

Financial Report

*Terrebonne Parish Recreation District No. 1
Schriever, Louisiana*

December 31, 2025

Financial Report

Terrebonne Parish Recreation District No. 1
Schriever, Louisiana

December 31, 2025

TABLE OF CONTENTS

Terrebonne Parish Recreation District No. 1 Schriever, Louisiana

December 31, 2025

	<u>Page Numbers</u>
Financial Section	
Independent Auditor's Report	1 - 4
Management's Discussion and Analysis	5 - 11
Exhibits	
Financial Statements:	
Government-Wide and Fund Financial Statements:	
A - Statement of Net Position and Governmental Fund Balance Sheet	12
B - Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	13
C - Statement of Activities and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	14 - 15
D - Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	16
E - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	17 - 18
F - Notes to Financial Statements	19 - 35
Supplementary Information Section	
Schedule	
1 - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	36

TABLE OF CONTENTS
(Continued)

Page
Numbers

Special Reports of Certified Public Accountants

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	37 - 38
Schedule of Findings and Responses	39

Reports by Management

Schedule of Prior Year Findings and Responses	40
Management's Corrective Action Plan	41

Statewide Agreed-Upon Procedures

Independent Accountant's Report on Applying Agreed-Upon Procedures	42 - 43
2 - Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures	44 - 61

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 1,
Schriever, Louisiana.

Opinions

We have audited the accompanying financial statements of the governmental activities and governmental funds of Terrebonne Parish Recreation District No. 1 (the “District”), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2025, 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, 2025 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 Opinions

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 opinions.

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 5 through 11 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 36 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 4, 2026 on our consideration of District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
May 4, 2026.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Terrebonne Parish Recreation District No. 1 Schriever, Louisiana

December 31, 2025

The Management’s Discussion and Analysis of the Terrebonne Parish Recreation District No. 1’s (the “District”) financial performance presents a narrative overview and analysis of the District’s financial activities for the year ended December 31, 2025. 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 at the close of fiscal year 2025 by \$5,845,861 (net position), which represents a 6.40% increase from last fiscal year.

The District’s revenue increased by \$103,539 (7.10%) primarily due to increases in ad valorem tax revenue assessed and investment earnings.

The District’s expenses increased by \$63,801 (5.37%) due to increases in personal services, other services and charges, and depreciation and amortization expenditures.

Capital asset additions amounted to \$148,128. These additions include purchases of a John Deere Mower and a 2026 Ford Truck.

The District did not have any funds with deficit fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

Governmental Funds

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

Governmental Funds

The District maintains two governmental funds. Information is presented separately 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 annual appropriated budgets for its governmental funds. 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 12 through 18 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Notes to the Financial Statements**

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2025, assets exceeded liabilities and deferred inflow of resources by \$5,845,861 (net position). A large portion of the District's net position (91.89%) reflects its net investment in capital assets (e.g., land; buildings; improvements other than buildings; office furniture, fixtures and equipment; machinery and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	<u>December 31,</u>		Dollar Change
	<u>2025</u>	<u>2024 (as Restated)</u>	
Current and other assets	\$ 1,955,183	\$ 1,751,900	\$ 203,283
Capital assets	7,146,749	7,515,907	(369,158)
Right-of-use asset	-	28,542	(28,542)
 Total assets	 <u>9,101,932</u>	 <u>9,296,349</u>	 <u>(194,417)</u>
Liabilities	1,808,214	2,403,381	(595,167)
Deferred inflows of resources	1,447,857	1,398,562	49,295
 Total liabilities and deferred inflows of resources	 <u>3,256,071</u>	 <u>3,801,943</u>	 <u>(545,872)</u>
 Net position:			
Net investment in capital assets	5,371,749	5,170,907	200,842
Unrestricted	474,112	323,499	150,613
 Total net position	 <u>\$ 5,845,861</u>	 <u>\$ 5,494,406</u>	 <u>\$ 351,455</u>

Capital assets decreased due to the disposals of various equipment during the year. Other asset additions include the purchases of a John Deere Mower, a 2026 Ford Truck, and improvements to facilities, such as the purchases of playground swing sets for the Coteau Bayou Blue Park and surveillance cameras for the Schriever Gym and Randolph Park in the year ended December 31, 2025.

