

**TERREBONNE PARISH  
RECREATION DISTRICT NO. 6  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**  
**ANNUAL FINANCIAL REPORT**  
*As of and for the Year Ended December 31, 2019*

**TABLE OF CONTENTS**

	<u>Page</u>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	1
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report	8
<b>Basic Financial Statements:</b>	
Statement of Net Position	11
Statement of Activities	12
Balance Sheet – Governmental Fund –General Fund	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Fund – General Fund	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Notes to the Financial Statements	16
 <b>REQUIRED SUPPLEMENTAL INFORMATION</b>	
Budget Comparison Schedule – General Fund	29
Budget Comparison Schedule – Debt Service Fund	30
 <b>OTHER INFORMATION SECTION</b>	
Schedule of Compensation, Benefits and Other Payments to Agency Head	31
 <b>REPORTS REQUIRED ACCORDING TO GOVERNMENT AUDITING STANDARDS</b>	
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>	32

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

This discussion and analysis of the Terrebonne Parish Recreation District No. 6's financial performance provides a narrative overview of the financial activities as of and for the fiscal year ended December 31, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

- The net position increased by approximately \$270,000 as a result of this year's operations. At the close of fiscal year assets exceeded liabilities by \$2,313,927 (net position).
- During the year, expenses of governmental activities were \$642,116 more than the \$26,468 generated in program revenues for governmental programs. General revenues of \$914,262 added to the program revenues helped to make up the shortfall to end the year with revenue exceeding expenses by \$272,146. This compares to last year when revenues exceeded expenses by \$29,100. Program expenses increased by \$18,672 or about 3%.
- The governmental funds reported an increase in fund balance of \$267,470.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the finances, in a manner like a private-sector business.

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

The statement of net position presents information on all the assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent 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.

Both government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities.

***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The Terrebonne Parish Recreation District No. 6 utilizes the governmental type of funds with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent soon to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

**FINANCIAL ANALYSIS AS A WHOLE (GWFS)**

Our analysis below focuses on the net position and changes in net position of the governmental-type activities.

	Condensed Statement of Net Position		Variance	
	2018	2019	Amount	%
Current and Other Assets	\$ 2,033,206	\$2,196,971	\$ 163,765	8.1%
Capital Assets	2,168,192	2,064,374	(103,818)	-4.8%
<b>Total Assets</b>	<b>4,201,398</b>	<b>4,261,345</b>	<b>59,947</b>	<b>1.4%</b>
Current Liabilities	29,158	12,181	(16,977)	-58.2%
Long-term Obligations	1,246,854	1,138,360	(108,494)	-8.7%
<b>Total Liabilities</b>	<b>1,276,012</b>	<b>1,150,541</b>	<b>(125,471)</b>	<b>-10.9%</b>
<b>Deferred Inflows</b>	<b>883,605</b>	<b>796,877</b>	<b>(86,728)</b>	<b>-9.8%</b>
Invested in Capital Assets	933,192	939,374	6,182	0.7%
Restricted for Debt Service	145,372	167,397	22,025	15.2%
Unrestricted	963,217	1,207,156	243,939	25.3%
<b>Total Net Position</b>	<b>\$ 2,041,781</b>	<b>\$2,313,927</b>	<b>\$ 272,146</b>	<b>13.3%</b>

Net position increased from \$2,041,781 to \$2,313,927 or slightly over 13%. Current assets increased due to the increase in cash provided by operations. Capital assets decreased by 4% due to depreciation exceeding capital purchases in the current year. Current liabilities decreased because there was an decrease in accruals at the end of this year. Long term obligations decreased to reflect the payment on debt and compensated absenses. Unrestricted net assets are the part of net assets that can be used to finance day-to-day operations without constraints. The balance in net assets represents the accumulated results of all past years' operations.

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

	<b>Condensed Statement of Activities</b>		Variance	
	2018	2019	Amount	%
Total program expenses	\$ (649,912)	\$ (668,584)	\$ 18,672	2.9%
Total program revenues	31,279	26,468	(4,811)	-15.4%
<b>Net program income</b>	<b>(618,633)</b>	<b>(642,116)</b>	<b>(23,483)</b>	<b>-3.8%</b>
General revenues	647,733	914,262	266,529	41.1%
<b>Change in Net Position</b>	<b>29,100</b>	<b>272,146</b>	<b>243,046</b>	<b>835.2%</b>
<b>Net Position:</b>				
Beginning of the year	2,012,681	2,041,781	29,100	-1.4%
End of the year	<u>\$ 2,041,781</u>	<u>\$2,313,927</u>	<u>\$ 272,146</u>	13.3%

**Governmental Activities** – The table above presents the cost of the recreational governmental activities. The table shows the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). Program expenses decrease by approximately 3%. General revenues increased significantly by over \$240,000 – mostly due to the increase in ad valorem tax revenue collected.

