

Financial Report

Terrebonne Parish Recreation District No. 5
Bourg, Louisiana

December 31, 2024

Financial Report

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Bourg, Louisiana

December 31, 2024

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Bourg, Louisiana

December 31, 2024

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FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 5,
Bourg, Louisiana.

Opinion

We have audited the accompanying financial statements of the governmental activities and governmental funds of Terrebonne Parish Recreation District No. 5 (the “District”), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the governmental funds of the District as of December 31, 2024 and the respective changes in net position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information on page 33 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2025 on our consideration of Terrebonne Parish Recreation District No. 5's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Certified Public Accountants.

Houma, Louisiana,
May 20, 2025.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Terrebonne Parish Recreation District No. 5 Bourg, Louisiana

December 31, 2024

Management’s Discussion and Analysis of the Terrebonne Parish Recreation District No. 5’s (the “District”) financial performance presents a narrative overview and analysis of the District’s financial activities for the year ended December 31, 2024. This document focuses on the current year’s activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements which follow in this section.

FINANCIAL HIGHLIGHTS

The District’s assets exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2024 by \$4,016,482 (net position), which represents a 2.48% increase from last fiscal year.

The District’s revenue decreased \$214,282 (or 21.27%) primarily due to decreases in ad valorem tax collections.

The District’s expenses increased \$159,852 (or 29.82%) primarily due to an increase in culture and recreation expenditures.

The District did not have a deficit fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District’s finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the District’s assets, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Government-Wide Financial Statements (Continued)**

The Statement of Activities presents information showing how the District's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the District is culture and recreation.

Fund Financial Statements

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

Governmental Funds

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

The District maintains two governmental funds. Information is presented for the General Fund and Debt Service Fund in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 11 through 17 of this report.

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2024, assets exceeded liabilities and deferred inflows of resources by \$4,016,482. A large portion of the District's net position (62.36%) reflects its investment in capital assets (e.g., land, construction in progress, buildings and improvements, and machinery and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	<u>December 31,</u>		<u>Dollar</u>	<u>Total</u>
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>Percent</u>
Current and other assets	\$ 2,204,069	\$ 2,418,578	\$ (214,509)	-8.87%
Capital assets	<u>4,136,386</u>	<u>3,963,415</u>	<u>172,971</u>	4.36%
Total assets	<u>6,340,455</u>	<u>6,381,993</u>	<u>(41,538)</u>	-0.65%
Current and other liabilities	27,277	37,026	(9,749)	-26.33%
Long-term liabilities	1,612,758	1,707,773	(95,015)	-5.56%
Deferred inflows of resources	<u>683,938</u>	<u>718,026</u>	<u>(34,088)</u>	-4.75%
Total liabilities and deferred inflows of resources	<u>2,323,973</u>	<u>2,462,825</u>	<u>(138,852)</u>	-5.64%
Net position:				
Net investment in capital assets	2,504,850	2,235,376	269,474	12.05%
Restricted	547,093	603,115	(56,022)	-9.29%
Unrestricted	<u>964,539</u>	<u>1,080,677</u>	<u>(116,138)</u>	-10.75%
Total net position	<u>\$ 4,016,482</u>	<u>\$ 3,919,168</u>	<u>\$ 97,314</u>	2.48%

Current and other assets decreased primarily due to decreases in cash and taxes receivable. Capital assets increased due to improvements and additions made in the District. Total liabilities and deferred inflows of resources decreased primarily because of a decrease in deferred inflows of resources resulting from a decrease in ad valorem taxes available for the subsequent year, as well as the District paying their long-term debt.

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

Governmental activities increased the District's net position by \$97,314, key elements of this increase are as follows:

Condensed Statements of Activities

	<u>December 31,</u>		<u>Dollar</u>	<u>Total</u>
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>Percent</u>
				<u>Change</u>
Revenues:				
Ad valorem taxes	\$ 722,001	\$ 973,833	\$ (251,832)	-25.86%
Intergovernmental	16,896	17,850	(954)	-5.34%
Charges for services	12,058	3,257	8,801	100.00%
Miscellaneous	42,255	12,552	29,703	236.64%
Total revenues	<u>793,210</u>	<u>1,007,492</u>	<u>(214,282)</u>	-21.27%
Expenses:				
General government	25,004	33,799	(8,795)	-26.02%
Culture and recreation	617,745	445,029	172,716	38.81%
Debt service	<u>53,147</u>	<u>57,216</u>	<u>(4,069)</u>	-7.11%
Total expenses	<u>695,896</u>	<u>536,044</u>	<u>159,852</u>	29.82%
Increase in net position	97,314	471,448	(374,134)	-79.36%
Net position beginning of year	<u>3,919,168</u>	<u>3,447,720</u>	<u>471,448</u>	13.67%
Net position end of year	<u>\$ 4,016,482</u>	<u>\$ 3,919,168</u>	<u>\$ 97,314</u>	2.48%