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

Governmental activities increased the District's net position by \$351,455. Key elements of this increase are as presented as follows:

Condensed Statements of Activities

	<u>December 31,</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 31,919	\$ 23,003	\$ 8,916	38.76%
General revenues:				
Taxes	1,415,901	1,327,400	88,501	6.67%
Intergovernmental	79,377	89,805	(10,428)	-11.61%
Miscellaneous	35,073	18,523	16,550	89.35%
Total revenues	<u>1,562,270</u>	<u>1,458,731</u>	<u>103,539</u>	7.10%
Expenses:				
General government	23,707	62,012	(38,305)	-61.77%
Culture and recreation	1,186,135	1,074,979	111,156	10.34%
Debt service	41,863	50,913	(9,050)	-17.78%
Total expenses	<u>1,251,705</u>	<u>1,187,904</u>	<u>63,801</u>	5.37%
Other Financing Sources (Uses):	<u>40,890</u>	<u>23,412</u>	<u>17,478</u>	74.65%
Change in net position	<u>351,455</u>	<u>294,239</u>	<u>57,216</u>	19.45%
Net position beginning of year	5,494,406	5,156,494	337,912	6.55%
Restatement	-	43,673	(43,673)	-100.00%
Net position as restated, beginning of year	<u>5,494,406</u>	<u>5,200,167</u>	<u>294,239</u>	5.66%
Net position, end of year	<u>\$ 5,845,861</u>	<u>\$ 5,494,406</u>	<u>\$ 351,455</u>	6.40%

The Statement of Activities provides answers to the nature and source of changes in net position. The District's investment earnings increased due to an increase in LAMP interest earnings. Tax revenues increased primarily due to the increase in ad valorem tax revenue assessed. Culture and recreation expenses increased primarily due to increases in personal services, other services and charges, and depreciation and amortization.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

Governmental Funds

The focus of the District's governmental funds 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 balances 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 \$461,296, an increase of \$145,438 in comparison with the prior year. The total fund balance is available for spending at the District's discretion.

General Fund Budgetary Highlights

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

Revenues

- FEMA revenues and insurance proceeds were increased by \$111,108 to reflect expected income during the year.
- Investment earnings were increased by \$19,942 to better reflect actual interest earned on LAMP investments.
- Charges for services were increased by \$4,500 to reflect the expected revenue received from facility rentals.

Expenditures

- Materials expenditures were decreased by \$13,000 to better reflect actual expenditures.
- Capital outlay expenditures were increased by \$42,363 to better reflect the actual expenditures on capital assets around the District.

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

The District's net investment in capital assets for its governmental activities as of December 31, 2025, amounts to \$7,146,749 (net of accumulated depreciation). This net investment in capital assets includes land; buildings; improvements other than buildings; office furniture, fixtures and equipment; machinery and equipment.

	<u>2025</u>	<u>2024</u>
Land	\$ 370,632	\$ 370,632
Buildings and improvements	6,055,519	6,406,966
Office furniture, fixtures, and equipment	215,607	250,644
Machinery and equipment	504,991	487,665
Totals, as restated	<u>\$ 7,146,749</u>	<u>\$ 7,515,907</u>

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

- Purchase of a John Deere Mower
- Purchase of a 2026 Ford Truck

Additional information on the District's capital assets can be found in Note 7, Exhibit F of this report.

Debt Administration

On August 13, 2021, the District issued \$4,000,000 of Limited Tax Bonds Series 2021. As of December 31, 2025, the balance of bonds outstanding remains at \$1,775,000 and bears interest at rates ranging from .85% to 2.50%. The bonds are payable from the annual levy and collection of the 7 mill ad valorem tax on all the taxable property within the boundaries of the District. The tax is considered sufficient to pay the principal and interest of the bonds as they mature. The bonds have a maturity date of March 1, 2028 with principal due March 1st and interest due March 1st and September 1st of each year.

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 2025 assessment, which the District will receive, for the most part, in January 2026.
- The District anticipates being very conservative on personal services expenditures and capital outlay for 2026.
- Additional operating costs are expected due to the completion of the Coteau Bayou Blue Park.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Parish Recreation District No. 1, P.O. Box 1853, Gray, Louisiana 70359.