**FINANCIAL ANALYSIS OF MAJOR FUNDS (FFS)**

The Terrebonne Parish Recreation District No. 6 uses funds to help it control and manage money for recreational purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The General Fund reported an ending fund balance of \$1,220,516. This reflects an increase of \$245,445 from the prior year. Of the ending fund balance, \$35,037 is non-spendable for prepaid insurance. The Board has committed in the 2020 Adopted Budget - \$150,767 for capital purchases and \$486,485 for contingencies. The remaining \$548,227 is unassigned and available for use. The revenues for the General Fund were \$754,632, an increase of \$244,866 from the prior year. Current expenditures for recreational activities were \$412,596, a slight decrease of 1% from the prior year. Capital outlay equaled \$71,700, for purchases of machinery and equipment and building improvements.

A Debt Service Fund was established as per the bond indenture to account for the collection of ad valorem taxes and the payment of debt service for two General Obligation Bond issues – Series 2008 and Series 2015. During the current year the debt service fund recorded \$183,922 of ad valorem taxes, an increase of over \$15,000 due to the increase in

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

the millage assessed for the bonds. \$157,428 was paid on principal and interest expense on the bonds. The ending fund balance – restricted for Debt Service was \$167,397.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund was revised during the year. Authorized budget amendments were approved as follows:

Original Budgeted Revenues	\$715,350
<b>Amendments were made for:</b>	
Increased Ad Valorem taxes based on actual collections	29,700
Increased State Revenue Sharing	1,770
Decreased fees & charges	(4,800)
Increased Miscellaneous and Interest	12,750
<b>Total revenue amendments</b>	<b>39,420</b>
Amended Budgeted Revenues	\$754,770

Original Budgeted Expenditures	\$818,030
<b>Amendments were made for:</b>	
Decreased current expenditures	(5,395)
Decrease capital outlay	(231,344)
<b>Total expenditure amendments</b>	<b>(236,739)</b>
Amended Budgeted Expenditures	\$581,291

**CAPITAL ASSETS**

Capital assets, net of accumulated depreciation of \$2,326,178, for governmental activities at year-end were \$2,064,374. This year there was \$71,700 in additions to capital assets. Depreciation of \$175,518 was recorded on capital assets in the governmental activities.

More detailed information about the capital assets is presented in Note 4 to the financial statements.

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

**LONG-TERM DEBT**

The voters approved a proposition on October 20, 2007 to incur debt and to issue \$1,400,000 of 20-year General Obligation Bonds, Series 2008 with varying interest rates between 4.6%-6% for purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities to be payable from ad valorem taxes. At December 31, 2019 \$865,000 of these bonds were outstanding and \$70,000 of principal and \$40,070 of interest and fees were paid.

In accordance with a special election held on December 6, 2014, the voters approved the issuance of Four Hundred Thousand Dollars (\$400,000) of General Obligation Bonds, Series 2015, for the purpose of purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities to be payable from ad valorem taxes. The interest rate is 2.36%, interest payment dates are March 1<sup>st</sup> and September 1<sup>st</sup> mature in the year 2025. At December 31, 2019 \$260,000 of these bonds were outstanding and \$40,000 of principal and \$6,608 of interest was paid.

More detailed information about the long-term debt is presented in Note 7 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Highlights of next year's General Fund budget that was approved by the Board on December 5, 2019 include:

	<b>2020</b>
<b>Anticipated revenues</b>	\$ 783,320
<b>Expenditures:</b>	
<b>General Government</b>	29,065
<b>Current</b>	444,700
<b>Capital outlay</b>	543,000
<b>Anticipated expenditures</b>	1,016,765
<b>Net change in Fund Balance</b>	(233,445)
<b>Fund Balance:</b>	
<b>Beginning of the year</b>	1,148,550
<b>End of the year</b>	\$915,105



**TERREBONNE PARISH RECREATION DISTRICT NO. 6**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

**CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Terrebonne Parish Recreation District No. 6's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Carlos Alario, Chairman  
107 Recreation Dr.  
Montegut, LA  
Phone number 985-594-3174

# ***FINANCIAL SECTION***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

---

## INDEPENDENT AUDITOR'S REPORT

To the Commissioners of  
Terrebonne Parish Recreation District No. 6  
Montegut, LA

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Terrebonne Parish Recreation District No. 6, a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2019, and the notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these basic financial statements based on our audit. 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 Statements*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund as of December 31, 2019 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Commissioners of the  
Terrebonne Parish Recreation District No. 6  
Page 3

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head are 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 a report dated April 28, 2020, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant 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 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 internal control over financial reporting and compliance.