In 2024, the District's revenue decreased by \$214,282 or 21.27% primarily due to a decrease in ad valorem tax revenue. Culture and recreation expenses increased by \$172,716 or 38.81% due to increases in each category of expense driven by rising costs and additional repairs and maintenance throughout the District's facilities.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

Governmental Funds

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds' ending fund balance is \$1,511,632 which is a decrease of \$172,160 (10.22%) in comparison with the prior year. The decrease was primarily due to an increase in culture and recreation expenditures. Ending fund balance for the governmental funds includes \$547,093 restricted for debt service and \$258,735 assigned for subsequent year's budget deficit and \$705,804 unassigned in the General Fund.

General Fund Budgetary Highlights

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

Revenues

- Ad valorem taxes were increased by \$7,600 to reflect the anticipated ad valorem tax collected during the year ended December 31, 2024.
- Interest revenue was increased by \$5,000 to reflect expected interest earned on certificates of deposit.

Expenditures

- Supplies and materials increased by \$75,000 to better reflect the expenditures incurred by the District.
- Other services and charges were decreased \$11,000 to better reflect the expenditures incurred by the District.
- Repairs and maintenance increased \$189,000 to reflect anticipated repairs.

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

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS**Capital Assets**

The District's net investment in capital assets for its governmental activities as of December 31, 2024 and 2023, amounts to \$4,136,386 and \$3,963,415, respectively, (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, and machinery and equipment.

	<u>2024</u>	<u>2023</u>
Land	\$ 210,694	\$ 210,694
Construction in progress	12,200	-
Buildings and improvements	3,659,636	3,538,159
Machinery and equipment	<u>253,856</u>	<u>214,562</u>
Totals	<u>\$ 4,136,386</u>	<u>\$ 3,963,415</u>

Major capital asset expenditures during the current fiscal year were completion of improvements such as new gym bleachers, new gym doors, new fencing, additions of sports fields, and other items for the beautification of the District.

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

Long-Term Obligations

As of December 31, 2024, the District had \$1,612,758 in long-term obligations. This includes the District's obligations of \$1,580,000 for bonds payable and \$32,758 of unamortized bond premium. More detailed information about the District's bonds payable is presented in Note 7 of this report.

The District's bonds have an "AA" rating from Standard and Poor's Rating Service.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- The ad valorem tax revenue budgeted represents the estimated amount of the November 2024 assessment, which the District will receive, for the most part, in January 2025.
- The District has projected a decrease in repair costs over last year's actual repair expenditures as a result of restoration and renovation costs to the gym in prior years.
- The District has projected \$495,000 for future capital projects such as courts for tennis and pickleball, as well as a walking trail, covered outdoor basketball court, and dog park.
- Salaries and benefits are projected to increase due to the District hiring additional employees to run the facility.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of Terrebonne Parish Recreation District No. 5, 118 Retreat Drive, Bourg, LA 70343.

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET

Terrebonne Parish Recreation District No. 5

Bouq, Louisiana

December 31, 2024

	Governmental Funds			Adjustments (Exhibit B)	Statement of Net Position
	General Fund	Debt Service Fund	Totals		
Assets					
Cash and cash equivalents	\$ 321,281	\$ 551,714	\$ 872,995	\$ -	\$ 872,995
Investments	682,566	-	682,566	-	682,566
Receivables:					
Taxes	37,639	5,646	43,285	-	43,285
Due from other governmental units	528,383	76,840	605,223	-	605,223
Capital assets:					
Non-depreciable	-	-	-	222,894	222,894
Depreciable, net of accumulated depreciation	-	-	-	3,913,492	3,913,492
Total assets	<u>\$ 1,569,869</u>	<u>\$ 634,200</u>	<u>\$ 2,204,069</u>	<u>4,136,386</u>	<u>6,340,455</u>
Liabilities and Deferred Inflows of Resources					
Accounts payable and accrued expenditures	\$ 8,499	\$ -	\$ 8,499	18,778	27,277
Long term obligations					
Due within one year	-	-	-	94,753	94,753
Due after one year	-	-	-	1,518,005	1,518,005
Total liabilities	<u>8,499</u>	<u>-</u>	<u>8,499</u>	<u>1,631,536</u>	<u>1,640,035</u>
Deferred inflows of resources:					
Unavailable revenue	<u>596,831</u>	<u>87,107</u>	<u>683,938</u>	<u>-</u>	<u>683,938</u>
Total liabilities and deferred inflows of resources	<u>605,330</u>	<u>87,107</u>	<u>692,437</u>	<u>1,631,536</u>	<u>2,323,973</u>
Fund Balance/Net Position					
Fund balance:					
Restricted - debt service	-	547,093	547,093	(547,093)	-
Assigned - subsequent year's budget deficit	258,735	-	258,735	(258,735)	-
Unassigned	<u>705,804</u>	<u>-</u>	<u>705,804</u>	<u>(705,804)</u>	<u>-</u>
Total fund balance	<u>964,539</u>	<u>547,093</u>	<u>1,511,632</u>	<u>(1,511,632)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,569,869</u>	<u>\$ 634,200</u>	<u>\$ 2,204,069</u>		
Net position					
Net investment in capital assets				2,504,850	2,504,850
Restricted					
Debt service				547,093	547,093
Unrestricted				<u>964,539</u>	<u>964,539</u>
Total net position				<u>\$ 4,016,482</u>	<u>\$ 4,016,482</u>