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

**Terrebonne Parish Recreation District No. 1
Schriever, Louisiana**

December 31, 2025

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Totals</u>	<u>Adjustments (Exhibit B)</u>	<u>Statement of Net Position</u>
Assets					
Cash and cash equivalents	\$ 592,652	\$ 100	\$ 592,752	\$ -	\$ 592,752
Receivables:					
Taxes	175,217	-	175,217	-	175,217
Due from other governmental units	1,156,906	-	1,156,906	-	1,156,906
Due from other funds	100	-	100	(100)	-
Prepaid insurance	-	-	-	30,308	30,308
Capital assets:					
Non-depreciable	-	-	-	370,632	370,632
Depreciable, net of accumulated depreciation	-	-	-	6,776,117	6,776,117
Total assets	<u>\$ 1,924,875</u>	<u>\$ 100</u>	<u>\$ 1,924,975</u>	<u>7,176,957</u>	<u>9,101,932</u>
Liabilities					
Accounts payable and accrued expenditures	\$ 15,722	\$ -	\$ 15,722	13,432	29,154
Due to other funds	-	100	100	(100)	-
Long-term liabilities - due within one year	-	-	-	580,000	580,000
Long-term liabilities - due after one year	-	-	-	1,199,060	1,199,060
Total liabilities	15,722	100	15,822	1,792,392	1,808,214
Deferred inflows of resources unavailable revenue - property taxes	1,447,857	-	1,447,857	-	1,447,857
Total liabilities and deferred inflows of resources	<u>1,463,579</u>	<u>- 100</u>	<u>1,463,679</u>	<u>1,792,392</u>	<u>3,256,071</u>
Fund Balance/Net Position					
Fund balance:					
Unassigned	461,296	-	461,296	(461,296)	-
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,924,875</u>	<u>\$ 100</u>	<u>\$ 1,924,975</u>	<u>1,331,096</u>	<u>3,256,071</u>
Net position:					
Net investment in capital assets				5,371,749	5,371,749
Unrestricted				474,112	474,112
Total net position				<u>\$ 5,845,861</u>	<u>\$ 5,845,861</u>

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 1

Schriever, Louisiana

December 31, 2025

Fund Balances - Governmental Fund		\$ 461,296
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	\$ 10,220,797	
Less accumulated depreciation	<u>(3,074,048)</u>	7,146,749
Other assets and liabilities used in governmental activities are not financial resources and are not reported in the governmental funds.		
Prepaid insurance	30,308	
Accrued interest payable	<u>(13,432)</u>	16,876
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Limited Tax Bonds	(1,775,000)	
Compensated absences	<u>(4,060)</u>	<u>(1,779,060)</u>
Net Position of Governmental Activities		<u><u>\$ 5,845,861</u></u>

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 1
Schriever, Louisiana

For the year ended December 31, 2025

	General Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
Revenues					
Taxes	\$ 1,415,901	\$ -	\$ 1,415,901	\$ -	\$ 1,415,901
Intergovernmental:					
FEMA	47,127	-	47,127	-	47,127
State of Louisiana:					
State revenue sharing	32,250	-	32,250	-	32,250
Charges for services	31,919	-	31,919	-	31,919
Miscellaneous:					
Investment earnings	27,746	-	27,746	-	27,746
Other	7,327	-	7,327	-	7,327
Total revenues	<u>1,562,270</u>	<u>-</u>	<u>1,562,270</u>	<u>-</u>	<u>1,562,270</u>
Expenditures/Expenses					
Current:					
General government:					
Ad valorem tax adjustment	(23,353)	-	(23,353)	-	(23,353)
Ad valorem tax deductions	47,060	-	47,060	-	47,060
Total general government	<u>23,707</u>	<u>-</u>	<u>23,707</u>	<u>-</u>	<u>23,707</u>
Culture and recreation:					
Personal services	309,935	-	309,935	2,311	312,246
Supplies and materials	25,086	-	25,086	-	25,086
Other services and charges	320,120	-	320,120	(4,351)	315,769
Repairs and maintenance	15,498	-	15,498	-	15,498
Lease expense	250	-	250	-	250
Depreciation and amortization	-	-	-	396,731	396,731
Loss on disposal of assets	-	-	-	120,555	120,555
Total culture and recreation	<u>670,889</u>	<u>-</u>	<u>670,889</u>	<u>515,246</u>	<u>1,186,135</u>
Debt service:					
Bond principal retirement	-	570,000	570,000	(570,000)	-
Interest	-	44,998	44,998	(3,135)	41,863
Total debt service	<u>-</u>	<u>614,998</u>	<u>614,998</u>	<u>(573,135)</u>	<u>41,863</u>
Capital outlay	148,128	-	148,128	(148,128)	-
Total expenditures/expenses	<u>842,724</u>	<u>614,998</u>	<u>1,457,722</u>	<u>(206,017)</u>	<u>1,251,705</u>

	General Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	719,546	(614,998)	104,548	206,017	310,565
Other Financing Sources (Uses)					
Insurance proceeds	40,890	-	40,890	-	40,890
Transfers-in	-	614,998	614,998	(614,998)	-
Transfers-out	(614,998)	-	(614,998)	614,998	-
Total other financing sources (uses)	(574,108)	614,998	40,890	-	40,890
Excess (Deficiency) of Revenues Over Expenditures	145,438	-	145,438	(145,438)	-
Change in Net Position	-	-	-	351,455	351,455
Fund Balance/Net Position					
Beginning of year, as restated	315,858	-	315,858	2,607,942	5,494,406
End of year	<u>\$ 461,296</u>	<u>\$ -</u>	<u>\$ 461,296</u>	<u>\$ 2,813,959</u>	<u>\$ 5,845,861</u>