*Stagni & Company*

Thibodaux, Louisiana  
April 28, 2020



## **TERREBONNE PARISH RECREATION DISTRICT NO. 6**

### Statement of Net Position

December 31, 2019

#### **ASSETS**

Cash and cash equivalents	\$ 286,819
Investments	1,087,044
Accounts receivable	2,882
Ad Valorem taxes receivable	120,117
Due from tax collector	657,935
Due from State of LA	6,507
Prepaid Insurance	35,037
Meter Deposits	630
Capital Assets, net of accumulated depreciation	
Non-Depreciable	47,000
Depreciable	2,017,374
<b>TOTAL ASSETS</b>	<u><u>4,261,345</u></u>

#### **LIABILITIES**

Accounts payable and accrued liabilities	12,181
Long-term liabilities:	
Compensated absences payable-current	9,797
Compensated absences payable-noncurrent	1,345
Accrued Interest on Bonds	2,218
Bonds Payable - due in one year	110,000
Bonds Payable - due in more than one year	1,015,000
<b>TOTAL LIABILITIES</b>	<u><u>1,150,541</u></u>

#### **DEFERRED INFLOWS OF RESOURCES**

Ad Valorem Taxes	796,877
------------------	---------

#### **NET POSITION**

Net Invested in capital assets	939,374
Restricted for Debt	167,397
Unrestricted	1,207,156
Total net position	<u><u>\$ 2,313,927</u></u>

See notes to financial statements.

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Program Revenue			Net Revenue (Expense)
	Expenses	Charges for services	Operating Grants	
Recreational activities:	\$ 668,584	\$ 26,468	\$ -	\$ (642,116)
Total governmental activities	<u>\$ 668,584</u>	<u>\$ 26,468</u>	<u>\$ -</u>	<u>(642,116)</u>
<b>GENERAL REVENUES</b>				
				873,630
Ad valorem taxes				9,976
State revenue sharing				4,435
Miscellaneous				26,221
Interest earned				<u>914,262</u>
TOTAL GENERAL REVENUES				
				272,146
CHANGE IN NET POSITION				
NET POSITION:				
		Beginning of year		<u>2,041,781</u>
		End of year		<u>\$ 2,313,927</u>

See notes to the financial statements.

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Balance Sheet - Governmental Fund - General Fund

December 31, 2019

	General Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 275,214	\$ 11,605	\$ 286,819
Investments	931,202	155,842	1,087,044
Ad Valorem taxes receivable	112,628	7,489	120,117
Accounts receivable	2,882	-	2,882
Due (to) from other funds	(771)	771	-
Due from tax collector	617,017	40,918	657,935
Due from State of LA	6,507	-	6,507
Prepaid Assets	35,037	-	35,037
Meter Deposits	630	-	630
<b>TOTAL ASSETS</b>	<u>\$ 1,980,346</u>	<u>\$ 216,625</u>	<u>\$ 2,196,971</u>
 <b>LIABILITIES AND EQUITY</b>			
Accounts payable and accrued liabilities	\$ 12,148	\$ 33	\$ 12,181
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Ad Valorem taxes levied for the next fiscal year	747,682	49,195	796,877
 <b>FUND BALANCES:</b>			
Non-spendable - Reserved for Prepaid Insurance	35,037	-	35,037
Committed for:			
Capital purchases	150,767	-	150,767
Contingencies	486,485	-	486,485
Restricted for:			
Debt Service	-	167,397	167,397
Unassigned	548,227	-	548,227
<b>TOTAL FUND BALANCES</b>	<u>1,220,516</u>	<u>167,397</u>	<u>1,387,913</u>
 <b>RECONCILIATION TO STATEMENT OF NET ASSETS:</b>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add - Capital Assets			
Non-Depreciable		47,000	
Depreciable		4,343,552	
Deduct - Accumulated Depreciation		<u>(2,326,178)</u>	
			2,064,374
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences payable-current		(9,797)	
Compensated absences payable-noncurrent		<u>(1,345)</u>	
			(11,142)
Deduct - Long-Term Liabilities due within one year		(110,000)	
Deduct -Long-Term Liabilities due in more than one year		<u>(1,015,000)</u>	
Deduct Accrued Interest Payable			(2,218)
<b>Net assets of governmental activities</b>			<u>\$ 2,313,927</u>

See notes to financial statements.



**TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Governmental Fund - General Fund  
For the Year Ended December 31, 2019

	General Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>			
Ad Valorem Taxes	\$ 689,708	\$ 183,922	\$ 873,630
State Revenue Sharing	9,976	-	9,976
Concession Sales	22,052	-	22,052
Fees & Charges for use of facilities	4,416	-	4,416
Miscellaneous	4,435	-	4,435
Interest	24,045	2,176	26,221
<b>TOTAL REVENUES</b>	<u>754,632</u>	<u>186,098</u>	<u>940,730</u>
<b>EXPENDITURES</b>			
General government - current:			
Ad valorem tax deductions	24,051	6,190	30,241
Ad valorem tax adjustments	840	455	1,295
<b>Total general government - current</b>	<u>24,891</u>	<u>6,645</u>	<u>31,536</u>
Recreational - current:			
Salaries	152,738	-	152,738
Payroll Taxes & Retirement	15,220	-	15,220
Insurance-Group Health	17,935	-	17,935
Insurance-Workers' Compensation	4,189	-	4,189
Advertising & Publishing	1,916	-	1,916
Community Relations	724	-	724
Gasoline, Oil & Diesel	1,740	-	1,740
Insurance	57,565	-	57,565
Legal & Professional Fees	10,494	-	10,494
Office Operations	6,922	-	6,922
Supplies-Concession	15,527	-	15,527
Supplies-Operating	4,680	-	4,680
Uniforms, Employees	2,932	-	2,932
Utilities	48,029	-	48,029
Travel & training	500	-	500
Repairs & Maintenance-Equipment	26,312	-	26,312
Repairs & Maintenance-Building/Grounds	45,173	-	45,173
<b>Total recreational - current</b>	<u>412,596</u>	<u>-</u>	<u>412,596</u>
Capital Outlay	71,700	-	71,700
Debt Service:			
Principal payments	-	110,000	110,000
Interest and fees	-	47,428	47,428
<b>Total Debt Service</b>	<u>-</u>	<u>157,428</u>	<u>157,428</u>
<b>TOTAL EXPENDITURES</b>	<u>509,187</u>	<u>164,073</u>	<u>673,260</u>
<b>Net change in fund balance</b>	<u>245,445</u>	<u>22,025</u>	<u>267,470</u>
<b>FUND BALANCES</b>			
Beginning of year	975,071	145,372	1,120,443
End of year	<u>\$ 1,220,516</u>	<u>\$ 167,397</u>	<u>\$ 1,387,913</u>

See notes to financial statements.

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**

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

For the Year Ended December 31, 2019

Net change in fund balances		\$ 267,470
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.		
Add capital outlay from above	71,700	
Deduct - Depreciation	<u>(175,518)</u>	(103,818)
Accrued interest expense on debt and the amortization of bond issuance costs, are not recorded by governmental funds, but are reported under interest and fiscal changes		
Add- Decrease in Accrued interest on Bonds	279	
Add principal payments on bonds	<u>110,000</u>	110,279
Some expenses reported in the statement of activities to not require the use of current resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences		(1,785)
Change in net position - governmental activities		<u><u>\$ 272,146</u></u>

See notes to financial statements.

## **TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

The Terrebonne Parish Recreation District No. 6 (the District) is governed by a Board of Commissioners appointed by the Terrebonne Parish Consolidated Government organized under La. Revised Statute 33:4562(A). The District provides for the maintenance and operations of recreation facilities and equipment for the residents of Ward 6 of the Parish of Terrebonne, State of Louisiana.

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A.      Basis of Presentation**

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### **B.      Reporting Entity**

As the governing authority, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. Because the Terrebonne Parish Consolidated Government could by definition in statute be financially burdened by the Terrebonne Parish Recreation District No. 6, the District was determined to be a component unit of the Terrebonne Parish Consolidated Government. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental reporting entity.

The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ending December 31, 2019.

#### **C.      Basis of Accounting**

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:

## **TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **C.      Basis of Accounting (continued)**

##### **Governmental Fund Type**

Governmental funds account for all of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid.

The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

General Fund – was established to account for all financial resources and expenditures except those required to be accounted for in other funds.

Debt Service Fund – was established to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and related costs.

#### **D.      Measurement Focus**

##### ***Fund Financial Statements (FFS)***

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

## **TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **D.      Measurement Focus (continued)**

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. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues** – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2018 property taxes which were levied to finance the 2019 budget are recognized as revenue in 2019. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

**Expenditures** – The major expenditures for recreational programs and maintenance are recorded when payable or when the fees are incurred.

#### **Government-Wide Financial Statements (GWFS)**

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

## **TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **D. Measurement Focus (continued)**

**Program Revenues** - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

**General Revenues** - Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### **E. 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.