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 5

Bourg, Louisiana

December 31, 2024

Fund Balances - Governmental Fund	\$ 1,511,632
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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 financial resources and, therefore, are not
reported in the governmental fund.

Governmental capital assets	\$ 5,406,411	
Less accumulated depreciation	<u>(1,270,025)</u>	4,136,386

Long-term liabilities are not due and payable in the
current period and therefore are not reported
in the governmental funds.

Bonds payable	(1,580,000)	
Bond premium	(32,758)	
Accrued interest expense	<u>(18,778)</u>	<u>(1,631,536)</u>

Net Position of Governmental Activities	<u><u>\$ 4,016,482</u></u>
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See notes to financial statements.

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

Terrebonne Parish Recreation District No. 5
Bourg, Louisiana

For the year ended December 31, 2024

	Governmental Funds				
	General Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
Revenues					
Taxes	\$ 627,367	\$ 94,634	\$ 722,001	\$ -	\$ 722,001
Intergovernmental:					
State of Louisiana:					
State revenue sharing	16,896	-	16,896	-	16,896
Charges for services	12,058	-	12,058	-	12,058
Miscellaneous:					
Interest	35,863	2,766	38,629	-	38,629
Other	3,584	42	3,626	-	3,626
Total revenues	695,768	97,442	793,210	-	793,210
Expenditures/Expenses					
Current:					
General government:					
Ad valorem tax deductions	21,190	3,814	25,004	-	25,004
Culture and recreation:					
Personal services	163,647	-	163,647	-	163,647
Supplies and materials	71,022	-	71,022	-	71,022
Other services and charges	65,512	-	65,512	16,301	81,813
Repairs and maintenance	72,416	-	72,416	-	72,416
Depreciation	-	-	-	228,847	228,847
Total culture and recreation	372,597	-	372,597	245,148	617,745
Debt service:					
Bond principal payments	-	90,000	90,000	(90,000)	-
Interest and fiscal charges	-	59,650	59,650	(6,503)	53,147
Total debt service	-	149,650	149,650	(96,503)	53,147
Capital outlay	418,119	-	418,119	(418,119)	-
Total expenditures, expenses	811,906	153,464	965,370	(269,474)	695,896

	Governmental Funds			Adjustments (Exhibit D)	Statement of Activities
	General Fund	Debt Service Fund	Totals		
Excess (Deficiency) of Revenues Over Expenditures	<u>(116,138)</u>	<u>(56,022)</u>	<u>(172,160)</u>	<u>172,160</u>	<u>-</u>
Change in Net Position	-	-	-	97,314	97,314
Fund Balance/Net Position					
Beginning of year	<u>1,080,677</u>	<u>603,115</u>	<u>1,683,792</u>	<u>2,235,376</u>	<u>3,919,168</u>
End of year	<u><u>\$ 964,539</u></u>	<u><u>\$ 547,093</u></u>	<u><u>\$ 1,511,632</u></u>	<u><u>\$ 2,504,850</u></u>	<u><u>\$ 4,016,482</u></u>

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 5

Bourg, Louisiana

For the year ended December 31, 2024

Net Change in Fund Balance - Governmental Fund **\$ (172,160)**

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense.

Capital outlay	\$ 418,119	
Depreciation expense	<u>(228,847)</u>	189,272

The net effect of miscellaneous transactions involving
capital assets, such as disposals, trade-ins and donations,
is to decrease capital assets.

Loss on sale of capital assets		(16,301)
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The repayment of the principal of long-term debt consumes
the current financial resources of governmental funds,
the transaction, however, has no effect on net position.

90,000

Governmental funds report decreases in long-term liabilities
as expenditures or other uses of resources in the Statement
of Governmental Revenues, Expenditures and Changes in
Fund Balance. Those activities are reported as changes in
liabilities in the Statement of Activities.

