies and procedures and determine whether those written policies and procedures address each of the following financial/business functions, as applicable:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

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- c) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- d) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- e) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials and appointed board members, annually attest through signature verification that they have read the entity's ethics policy.
- f) **Bank Reconciliations**, including (1) monthly bank statement reconciliations, (2) review of all bank reconciliations by someone independent of cash receipt and disbursement functions, and (3) process for addressing items outstanding for more than 12 months from the statement closing date, if applicable.

Results:

Upon applying the procedures above, we noted the following:

- Purchasing policies and procedures did not address how vendors are added to the vendor list.
- Travel and expense reimbursement policies and procedures did not address dollar thresholds by category of expense.
- The ethics policy did not address the actions to be taken if an ethics violation takes place, the system to monitor possible ethics violations, nor the requirement that all employees, including appointed board members, annually attest through signature verification that they have read the District's ethics policy.
- The bank reconciliations policies and procedures did not address the process for addressing items outstanding for more than 12 months from the statement closing date.

Response:

- Our purchasing procedure shall be amended to include: "Vendors shall be added to our vendor list upon approval from the Board or its designated appointee."
- Travel and expense reimbursement policies and procedures shall be amended to include: "The amount reimbursed shall be determined on a case by case basis and shall be deemed acceptable at the discretion of the Board."
- The ethics policy shall be amended to include: "Any violation of the Recreation 7 ethics policy shall be met with immediate dismissal of employment or immediate recommendation of removal from Board to Parish Councilman. Each Board Member and employee must sign no later than the 2nd regularly scheduled public meeting, stating that they have read and agree to adhere to Recreation 7 ethics policy."
- Our reconciliations policy shall be amended to include: "Any item outstanding for more than 12 months from the statement closing date shall be voided and reissued when deemed necessary."

***Board (or Finance Committee, if applicable) Oversight***

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- 1) Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on all funds.

Results:

Upon applying the procedures above, we noted that, of the nine required board meetings there was not a quorum for one meeting during the fiscal year. We also noted that none of the board minutes from the fiscal year referenced or included monthly budget-to-actual comparisons on all funds.

Response:

The Board has contacted their CPA to be sure to accurately submit the correct financial reports at each monthly meeting. A Profit and Loss and a Balance Sheet are submitted at each monthly meeting and attached to the meeting minutes kept on record in the office. The board will be adding the Budget-to-Actual Comparison Report to that submission.

***Ethics***

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- 1) Obtain a listing of employees/elected officials/board members employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials/board members, obtain ethics documentation from management, and:
  - a) Observe that the documentation demonstrates each employee/official/board member completed one hour of ethics training during the fiscal period; and
  - b) Observe that the documentation demonstrated each employee/official/board member attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results:

Upon applying the procedures above, we noted that four employees/board members selected for testing either did not complete one hour of ethics training, or there was no record of them doing so during the fiscal period. We also noted that none of the employees/board members tested attested through signature verification that they read the District's ethics policies and procedures during the fiscal period.

Response:

The Board is now aware of all requirements and will be sure to adhere to those requirements moving forward.

***Information Technology Disaster Recovery/Business Continuity***

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- 1) Obtain and inspect the District's written policies and procedures over information technology disaster recovery/business continuity (or the equivalent contractual terms if IT services are outsourced) and observe that they address (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.
- 2) Perform the following procedures and discuss the results with management:
  - a) Obtain and inspect the District's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - b) Obtain and inspect the District's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c) Obtain a listing of the District's computers currently in use, and their related locations, and management's representation that the listing is complete. Observe while management demonstrates that the computers have active antivirus software and that the antivirus, operating system, and accounting system software are the most recent versions available (i.e. up-to-date).

Results:

Upon applying the procedures above, we noted the following:

- The District does not have written policies and procedures over information technology disaster recovery/business continuity.
- We discussed with management the results of our testing.

Response:

- The Board is in the process of creating a policy and procedure for information technology disaster recovery.
- The Board will address recommendations.

*Sexual Harassment*

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- 1) Obtain and inspect the District's written sexual harassment policies and procedures and observe that they address all requirements of Louisiana Revised Statutes (R.S.) 42:342-344, including District responsibilities and prohibitions; annual employee training; and annual reporting requirements.
- 2) Obtain a listing of employees/elected officials/board members employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees/elected officials/board members, and obtain sexual harassment training documentation from management, and observe that the documentation demonstrated each employee/elected official/board member completed at least one hour of sexual harassment training during the calendar year.
- 3) Observe that the District has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the District's premises if the District does not have a website).
- 4) Obtain the District's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

Results:

Upon applying the procedures above, we noted the following:

- The District's sexual harassment policies and procedures do not address annual reporting requirements
- The District has not posted its sexual harassment policy and complaint procedure in a conspicuous location.
- The District did not file a sexual harassment report for the fiscal period.
- None of the employees/board members tested completed sexual harassment training during the fiscal period.

Response:

- The Board has printed and posted the Sexual Harassment policy in our central office.
- The Board and employees will complete sexual harassment training for this fiscal period and each one following.

September 8, 2020

This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the control and compliance areas identified in the Procedures. Accordingly, we do not express such an opinion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of St. Tammany Parish Recreation District and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Duplantier, Chapman, Hogan and Oakes, LLP*

New Orleans, Louisiana