#### **F. Operating Budgets**

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District's General Fund, Debt Service Fund, and Construction Fund. The budgetary practices include public notice of the proposed budget and a public inspection prior to adoption. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. The district amended its budget during the year. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The budgets are adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

#### **G. Cash and Investments**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. State law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

## **TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **H. Cash and Investments (continued)**

Investments are reported at fair value except for: (1) short-term and money market investments, consisting primarily of U.S. Treasury obligations with a maturity of one year or less at time of purchase, which are reported at cost, which approximates fair value, and (2) the Louisiana Asset Management Pool (LAMP) investment which is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law, which is permitted to be carried at amortized cost. Investments policies are governed by state statutes.

#### **I. Receivables**

The financial statements contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes 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.

#### **J. Capital Assets**

Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated if historical cost is not available and are recorded in the GWFS. Donated assets are recorded as capital assets at their estimated fair market 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.

All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<u>CATEGORY</u>	<u>LIFE</u>
BUILDINGS AND IMPROVEMENTS	5-40 YEARS
MACHINERY & EQUIPMENT	5-20 YEARS

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

## **TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **K.      Fund Equity**

For government-wide financial statements net assets are classified and displayed in three components:

1. Net Invested 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.
2. Restricted net assets – Consists of net assets 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.
3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted resources are available for use, it is the policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the entity’s board through approval of resolutions.

Assigned fund balances is a limitation imposed by a designee of the entity’s board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.



## **TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **L.      Long-term Liabilities**

All long-term debt is reported as liabilities in the government-wide statements. The long-term debt consists primarily of serial bonds payable, capital leases, compensated absences and post-employment benefits.

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

#### **M.      Compensated Leave**

Accumulated vacation and sick leave are recorded as expenditures of the period in which paid. All annual leave must be taken within one year of the employee's anniversary date. Any unused annual leave in excess of 1 year of leave remaining on the anniversary date will be transferred to sick leave. Employees earn between 96 to 136 hours of vacation leave, depending on the length of employment. Accumulated vacation leave is due to the employee at the time of termination or death.

Eligible employees earn 56 hours sick leave per year. Unused sick leave can be carried forward to future years. Upon retirement or termination payment is limited to half of sick time up to 240 hours.

### **Note 2      DEPOSITS AND INVESTMENTS**

#### *Deposits -*

The recorded balance and bank balance of deposits consisted of checking and certificate of deposit accounts are \$286,819 and \$288,870 respectively.

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the 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 Terrebonne Parish Recreation District No. 6. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

## **TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

### **Note 2      DEPOSITS AND INVESTMENTS (continued)**

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. The District has a written policy for custodial credit risk. As of year-end \$38,870 of the bank balance was exposed to custodial credit risk. These deposits were uninsured and uncollateralized. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. The District has adequate pledged securities at year-end.

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

#### *Investments –*

At year-end the investment balances of \$1,087,044 is invested in the Louisiana Asset management Pool (LAMP).

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For an investment, custodial credit risk is the risk that, in the event of the 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.

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 2-a7, 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 LA-R.S. 33:2955.

## **TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

### **Note 2        DEPOSITS AND INVESTMENTS (continued)**

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 90 days, and consists of no securities with maturity in excess of 397 days. 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 at amortized cost, which approximates fair value. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

LAMP is rated AAAm by Standard & Poor's. LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required for custodial credit risk. Pooled investments are excluded from the 5 percent disclosure requirement regarding the concentration of credit risk. 2a-7 like investments pools are excluded from the interest rate disclosure requirement, nor is foreign currency risk disclosure applicable.

### **Note 3        AD VALOREM 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 reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2020. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2018 – for revenue recognized in 2019 was 15 mills of assessed valuation on property within Terrebonne Parish Recreation District No. 6 for the purpose of constructing, maintaining and operating recreation facilities within the District and 4.0 mills for the purpose of repayment of debt principal and interest.

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

**Note 4 CAPITAL ASSETS**

Information about capital assets and depreciation for the year are summarized as follows:

	<b>Balance</b>	<b>Additions</b>	<b>Deletions/ Adjustments</b>	<b>Balance</b>
	<b>12/31/2018</b>			<b>12/31/2019</b>
NON-DEPRECIABLE ASSETS				
Land	\$ 47,000	\$ -	\$ -	\$ 47,000
DEPRECIABLE ASSETS:				
<b>COST</b>				
Buildings and Improvements	3,775,366	54,821	-	3,830,187
Machinery & Equipment	496,486	16,879	-	513,365
Total cost of depreciable assets	<u>4,271,852</u>	<u>71,700</u>	-	<u>4,343,552</u>
Total cost of assets	4,318,852	71,700	-	4,390,552
<b>ACCUMULATED DEPRECIATION</b>				
Buildings and Improvements	1,879,770	147,426	-	2,027,197
Machinery & Equipment	270,890	28,091	-	298,981
Total accumulated depreciation	<u>2,150,660</u>	<u>175,518</u>	-	<u>2,326,178</u>
Net depreciable assets	<u>\$2,121,192</u>			<u>\$2,017,374</u>
Net capital assets	<u>\$2,168,192</u>			<u>\$2,064,374</u>

Depreciation Expense of \$175,518 was recorded in the governmental activities.