Amortization of bond premium	5,015	
Decrease in accrued interest payable	<u>1,488</u>	<u>6,503</u>

Change in Net Position of Governmental Activities **\$ 97,314**

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 5
Bourg, Louisiana

For the year ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 580,000	\$ 587,605	\$ 627,367	\$ 39,762
Intergovernmental:				
State of Louisiana:				
State revenue sharing	17,500	16,896	16,896	-
Charges for services	-	-	12,058	12,058
Miscellaneous:				
Interest	22,620	27,621	35,863	8,242
Other	500	3,536	3,584	48
Total revenues	<u>620,620</u>	<u>635,658</u>	<u>695,768</u>	<u>60,110</u>
Expenditures				
Current:				
General government:				
Ad valorem tax deductions	<u>17,000</u>	<u>21,429</u>	<u>21,190</u>	<u>239</u>
Culture and recreation:				
Personal services	161,135	147,374	163,647	(16,273)
Supplies and materials	45,000	120,828	71,022	49,806
Other services and charges	55,410	44,143	65,512	(21,369)
Repairs and maintenance	<u>159,500</u>	<u>348,913</u>	<u>72,416</u>	<u>276,497</u>
Total culture and recreation	<u>421,045</u>	<u>661,258</u>	<u>372,597</u>	<u>288,661</u>

Exhibit E
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (Continued)				
Capital outlay	<u>-</u>	<u>-</u>	<u>418,119</u>	<u>(418,119)</u>
Total expenditures	<u>438,045</u>	<u>682,687</u>	<u>811,906</u>	<u>(129,219)</u>
Excess (Deficiency) of Revenues Over Expenditures	182,575	(47,029)	(116,138)	(69,109)
Fund Balance				
Beginning of year	<u>1,437,827</u>	<u>1,080,677</u>	<u>1,080,677</u>	<u>-</u>
End of year	<u>\$ 1,620,402</u>	<u>\$ 1,033,648</u>	<u>\$ 964,539</u>	<u>\$ (69,109)</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Terrebonne Parish Recreation District No. 5

Bourg, Louisiana

December 31, 2024

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Recreation District No. 5 (the “District”) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of the Terrebonne Parish Consolidated Government (the “Parish”) and as such, these financial statements will be included in the annual comprehensive financial report (ACFR) of the Parish for the year ended December 31, 2024.

GASB Statement 14, *“The Financial Reporting Entity”*, and GASB Statement 39, *“Determining Whether Certain Organizations Are Component Units-an amendment of GASB”* Statement 14 and GASB Statement 61, *“The Financial Reporting Entity: Omnibus and Amendment of GASB Statement 14 and 34”* established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation

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

Government-Wide Financial Statements:

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

Fund Financial Statements:

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

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

Debt Service Fund - The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

c) Measurement Focus and Basis of Accounting

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements

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

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2024 property taxes which are being levied to finance the 2025 budget will be recognized as revenue in 2025. The 2024 tax levy is recorded as deferred inflows of resources (unavailable revenue) in the District's 2024 financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Use of Estimates

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

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the "Board") adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and a public hearing on the budget prior to adoption, when budgeted expenditures exceed \$500,000. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

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

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

f) Accounts Receivable

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

g) Investments

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

h) Prepaid Insurance

The District records prepaid insurance in its government-wide financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. There was no prepaid insurance as of December 31, 2024.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Capital Assets

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

Government-Wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$250 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Buildings and improvements	10 - 40 years
Machinery and equipment	5 - 20 years

Fund Financial Statements

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

j) Long-Term Debt

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

Government-Wide Financial Statements

All long-term obligations to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term obligations consist of bonds payable and bond premium. In these financial statements bond premium is deferred and amortized over the life of the bonds using the effective interest method. Bond payables are reported including the applicable premium. Bond issuance costs are recognized as expenses in the period incurred.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Long-Term Debt (Continued)

Fund Financial Statements

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

k) Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position and Governmental Funds Balance Sheet report a separate section for deferred inflows of resources, which represent acquisition of net position that applies to future periods and so will not be recognized as revenues until that time. The District reports deferred inflows of resources in the financial statements when resources associated with imposed non-exchange revenue transaction are received or reported as a receivable before (a) the period for which property taxes are levied or (b) the period when resources are required to be used or when use is first permitted for all other imposed non-exchange revenues in which the enabling legislation includes time requirements.

l) Vacation and Sick Leave

The District has no written vacation and sick leave policy in place. There is no accumulated unpaid vacation and sick leave as of December 31, 2024.

m) Equity

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any.
- b. Restricted net position - Consists of assets and deferred outflow of resources less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Equity (Continued)

Government-Wide Statements (Continued)

- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

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.