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 1
Schriever, Louisiana

For the year ended December 31, 2025

Net Change in Fund Balances - Governmental Fund		\$ 145,438
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	\$ 148,128	
Depreciation expense and amortization	<u>(396,731)</u>	(248,603)
The net effect of miscellaneous transactions involving capital assets, such as dispositions, impairments and donations, is to decrease net position.		
		(120,555)
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.		
		570,000
Some revenues and expenses reported in the Statement of Activities do not provide or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.		
Decrease in accrued interest payable		3,135
The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, donations, is to decrease net position.		
Amortization right-of-use asset	(28,542)	
Lease expense	<u>28,542</u>	-
Some expenditures reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Increase in prepaid insurance		4,351
Increase in compensated absences payable		<u>(2,311)</u>
Change in Net Position of Governmental Activities		<u>\$ 351,455</u>

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 1
Schriever, Louisiana

For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 1,413,371	\$ 1,413,371	\$1,415,901	\$ 2,530
Intergovernmental:				
FEMA	-	50,000	47,127	(2,873)
State of Louisiana:				
State revenue sharing	32,685	32,250	32,250	-
Charges for services	14,000	18,500	31,919	13,419
Miscellaneous:				
Investment earnings	6,200	26,142	27,746	1,604
Other	-	-	7,327	7,327
Total revenues	<u>1,466,256</u>	<u>1,540,263</u>	<u>1,562,270</u>	<u>22,007</u>
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment	2,883	3,023	(23,353)	26,376
Ad valorem tax deductions	44,299	44,037	47,060	(3,023)
Total general government	<u>47,182</u>	<u>47,060</u>	<u>23,707</u>	<u>23,353</u>
Culture and recreation:				
Personal services	317,000	319,364	309,935	9,429
Supplies and materials	60,000	47,000	25,086	21,914
Other services and charges	322,525	322,787	320,120	2,667
Repairs and maintenance	59,000	55,000	15,498	39,502
Lease expense	3,000	250	250	-
Total culture and recreation	<u>761,525</u>	<u>744,401</u>	<u>670,889</u>	<u>73,512</u>
Debt service:				
Bond principal retirement	570,000	570,000	-	570,000
Interest	53,340	44,998	-	44,998
Total debt service	<u>623,340</u>	<u>614,998</u>	<u>-</u>	<u>614,998</u>

**Exhibit E
(Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures (Continued)				
Capital outlay	97,637	140,000	148,128	(8,128)
Total expenditures	<u>1,529,684</u>	<u>1,546,459</u>	<u>842,724</u>	<u>703,735</u>
Other Financing Sources (Uses)				
Insurance proceeds	-	61,108	40,890	(20,218)
Transfers-out	-	-	(614,998)	(614,998)
Total other financing sources (uses)	<u>-</u>	<u>61,108</u>	<u>(574,108)</u>	<u>(635,216)</u>
(Deficiency) of Revenues Over Expenditures	<u>(63,428)</u>	<u>54,912</u>	<u>145,438</u>	<u>90,526</u>
Fund Balance/Net Position				
Beginning of year	<u>330,905</u>	<u>315,858</u>	<u>315,858</u>	<u>-</u>
End of year	<u>\$ 267,477</u>	<u>\$ 370,770</u>	<u>\$ 461,296</u>	<u>\$ 90,526</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Recreation District No. 1**

Schriever, Louisiana

December 31, 2025

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Recreation District No. 1 (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, 2025.

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

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation

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

Government-Wide Financial Statements

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

Fund Financial Statements

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, liabilities, deferred inflows of resources, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental 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 position. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2025 property taxes which are being levied to finance the 2026 budget will be recognized as revenue in 2026. The 2025 tax levy is recorded as deferred inflows of resources (unavailable revenue) in the District's 2025 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 governmental funds. 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. Any amendment involving the transfer of monies from one function to another or increases in expenditure must be approved by the Board. The District amended its budget once during the year so actual revenues would not be less than budgeted and actual expenditures would not be greater than budgeted.