**Note 5 DUE FROM TAX COLLECTOR**

Amounts due from tax collector consists of \$657,935 due from the Terrebonne Parish Sheriff for ad valorem taxes collected but not yet remitted. The entire 2019 ad valorem tax levy is deferred and will be recognized as revenue in 2020. The 2019 millage levied was 15 mills for operation and maintenance and 1.0 mills for debt service.

**Note 6 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 and group benefits for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability and workers' compensation and group health. No settlements were made during the year that exceeded the District's insurance coverage.

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

**Note 7      LONG-TERM DEBT**

The voters approved a proposition on October 20, 2007 to incur debt and to issue \$1,400,000 of 20 year General Obligation Bonds, Series 2008 with varying interest rates between 4.6%-6% for purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities to be payable from ad valorem taxes. The interest payments are semi-annually on February 1<sup>st</sup> and August 1<sup>st</sup>. The bonds mature in the year 2028. Standard & Poor's Public Finance Ratings has assigned it municipal debt rating of A to the Bonds.

In accordance with a special election held on December 6, 2014, the voters approved the issuance of Four Hundred Thousand Dollars (\$400,000) of General Obligation Bonds, Series 2015, for the purpose of purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities to be payable from ad valorem taxes. The interest rate is 2.36%, interest payment dates are March 1<sup>st</sup> and September 1<sup>st</sup>. The bonds mature in the year 2025.

A summary of changes in long-term obligations of the District is as follows:

	Payable December 31, 2018	Additions	Deletions	Payable December 31, 2019
GOB, Series 2008	\$935,000	\$-	\$70,000	\$865,000
GOB, Series 2015	300,000	-	40,000	260,000
<b>Totals</b>	<b>\$1,235,000</b>	<b>\$-</b>	<b>\$110,000</b>	<b>\$1,125,000</b>

The annual requirements, including interest, to amortize all long-term debt outstanding are as follows:

MATURITY	PRINCIPAL	INTEREST	TOTAL
2020	\$115,000	\$42,670	\$157,670
2021	120,000	38,413	158,413
2022	130,000	33,841	163,841
2023	135,000	28,950	163,950
2024-2028	625,000	66,287	691,287
<b>Totals</b>	<b>\$1,125,000</b>	<b>\$210,160</b>	<b>\$1,335,160</b>

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

**Note 7 LONG-TERM DEBT (continued)**

A summary of changes in compensated absences is as follows:

Governmental Activities:	Balance 12/31/18	Obligations Retired	Additions/ Adjustments	Balance 12/31/19	due within one year
<b>Other Liabilities:</b>					
Compensated Absences	\$9,367	\$(430)	\$2,205	\$11,142	\$1,345

**Note 8 COMPENSATION OF BOARD MEMBERS**

Total compensation of \$2,075 was paid to the following Board Members:

Carlos J. Alario	\$300
Edward J. Welch	\$275
Sheri Neil	\$300
Robert Zachry	\$300
Laura A. Browning	\$300
Wendy A. Cohen	\$300
Wendy Lirette	\$300

**Note 9 SECTION 457b PLAN**

The District has adopted a plan to provide the opportunity to save for retirement on a tax-advantaged basis. This Plan is a type of retirement plan commonly referred to as a Governmental Eligible 457b Plan.

All employees are eligible to participate in the plan on the date of hire, once you reach the entry date. The entry date is the first day of the month coinciding with or next following the date you satisfy the Plan's eligibility requirements. The employer amount paid in 2019 for the plan was \$3,337.

As a participant under the Plan, employees may elect to reduce compensation by a specific percentage or dollar amount and have that amount contributed to the Plan. The Plan refers to this as an "elective deferral". There are two types of elective deferrals, pre-tax deferrals and Roth deferrals. For purposes of this summary "deferrals" or "elective deferrals" and generally means both pre-tax deferrals and Roth deferrals.

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

**Note 9 SECTION 457b PLAN (continued)**

Both the pre-tax and Roth deferrals will be subject to Social Security taxes at the time of the deferral.