Fund Financial Statements

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

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

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available. The District’s fund balance was classified as restricted, assigned, and unassigned as of December 31, 2024. The balance of restricted fund balance relates to ad valorem tax proceeds restricted to debt service. The assigned general fund balance is related to the subsequent year’s budget deficit

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) New GASB Statements

During the year ended December 31, 2024, the District implemented the following GASB Statements:

Statement No. 99, "*Omnibus 2022*" provides objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial report for financial guarantees. This Statement did not affect the financial statements for the year ended December 31, 2024.

Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*" provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement did not affect the financial statements for the year ended December 31, 2024.

Statement No. 101, "*Compensated Absences*" provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement did not affect the financial statements for the year ended December 31, 2024.

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

Statement No. 102, "*Certain Risk Disclosures*" defines concentrations and constraints. The Statement also requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Additional disclosures are to be included if reporting criteria is met which will provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) New GASB Statements (Continued)

Statement No. 103, “*Financial Reporting Model Improvements*” provides objectives to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 104, “*Disclosure of Certain Capital Assets*” provides users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in Statement No. 87, and intangible right-to-use assets recognized in accordance with Statement No. 94, should be disclosed separately by major class of underlying asset in the capital asset note disclosure. Subscription assets recognized in accordance with Statement No. 96 also should be separately disclosed. This Statement also requires additional disclosure for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Note 2 - DEPOSITS AND INVESTMENTS

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

Bank Deposits

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

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

The year-end balances of deposits as of December 31, 2024 are as follows:

	Bank Balances	Reported Amount
Cash	\$ 884,093	\$ 872,995
Certificates of deposit	682,566	682,566
Totals	<u>\$ 1,566,659</u>	<u>\$ 1,555,561</u>

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk, which requires compliance with state law. As of December 31, 2024, \$1,066,659 of the District's bank balance of \$1,566,659 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and by state statute are deemed to be held in the District's name.

As of December 31, 2024, cash and certificates of deposit in excess of FDIC insurance were collateralized, by securities held by unaffiliated banks for the account of the District. GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A statewide reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2024. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2024 was \$11.00 per \$1,000 of assessed valuation on property within Terrebonne Parish Recreation District No. 5 for the purpose of maintaining and operating recreational facilities within the District and \$1.65 per \$1,000 of assessed valuation on property within Terrebonne Parish for the purpose of purchasing.

Note 3 - PROPERTY TAXES (Continued)

acquiring, construction and improving parks, playgrounds, recreation centers and other recreational facilities, together with the necessary furnishings and equipment. As indicated in Note 1c, taxes levied November 1, 2024 are for budgeted expenditures in 2025 and will be recognized as revenues in 2025. The 2024 tax assessment, less deductions for the assessor's retirement, has been reported as unavailable revenues in the December 31, 2024 balance sheet.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of December 31, 2024 consisted of the following:

	General Fund	Debt Service Fund	Totals
State of Louisiana - State revenue sharing	\$ 10,744	\$ -	\$ 10,744
Terrebonne Parish Tax Collector - December, 2023 collections remitted to the District in January, 2025:			
Ad valorem taxes	512,267	76,840	589,107
State revenue sharing	5,372	-	5,372
Totals	<u>\$ 528,383</u>	<u>\$ 76,840</u>	<u>\$ 605,223</u>

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024
Capital assets not being depreciated:				
Land	\$ 210,694	\$ -	\$ -	\$ 210,694
Construction in progress	-	12,200	-	12,200
Total capital assets not being depreciated	210,694	12,200	-	222,894
Capital assets being depreciated:				
Buildings and improvements	4,455,867	307,026	(6,927)	4,755,966
Machinery and equipment	421,786	98,893	(93,128)	427,551
Total capital assets being depreciated	4,877,653	405,919	(100,055)	5,183,517
Less accumulated depreciation for:				
Buildings and improvements	(917,708)	(184,894)	6,272	(1,096,330)
Machinery and equipment	(207,224)	(43,953)	77,482	(173,695)
Total accumulated depreciation	(1,124,932)	(228,847)	83,754	(1,270,025)
Total capital assets being depreciated, net	3,752,721	177,072	(16,301)	3,913,492
Total capital assets, net	<u>\$ 3,963,415</u>	<u>\$ 189,272</u>	<u>\$ (16,301)</u>	<u>\$ 4,136,386</u>

In 2024, the District completed gym repairs, consisting of new gym bleachers and new gym doors. The District made other improvements such as adding additional fields for sporting events and beautification of the District.

The District's depreciation amounting to \$228,847 was recorded as cultural and recreational expenses for the year ended December 31, 2024.

Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenditures as of December 31, 2024 consisted of the following:

	Governmental Funds	Adjustments	Totals
Vendors	\$ 8,499	\$ -	\$ 8,499
Accrued interest	<u>-</u>	<u>18,778</u>	<u>18,778</u>
Totals	<u>\$ 8,499</u>	<u>\$ 18,778</u>	<u>\$ 27,277</u>

Note 7 - LONG-TERM DEBT

The following is a summary of changes in long-term debt of the District for the year ended December 31, 2024:

	Payable January 1, 2024	Obligations Retired	New Issues	Payable December 31, 2024	Due Within One Year
Bonds Series 2018	\$ 1,670,000	\$ 90,000	\$ -	\$ 1,580,000	\$ 90,000
Bond premium	<u>37,773</u>	<u>5,015</u>	<u>-</u>	<u>32,758</u>	<u>4,753</u>
Totals	<u>\$ 1,707,773</u>	<u>\$ 95,015</u>	<u>\$ -</u>	<u>\$ 1,612,758</u>	<u>\$ 94,753</u>

As of December 31, 2024, the District had General Obligation Bonds, series 2018, totaling \$1,580,000 bearing interest rates ranging from 3.00% to 5.00%. The bonds are payable from the annual levy and collection of unlimited ad valorem taxes on all the taxable property within the boundaries of the District sufficient to pay the principal and interest of the bonds as they mature. Ad valorem tax revenue recognized during the year ended December 31, 2024 amounted to \$722,001 (\$627,367 General Fund and \$94,634 Debt Service Fund). The bonds have a maturity date of March 1, 2038, with principal due March 1st and interest due March 1st and September 1st of each year.

Note 7 - LONG-TERM DEBT (Continued)

Annual debt service requirements through maturity for the bonds as of December 31, 2024 is as follows:

Year Ending December 31.	Principal	Interest	Totals
2025	\$ 90,000	\$ 54,550	\$ 144,550
2026	95,000	49,925	144,925
2027	95,000	45,175	140,175
2028	100,000	40,300	140,300
2029	100,000	36,300	136,300
2030 - 2034	570,000	132,150	702,150
2035 - 2038	530,000	35,875	565,875
Totals	<u>\$ 1,580,000</u>	<u>\$ 394,275</u>	<u>\$ 1,974,275</u>

Note 8 - RISK MANAGEMENT

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

Policy	Coverage Limits
General Liability	\$12,000,000
Workers' Compensation	Statutory

Coverage for general liability claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund then secondly by the District. Workers' compensation claims in excess of \$850,000 are covered under an insurance contract for claims aggregate up to limits are to be funded first by assets of the Parish's workers' compensation internal service fund. As of December 31, 2024, the District had no claims in excess of the above coverage limits.

Expenditures for premiums to the Parish for insurance coverages during the year ended December 31, 2024 totaled \$12,531.

Note 9 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 2024:

<u>Board Members</u>	<u>Number of Meetings Attended</u>	<u>Per Diem</u>
Gerald Arceneaux	11	\$ 275
James Franks	2	50
Alton Billiot, Jr.	10	250
Kurt Charpentier	8	200
Sarina Lirette	8	200
Jared Borne	8	200
Brock Verdin	8	<u>200</u>
Total		<u>\$ 1,375</u>

Note 10 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through May 20, 2025, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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

Terrebonne Parish Recreation District No. 5
Bourg, Louisiana

For the year ended December 31, 2024

Agency Head Name: Blane Champagne, Facility Director

Purpose

Salary	\$ 54,625
Benefits - insurance	-
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	1,353
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
	<hr/>
	<u>\$ 55,978</u>

Note:

Blane Champagne is the supervisor of the District and functions as the Chief Executive Officer.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 5,
Bourg, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and governmental funds of Terrebonne Parish Recreation District No. 5 (the “District”) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District’s financial statements and have issued our report thereon dated May 20, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 and 2024-002.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
May 20, 2025.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne Parish Recreation District No. 5 Bourg, Louisiana

For the year ended December 31, 2024

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

☒ Yes ☐ No

b) Federal Awards

Terrebonne Parish Recreation District No. 5 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2024 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

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

Internal Control Over Financial Reporting

No internal control over financial reporting findings were reported during the audit for the year ended December 31, 2024.

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

Compliance and Other Matters

2024-001 Compliance with State Budget Laws

Criteria - Louisiana Revised Statute 39:1311 requires that the chief executive or administrative officer advise the governing authority or independently elected official when actual revenues are less than budgeted revenues by 5% or actual expenditures exceed budgeted expenditures by 5% or actual beginning fund balance is less than budgeted fund balance by 5%.

Condition - Total expenditures were greater than 5% of budgeted expenditures.

Cause - The District's budget was not amended to reflect additional expenditures in the General Fund.

Effect - The District was not in compliance with Louisiana Revised Statute 39:1311.

Recommendation - We recommend that the District comply with the State budget law by amending its budget to ensure that actual expenditures do not create an unfavorable variance as compared to budgeted expenditures by greater than 5%.

Views of responsible officials when there is a disagreement with the finding, to the extent practical - None.