All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

The governmental funds’ budgets are 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 are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net position to compute share prices if certain conditions are met.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Investments (Continued)

Investments during the year consisted of LAMP and are reported as cash equivalents as of December 31, 2025.

h. Prepaid Insurance

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

i. Capital Assets

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

Government-Wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Buildings	5 - 40 years
Improvements other than buildings	5 - 25 years
Machinery and equipment	5 - 20 years
Furniture, fixtures, and equipment	5 - 7 years

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

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. Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The governmental fund reports unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District reports unavailable revenue when resources associated with imposed non exchange revenue transactions are received or reported as a receivable before (a) the period for which property taxes are levied; or (b) the period when resources are required to be used or when use is first permitted for all other imposed non exchange revenues in which the enabling legislation includes time requirements.

k. Vacation and Sick Leave

The District provides annual leave for all full time permanent employees. Each employee will earn 80 hours of annual leave per year. These 80 hours will continue to be given to those qualifying employees throughout the entirety of their employment. Annual leave is earned at a rate of 1.539 hours per 40 hours worked. Failure to use leave results in its loss if the employee is terminated within the first year of employment. Annual leave is paid upon separation.

The District provides sick leave for all full time permanent employees. Each employee will earn 40 hours of sick leave per year. These 40 hours will continue to be given to those qualifying employees throughout the entirety of their employment. Sick leave is allocated at the beginning of each fiscal year. Once, the 40 hours of sick leave is exhausted no sick leave can be allocated until the next fiscal year. Sick leave hours shall not contribute to overtime compensation. Sick leave is not paid upon separation.

The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, government funds report only compensated absence liability payable from expendable available financial resources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Equity

Government-Wide Statements

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

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

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

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the District’s Board of Commissioners. Commitments may be established, modified, or rescinded only through resolutions approved by the District’s Board of Commissioners.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Equity (Continued)

Fund Financial Statements (Continued)

- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Assignments may be established, modified, or rescinded by the President of the District's Board of Directors or his representative.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available. The District's fund balances were classified as assigned and unassigned as of December 31, 2025.

m. New GASB Statements

During the year ended December 31, 2025, the District implemented the following GASB Statement:

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. This Statement did not affect the financial statements for the year ended December 31, 2025.

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

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. New GASB Statements (Continued)

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.

Statement No. 105, "*Subsequent Events*" The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.

Note 2 - RESTATEMENT OF NET POSITION

During the year ended December 31, 2025, the District determined that amounts expensed in the prior year related to the Coteau Bayou Blue Pond should be capitalized. Accordingly, the District has recognized a prior period adjustment to account for the effect of the restatement.

Note 2 - RESTATEMENT OF NET POSITION (Continued)

The following reflects the impact on the previously reported balances:

Statement of Activities	Governmental Activities
Net position, December 31, 2024, as previously reported	\$ 5,450,733
Restatement	<u>43,673</u>
Net position, December 31, 2024, restated	<u><u>\$ 5,494,406</u></u>

Note 3 - 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.

The year-end balances of deposits are as follows:

	Bank Balances	Reported Amounts
Cash	<u>\$ 87,308</u>	<u>\$ 83,826</u>

Note 3 - DEPOSITS AND INVESTMENTS (Continued)

Bank Deposits (Continued)

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 that is similar to state law. As of December 31, 2025, none of the District's bank balance of \$87,308 was exposed to custodial credit risk. These deposits were insured and covered by the FDIC insurance.

Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and LAMP.

As a means of limiting its exposure to fair value losses arising from interest rates, the District's investment policy emphasized maintaining liquidity to match specific cash flows.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy requires the application of the prudent-person rule. This policy states, investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income be derived. Primary emphasis shall be placed upon the safety of principal, secondly to maintain liquidity to meet operating requirements and finally to obtain the most favorable rate of return. The District's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAM.

For an investment, custodial credit risk is that risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

Note 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. governments floating/variable rate investments. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued as amortized cost. The fair value of participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP as of December 31, 2025, amounted to \$508,926 and are classified on the Statement of Net Position as "Cash and Cash Equivalents".

Reconciliation

A reconciliation of deposits and investments as shown on the Statement of Net Position for the District is as follows:

Bank deposits	\$ 83,826
Investment in LAMP	<u>508,926</u>
Total cash and cash equivalents	<u><u>\$ 592,752</u></u>

Note 4 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor’s Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A statewide reevaluation of all property is required to be completed no less than every four years. The last statewide reevaluation was completed for the list of January 1, 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, 2025 was \$7.00 per \$1,000 of assessed valuation on property within Recreation District No. 1 for the purpose of constructing, maintaining and operating recreational facilities within the District. As indicated in Note 1c, taxes levied November 1, 2025 are for budgeted expenditures in 2026 and will be recognized as revenues in 2026.