The following is a summary of the Board's policy:

1. A full time employee is eligible to participate in the plan immediately upon hiring; however, the Board will match the contributions of an Employee on the following schedule.
  - a. 0 months to 6 months – will be deemed a “probationary period” and no Employer match will be made.
  - b. 6 months to the completion of the second full year of employment, the Board will match 1/3 of the contribution of the Employee up to 6.0% (2.0% Employer).
  - c. 3 years to 4 years of employment, the Board will match 2/3 of the contribution of the Employee up to 6.0% (4.0% Employer).
  - d. Year 5 and beyond, the Board will match 100% of the contribution of the Employee up to 6.0% (6.0% Employer).
2. Should an Employee elect not to contribute the 6.0%, the Board will match 1/3 or 2/3 of the contribution based on the years of service above.
3. The Board will grandfather in all current full-time employees as of 1 April, 2011 and recognizes them eligible for 100% match up to 6.0% of gross payroll.
4. Effective 1 May, 2011, the matching formula outlined above will be honored.
5. The Board reserves the right to recognize previous service credits with other political jurisdictions of Terrebonne Parish, the U.S. Military and/or National Guard. Such recognition will be on a case-by-case basis and at the full discretion of the Board.
6. The Board further reserves the right to amend, change or eliminate the matching contribution at any time should budgetary issues require such a change.

***REQUIRED SUPPLEMENTAL  
INFORMATION***



**TERREBONNE PARISH RECREATION DISTRICT NO. 6**

Budget Comparison Schedule - General Fund  
For the Year Ended December 31, 2019

	Budgets		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
<b>REVENUES</b>				
Ad Valorem Taxes	\$660,000	\$689,700	\$689,708	\$ 8
State Revenue Sharing	8,200	9,970	9,976	6
Concession Sales	27,500	23,000	22,052	(948)
Fees & Charges for use of facilities	4,600	4,500	4,416	(84)
Miscellaneous	3,050	3,400	4,435	1,035
Interest	12,000	22,000	24,045	2,045
<b>TOTAL REVENUES</b>	<b>715,350</b>	<b>752,570</b>	<b>754,632</b>	<b>2,062</b>
<b>EXPENDITURES</b>				
General government - current:				
Ad valorem tax deductions	21,600	25,465	24,051	1,414
Ad valorem tax adjustments	2,600	2,400	840	1,560
	<u>24,200</u>	<u>27,865</u>	<u>24,891</u>	<u>2,974</u>
Recreation - current:				
Salaries	156,200	156,900	152,738	4,162
Payroll Taxes & Retirement	17,800	17,000	15,220	1,780
Insurance-Group Health	26,000	19,000	17,935	1,065
Insurance-Workers' Compensation	3,600	4,300	4,189	111
Advertising & Publishing	1,500	2,000	1,916	84
Community Relations	1,700	1,800	724	1,076
Gasoline, Oil & Diesel	3,200	3,200	1,740	1,460
Insurance, Other than Health	55,000	58,000	57,565	435
Legal & Professional Fees	15,000	15,000	10,494	4,506
Office Operations	6,500	7,200	6,922	278
Supplies-Concession	23,600	21,000	15,527	5,473
Supplies-Operating	5,200	4,000	4,680	(680)
Uniforms, Employees	700	3,000	2,932	68
Utilities & Telephone	47,000	47,000	48,029	(1,029)
Travel & training	100	700	500	200
Repairs & Maintenance-Equipment	28,500	28,000	26,312	1,688
Repairs & Maintenance-Building/Grounds	35,000	30,000	45,173	(15,173)
Total recreation - current	<u>426,600</u>	<u>418,100</u>	<u>412,596</u>	<u>5,504</u>
Capital outlay	<u>303,065</u>	<u>303,065</u>	<u>71,700</u>	<u>231,365</u>
<b>TOTAL EXPENDITURES</b>	<b>753,865</b>	<b>749,030</b>	<b>509,187</b>	<b>239,843</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(38,515)</b>	<b>3,540</b>	<b>245,445</b>	<b>(237,781)</b>
<b>FUND BALANCES</b>				
Beginning of year	975,071	975,071	975,071	-
End of year	<u>\$ 936,556</u>	<u>\$ 978,611</u>	<u>\$ 1,220,516</u>	<u>\$ (237,781)</u>