2024-002 Public Notices

Criteria - Minutes, resolutions, budgets and other official proceedings of the municipalities are required to be published in the official journal (R.S. 43:141-146 and A.G. 86-528).

Condition - Board minutes of January, February, March, April, and May 2024 meetings were not published in the official journal (The Courier). Notice was not published certifying that all actions required by the Local Government Budget Act have been completed.

Effect - Board minutes and the adopted budget were not available to the public.

Cause - An oversight by the administrative staff.

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

Compliance and Other Matters (Continued)

2024-002 Public Notices (Continued)

Recommendation - It is recommended that the District publish all minutes for 2024 that were not previously published in the official journal (The Courier) and continue to publish minutes immediately after adoption by the Board. It is also recommended that the District publish the required notice that all actions required by the Local Government Budget Act have been completed.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical - None.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Terrebonne Parish Recreation District No. 5 Bourg, Louisiana

For the year ended December 31, 2024

Section I - Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2023.

No significant deficiencies were reported during the audit for the year ended December 31, 2023.

Compliance

2023-001 Compliance with State Budget Laws

Auditor's Recommendation - We recommend that the District comply with the State budget law by amending its budget to ensure that actual expenditures do not create an unfavorable variance as compared to budgeted expenditures by greater than 5%.

Management's Response: Unresolved - The District amended its budget, however, there was still an unfavorable balance in actual expenditures.

Section II - Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 5 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2023 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2023.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Recreation District No. 5 Bourg, Louisiana

For the year ended December 31, 2024

Section I - Internal Control and Compliance Material to the Financial Statements

Internal Control Over Financial Reporting and Compliance and Other Matters

No material weaknesses were reported during the audit for the year ended December 31, 2024.

No significant deficiencies were reported during the audit for the year ended December 31, 2024.

Compliance

2024-001 Compliance with State Budget Laws

Recommendation - We recommend that the District comply with the State budget law by amending its budget to ensure that actual expenditures do not create an unfavorable variance as compared to budgeted expenditures by greater than 5%.

Management's Corrective Action - The District will institute policies to amend its budget accordingly to ensure actual expenditures do not create an unfavorable variance as compared to budgeted expenditures by greater than 5% in order to comply with Louisiana Revised Statute 39:1311.

2024-002 Public Notices

Recommendation - We recommend that the District publish all minutes for 2024 that were not previously published in the official journal (The Courier) and continue to publish minutes immediately after adoption by the Board. The District should also publish notice certifying the completion of the Local Government Budget Act requirements in a timely manner.

Management's Corrective Action - The District will publish all Board meeting minutes that occurred during the year ended December 31, 2024, and continue to publish minutes immediately after adoption by the board. The District will publish the required notice of completion in a timely manner.

Section II - Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 5 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2024 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2024.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 5,
Bourg, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2024 through December 31, 2024. Terrebonne Parish Recreation District No. 5 (the "District") management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Bougeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
May 20, 2025.

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

Terrebonne Parish Recreation District No. 5
 Bourg, Louisiana

For the year ended December 31, 2024

The required procedures and our findings are as follows:

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

A. Obtain and inspect the 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:

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

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

Performance: Obtained and read the written policy for purchasing.

Exceptions: There were exceptions noted due to the policy lacking provisions for how vendors are added to the vendor list and documentation required to be maintained for all bids and price quotes.

iii. ***Disbursements***, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for receipts.

Exceptions: There were exceptions noted due to the policy lacking provisions for receiving and recording deposits.

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

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the written policy for contracting.
Exceptions: There were exceptions noted due to the policy lacking provisions on the approval process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (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.
Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Performance: Obtained and read the written policy for debt service and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

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

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

Performance: Inquired of management regarding the District's information technology disaster recovery/business continuity policy.

Exceptions: The District did not have an information technology disaster recovery/business continuity policy.

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

Performance: Obtained and read the written policy for sexual harassment and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

2. Procedures Performed on the District's Board 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.

Performance: Obtained and read the written minutes of the Board meetings. The Board is required to meet every month.

Exceptions: There was an exception noted due to the lack of a quorum at the November meeting.

- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.

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

Exceptions: There were exceptions noted due to the lack of a quorum at the November meeting.

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

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

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

Exceptions: There were no exceptions noted.

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

Performance: Obtained the prior year's audit report and observed for reported audit findings.

Exceptions: There was an exception noted due to an unresolved finding.

3. Procedures Performed on the District's 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:

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were exceptions noted as one bank account was not reconciled.

- ii. Bank reconciliations include written 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 one month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

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

Exceptions: There were exceptions noted as 2 bank reconciliations lacked evidence of review.

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

- 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.

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

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

Exceptions: There were no exceptions noted.