Note 5 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of December 31, 2025 consisted of the following:

	General Fund
State of Louisiana	
State revenue sharing	\$ 22,158
Terrebonne Parish Tax Collector - December 2025 collections remitted to the District in January 2026:	
Ad valorem taxes	1,123,669
State revenue sharing	11,079
Total	\$ 1,156,906

Note 6 - LEASE

The District entered into a lease with the Gray Improvement Committee, Inc. (the “Committee”) for property. The lease term began on October 1, 2016 and covered 10 years with an option to renew for 10 additional years which management had represented would be renewed. The lease called for yearly payments of \$3,000. The lease interest rate was approximated at the incremental borrowing rate of 2.5%. In 2025, the District terminated the lease with the Committee. Lease expense for the year ended December 31, 2025 was \$250.

Note 7 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025
Capital assets not being depreciated:				
Land	\$ 370,632	\$ -	\$ -	\$ 370,632
Capital assets being depreciated:				
Buildings	6,749,792	-	-	6,749,792
Improvements other than building	1,801,299	47,401	(213,807)	1,634,893
Office furniture, fixtures, and equipment	337,113	10,351	-	347,464
Machinery and equipment	1,027,640	90,376	-	1,118,016
Total capital assets being depreciated, as restated	<u>9,915,844</u>	<u>148,128</u>	<u>(213,807)</u>	<u>9,850,165</u>
Less accumulated depreciation for:				
Buildings	(1,299,948)	(171,707)	-	(1,471,655)
Improvements other than building	(844,177)	(106,586)	93,252	(857,511)
Office furniture, fixtures, and equipment	(86,469)	(45,388)	-	(131,857)
Machinery and equipment	(539,975)	(73,050)	-	(613,025)
Total accumulated depreciation, as restated	<u>(2,770,569)</u>	<u>(396,731)</u>	<u>93,252</u>	<u>(3,074,048)</u>
Total capital assets being depreciated, net as restated	<u>7,145,275</u>	<u>(248,603)</u>	<u>(120,555)</u>	<u>6,776,117</u>
Right-of-use assets:				
Property	60,000	-	(60,000)	-
Less accumulated amortization for:				
Property	(31,458)	-	31,458	-
Right-of-use assets being amortized, net	<u>28,542</u>	<u>-</u>	<u>(28,542)</u>	<u>-</u>
Total capital assets, net as restated	<u>\$ 7,544,449</u>	<u>\$ (248,603)</u>	<u>\$ (149,097)</u>	<u>\$ 7,146,749</u>

During 2025, the District's Improvements to facilities include playground swing sets for the Coteau Bayou Blue Park, surveillance cameras for the Schriever Gym and Randolph Park, and a small pavilion and baseball awning for the Randolph Park.

Machinery and equipment include a John Deere Mower and a 2026 Ford Truck.

District depreciation amounting to \$396,731 was recorded as cultural and recreation expenses for the year ended December 31, 2025.

Note 8 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenditures as of December 31, 2025 consisted of the following:

	General Fund	Adjustments	Government- Wide
Accrued salaries and related payables	\$ 4,015	\$ -	\$ 4,015
Vendors	11,707	-	11,707
Accrued interest on Limited Tax Bonds	-	13,432	13,432
	\$ 15,722	\$ 13,432	\$ 29,154

Note 9 - LONG-TERM OBLIGATIONS

Long-term obligations consist of Limited Tax Bonds Series 2021, lease liability and accumulated earned and unpaid vacation and sick leave. The following is a summary of changes in the long-term obligations of the District for the year ended December 31, 2025:

	Payable January 1, 2025	Increase	Decrease	Payable December 31, 2025	Due Within One Year
Limited Tax Bonds Series 2021	\$ 2,345,000	\$ -	\$ 570,000	\$ 1,775,000	\$ 580,000
Lease liability	28,542	-	28,542	-	-
Accumulated unpaid annual leave	1,749	2,311	-	4,060	-
	\$ 2,375,291	\$ 2,311	\$ 598,542	\$ 1,779,060	\$ 580,000

On August 13, 2021, the District issued \$4,000,000 of Limited Tax Bonds Series 2021. As of December 31, 2025, the balance of bonds outstanding totaled \$1,775,000 and the bonds bear interest at rates ranging from .85% to 2.50%. The bonds are payable from the annual levy and collection of 7 mill ad valorem tax on all the taxable property within the boundaries of the District. The tax is considered sufficient to pay the principal and interest of the bonds as they mature. Ad valorem tax revenue recognized during the year ended December 31, 2025 amounted to \$1,415,901. The bonds have a maturity date of March 1, 2028 with principal due March 1st and interest due March 1st and September 1st of each year.