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**

## Budget Comparison Schedule - Debt Service Fund

For the Year Ended December 31, 2019

	Budgets		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Ad Valorem Taxes	\$153,000	\$168,800	\$183,922	\$ 15,122
Interest	400	425	2,176	1,751
<b>TOTAL REVENUES</b>	<b>153,400</b>	<b>169,225</b>	<b>186,098</b>	<b>16,873</b>
<b>EXPENDITURES</b>				
General government - current:				
Ad valorem tax deductions	5,200	5,634	6,190	(556)
Ad valorem tax adjustments	400	680	455	225
	<u>5,600</u>	<u>6,314</u>	<u>6,645</u>	<u>(331)</u>
Debt Service:				
Principal payments	105,000	105,000	110,000	(5,000)
Interest and fees	51,402	51,402	47,428	3,974
	<u>156,402</u>	<u>156,402</u>	<u>157,428</u>	<u>(1,026)</u>
<b>TOTAL EXPENDITURES</b>	<b>162,002</b>	<b>162,716</b>	<b>164,073</b>	<b>(1,357)</b>
Revenue over (under) expenditures	(8,602)	6,509	22,025	15,516
<b>FUND BALANCES</b>				
Beginning of year	138,860	138,860	145,372	6,512
End of year	<u>\$ 130,258</u>	<u>\$ 145,369</u>	<u>\$ 167,397</u>	<u>\$ 22,028</u>

***OTHER INFORMATION SECTION***

---

**TERREBONNE PARISH RECREATION DISTRICT NO. 6**  
 Schedule of Compensation, Benefits and Other Payments to Agency Head  
 For the Year Ended December 31, 2019

**Agency Head Name: Carlos J. Alario, Chairman of the Board**

<b>Purpose</b>	<b>Amount</b>
Salary	\$0
Benefits-insurance	\$0
Benefits-retirement	\$0
Deferred compensation (contributions made by the agency)	\$0
Benefits-other (describe)	\$0
Car allowance	\$0
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	\$0
Cell phone	\$0
Dues	\$0
Vehicle rental	\$0
Per diem	\$275
Reimbursements	\$0
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Housing	\$0
Unvouchered expenses (example: travel advances, etc.)	\$0
Special meals	\$0
Other (including payments made by other parties on behalf of the agency head)	\$0

*This form is prepared to satisfy the reporting requirement under R.S. 24:513(A)(3).*

***REPORTS REQUIRED BY GOVERNMENT  
AUDITING STANDARDS***

---



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

---

## **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 Commissioners of  
Terrebonne Parish Recreation District No. 6  
Montegut, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Terrebonne Parish Recreation District No. 8, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated April 28, 2020.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

***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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Stagni & Company*

April 28, 2020  
Thibodaux, Louisiana



***TERREBONNE PARISH RECREATION DISTRICT NO. 6***

**Statewide Agreed Upon Procedures Report  
With Findings and Management's Responses**

***As of and for the Year Ending  
December 31, 2019***





# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

---

## AGREED-UPON PROCEDURES REPORT

Terrebonne Parish Recreation District No. 6

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

For the Period January 1, 2019 – December 31, 2019

Terrebonne Parish Recreation District No. 6 and  
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Terrebonne Parish Recreation District No. 6 and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. Management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

### ***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the

completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.

**Results:** *The policies of the District address all of the applicable functions listed, with the following exceptions.*

- *The policy for 1(f) contracting does not address the legal review.*
- *The policy for 1(i) ethics does not address the requirement to attest through signature verification that all employees have read the entity's ethics policy.*

**Management's Response:**

- *Contracting Policy - 1(f) - The Board will consider revising the policy to include all requirements.*
- *Ethics Policy - 1(i) - Currently, all employees and board members are required to view a 1-hour ethics training video presented by the Louisiana Board of Ethics. Once the employee has viewed the video, they are required to print a certificate for filing in each employee's personnel file. This is an annual requirement. In Management's opinion, this video is much more in-depth than the District's ethics policy and is clearer and easier to understand for all employees across all job categories.*



- *Disaster Recovery/Business Continuity – k) Management and the Board are in the process of formulating the new to Year 3 policy.*

### **Board or Finance Committee**

---

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

### **Bank Reconciliations**

---

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

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*



## **Collections**

---

4. 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).
5. 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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) 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).
  - e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** *Although the District did have exceptions, they were based strictly on the wording of the procedure. We believe that compensating controls **fully** mitigate the underlying control risk, and therefore these procedures were excluded from testing in Year 3.*



***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

8. 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).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) 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.
  - d) 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.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. 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:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may



constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

- b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

### **Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

### **Contracts**

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is



complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) 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.

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

### ***Payroll and Personnel***

---

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.



**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

### **Ethics**

---

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

### **Debt Service**

---

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. 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).

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

### **Other**

---

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*





We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Stagni & Company*

Thibodaux, LA  
April 22, 2020



---

STAGNI & COMPANY, LLC

---