4. Procedures Performed on the District's Collections (excluding electronic funds transfers):

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/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).

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

4. Procedures Performed on the District's Collections (excluding electronic funds transfers):
(Continued)

- iii. Each employee responsible for collecting cash is not also 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

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

Exceptions: There were no exceptions noted

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

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

Exceptions: There were no exceptions noted.

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

Performance: Inquired of management as to bond or insurance policy for theft.

Employees are bonded.

Exceptions: There were no exceptions noted.

- D. Randomly select 2 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). *Alternatively, 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.

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

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

**4. Procedures Performed on the District's Collections (excluding electronic funds transfers):
(Continued)**

iii. Trace the deposit slip total to the actual deposit per the bank statement.

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

Exceptions: There were no exceptions noted.

iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 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).

Performance: Observed that the deposits tested were made within one business day of receipt.

Exceptions: There were no exceptions noted.

v. Trace the actual deposit per the bank statement to the general ledger.

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

Exceptions: There were no exceptions noted.

5. Procedures Performed on the District's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases):

Prior year testing resulted in no exceptions related to non-payroll disbursements. Therefore, testing not required in the current year.

6. Procedures Performed on the District's 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 names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards from management and management's representation that the listing is complete. Observed all active cards, including the card numbers and the names of the persons who maintain possession of the cards.

Exceptions: There were no exceptions noted.

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. 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

6. Procedures Performed on the District's Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (cards): (Continued)

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized 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); and

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There was an exception noted due to a lack of evidence of review and approval, in writing.

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

Performance: Observed that finance charges and/or late fees were not assessed on the selected statements.

Exceptions: There were no exceptions noted.

C. Using the monthly statements or combined statements selected under procedure #6B, 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:

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

Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were no exceptions noted.

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

Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

- iii. 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.

Performance: Observed transactions for any meal charges and documentation of the individuals participating in meals; no meal charges were noted.

Exceptions: There were no exceptions noted.

7. Procedures Performed on the District's Travel and Travel-Related Expense Reimbursements (excluding card transactions):

Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing not required in the current year.

8. Procedures Performed on the District's Contracts:

Prior year testing resulted in no exceptions related to contracts. Therefore, testing not required in the current year.

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

Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing not required in the current year.

10. Procedures Performed on the District's Ethics:

A. Using 5 randomly selected employees/officials obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Performance: Inspected personnel files and ethics course completion certificates for the 5 employees tested.

Exceptions: There were exceptions noted due to 3 of the 5 employees selected not completing the training.

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

Performance: There were no changes to the ethics policy during the year.

Exceptions: There were no exceptions noted.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Performance: We inquired and received representation as to whether the District appointed an ethics designee.

Exceptions: There were no exceptions noted.

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

Prior year testing resulted in no exceptions related to debt service. Therefore, testing not required in the current year.

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

Prior year testing resulted in no exceptions related to fraud notice. Therefore, testing not required in the current year.

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

Prior year testing resulted in no exceptions related to information technology disaster recovery/business continuity. Therefore, testing not required in the current year.

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

- A. Using the 5 randomly selected employees/officials, 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.

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

Exceptions: There were exceptions noted due to 3 of the 5 employees selected not completing the training.

- B. Observe that 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).

Performance: Inquired of management regarding the sexual harassment policy and complaint procedure on its website or on the District's premises.

Exceptions: There were no exceptions noted.

- 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 that the report includes the applicable requirements of R.S. 42:344:

Performance: Obtained the District's annual sexual harassment report.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were exceptions noted as not all employees completed the training.

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

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

Exceptions: There were no exceptions noted.

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

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

Management's Overall Response to Exceptions:

- 1)A(ii) The District will consider amending the existing Purchasing policy to include the required provisions.
- 1)A(iv) The District will consider amending the existing Receipts/Collections policy to include the required provisions.
- 1)A(vi) The District will consider amending the existing Contracting policy to include the required provisions.
- 1)A(xi) The District will consider adopting a policy for Information Technology Disaster Recovery/Business continuity that includes the required provisions.
- 2)A(i) Management will ensure that the Board meets monthly with a quorum.
- 2)A(ii) Management will ensure that monthly budget-to-actual comparisons are referenced in the meeting minutes.
- 2)A(iv) Management will ensure that findings are resolved.
- 3)A(i) Management will ensure that all bank accounts are reconciled monthly.
- 3)A(ii) Management will ensure that all bank reconciliations are reviewed timely and approved.
- 6)B(i) Management will ensure that credit card statements are approved in writing.

Management's Overall Response to Exceptions: (Continued)

- 10)A(i) Management will ensure that all employees complete one hour of ethics training.
- 14)A Management will ensure that all employees complete one hour of sexual harassment training.
- 14)C(i) Management will ensure that all employees/public servants complete the sexual harassment training requirement.