Note 9 - LONG-TERM OBLIGATIONS (Continued)

Annual debt service requirements through maturity for the bonds as of December 31, 2025 is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2026	\$ 580,000	\$ 34,495	\$ 614,495
2027	590,000	21,910	611,910
2028	<u>605,000</u>	<u>7,562</u>	<u>612,562</u>
	<u>\$ 1,775,000</u>	<u>\$ 63,967</u>	<u>\$ 1,838,967</u>

Accumulated unpaid leave is described in Note 1k.

Note 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; 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 pays monthly premiums to the Parish for workers' compensation based on a fixed percentage of payroll. The District's premiums for general liability are based on various factors such as operations and maintenance budget, exposure and claims experience. The Parish handles all claims filed against the District related to workers' compensation and general liability. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described is as follows:

<u>Coverage Policy</u>	<u>Limits</u>
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, 2025, the District had no claims in excess of the above coverage limits.

Expenditures for premiums to the Parish for insurance coverage during the year ended December 31, 2025 totaled \$38,706.

Note 11 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to board members for the year ended December 31, 2025.

Board Members	Number of Meetings Attended	Per Diem
Mark Amedee	9	\$ 225
Teri Chatagnier	7	175
Justin Ward	*	-
Christine Parr-Vitter	*	-
Peter Verrett III	*	-
Timothy Ward	*	-
Shaun Meche	*	-
Total		\$ 400

* These board members have waived their right to receive a per diem.

Note 12 - STATE OF LOUISIANA TAX ABATEMENTS

The District's ad valorem tax revenues were reduced by \$43 under agreements entered into with the State of Louisiana.

Note 13 - RELATED PARTIES

During the year ended December 31, 2025, the District engaged the services of a contract accountant who is a related party to the District Manager. The total amount paid to the contract accountant for services rendered during the year was approximately \$33,000.

Note 14 - 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 4, 2026, 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. 1
Schriever, Louisiana

For the year ended December 31, 2025

Agency Head Name: Deron Bourg, District Manager

Purpose

Salary	\$ 53,588
Benefits - insurance	6,844
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	<u>\$ 60,432</u>

Note:

Deron Bourg is the District Manager for Terrebonne Parish Recreation District No. 1.

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. 1,
Schriever, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Terrebonne Parish Recreation District No. 1 (the “District”), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated May 4, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's Response to Findings

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

Purpose of this Report

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



Certified Public Accountants.

Houma, Louisiana,
May 4, 2026.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Terrebonne Parish Recreation District No. 1 Schriever, Louisiana

For the year ended December 31, 2025

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.

Section II - Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 1 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.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Recreation District No. 1

Schriever, Louisiana

For the year ended December 31, 2025

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, 2025.

No significant deficiencies were reported during the audit for the year ended December 31, 2025.

Compliance and Other Matters

No compliance and other matters were reported during the audit for the year ended December 31, 2025

Section II - Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 1 did not expend federal awards in excess of \$1,000,000 during the year ended December 31, 2025 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, 2025.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
Terrebonne Parish Recreation District No. 1,
Schriever, 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, 2025 through December 31, 2025. Terrebonne Parish Recreation District No. 1 (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, 2025 through December 31, 2025. 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
May 4, 2026.

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

Terrebonne Parish Recreation District No. 1
 Schriever, Louisiana

For the year ended December 31, 2025

The required procedures and our findings are as follows:

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

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

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

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee 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 purchasing handbook for contracting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- viii. **Credit Cards** (and debit cards, fuel cards, 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 District's ethics policy.
Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Performance: Obtained 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)

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

Performance: Obtained the District's information technology disaster recovery/business continuity policy and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) District 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 Board not meeting in May.

- 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 no exceptions noted.

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 and read the written minutes of the Board meetings. There were no audit findings in the prior year.

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

- 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).

Performance: Inspected the District's documentation for the December bank reconciliation for the 2 bank accounts selected.

Exceptions: There was an exception noted due to the bank reconciliations lacking timely approval.

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.
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 one collection location.
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.
 - 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.
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)

- 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: Obtained a copy of the insurance policy for theft and a listing of all employees covered by the policy. The policy was in force during the fiscal period.

Exceptions: There were no exceptions noted.

- D. Randomly select 2 deposit dates for each of the 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: Observed supporting documentation for the selected deposits to determine if 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.

- 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.

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

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):

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

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

Exceptions: There were no exceptions noted.

B. For each location selected under procedure #5A, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the District has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.

Exceptions: There were no exceptions noted.

i. At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.

Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed that at least 2 employees are involved.

Exceptions: There were no exceptions noted.

ii. At least 2 employees are involved in processing and approving payments to vendors.

Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least 2 employees are involved.

Exceptions: There were no exceptions noted.

iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Performance: Obtained a listing of employees involved in processing payments to vendors. Observed if any employees involved are adding/modifying vendor files.

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): (Continued)

iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Performance: Obtained a listing of employees involved with signing and mailing checks.

Exceptions: There were no exceptions noted.

v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Performance: Obtained a listing of employees authorized to sign checks and approve electronic disbursements.

Exceptions: There were no exceptions noted.

C. For each location selected under procedure #5A, obtain the District's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

Performance: Obtained the District's non-payroll disbursement transaction population and management's representation that the population is complete.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

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

- 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 were no exceptions noted.

- 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.

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

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, report whether the transaction 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).
Performance: Inspected the transactions for any meal charges and documentation of the individuals participating in meals.
Exceptions: There were no exceptions noted.

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Performance: Obtained the listing of terminated employees and inquired of management if any terminated employees had access to cards.

Exceptions: There were no exceptions noted.

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

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

Performance: Observed that there were no travel-related expense reimbursements during the fiscal period.

Exceptions: There were no exceptions noted.

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

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov).

Performance: Observed that there were no travel-related expense reimbursements during the fiscal period.

Exceptions: There were no exceptions noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Performance: Observed that there were no travel-related expense reimbursements during the fiscal period.

Exceptions: There were no exceptions noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii).

Performance: Observed that there were no travel-related expense reimbursements during the fiscal period.

Exceptions: There were no exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Performance: Observed that there were no travel-related expense reimbursements during the fiscal period.

Exceptions: There were no exceptions noted.

8) Procedures Performed on the District's Contracts:

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Performance: Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and selected contracts for testing. Obtained management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

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

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
Performance: We noted that contracts required to bid in compliance with state bid law were noted to be properly executed.
Exceptions: There were no exceptions noted.
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
Performance: Inspected board meeting minutes and confirmed the board approved contracts requiring board approval.
Exceptions: There were no exceptions noted.
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).
Performance: Observed the contracts selected and noted no contract amendments.
Exceptions: There were no exceptions noted.
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.
Performance: Inspected payments for each of the 5 contracts, obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payment agreed to the terms and conditions of the contract.
Exceptions: There were no exceptions noted.

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

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
Performance: Obtained the listing of employees and their related salaries from management and management's representation that the listing is complete.
Exceptions: There were no exceptions noted.

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

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A, obtain attendance records and leave documentation for the pay period, and:
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
Performance: Selected one pay period to test leave taken during that period. Inspected all daily attendance and leave record for proper documentation.
Exceptions: There were no exceptions noted.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
Performance: Inspected the approval of attendance and leave by the supervisors for the selected employee/officials.
Exceptions: There were no exceptions noted.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the District's cumulative leave records.
Performance: Inspected any leave accrued or taken during the pay period of sampled employees was reflected in the cumulative leave records.
Exceptions: There were no exceptions noted.
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
Performance: Inspected and agreed the rate paid to employees to the authorized pay rate in the personnel files.
Exceptions: There were no exceptions noted.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the District's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to the District's policy.
Performance: Inquired of management of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. Agreed the hours to the employee's cumulative leave records, agreed the pay rate to the employee's authorized rate in the employee's personnel file and agreed the termination payment to the District's policy.
Exceptions: There were no exceptions noted.

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

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

Performance: Inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines and obtained management's representation in a separate letter.

Exceptions: There were no exceptions noted.

10) Procedures Performed on the District's Ethics:

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:

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

Performance: Observed ethics course completion certificates for the 5 employees tested.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

Performance: We inquired with management as to whether the District appointed an ethics designee.

Exceptions: There were no exceptions noted.

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

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

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

Exceptions: There were no exceptions noted.

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

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

Performance: Obtained the listing of bonds/notes outstanding at the end of the fiscal period from management and management's representation that the listing is complete. We selected one bond, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed reserve balances and payments to debt covenants.

Exceptions: There were no exceptions noted.

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

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the District reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the District is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and management's representation in a separate letter.

None were noted.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

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

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

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

- B. Obtain and inspect the District's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

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

- C. Obtain a listing of the District's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

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

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

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

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

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

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

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

Performance: Observed sexual harassment training documentation for the employees selected.

Exceptions: There were no exceptions noted.

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

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

Performance: Observed the sexual harassment policy and complaint procedure is posted on the premises.

Exceptions: There were no exceptions noted.

- C. Obtain the District's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe 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 District who have completed the training requirements.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

Performance: Obtained the annual sexual harassment report to observe 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 to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

Management's Overall Response to Exceptions:

- 2)A(i) Management will ensure that board meetings are held each month with a quorum.
- 3)A(ii) Management will ensure that bank reconciliations are reviewed in a timely manner.