
CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

SPRINGFIELD, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2023

RICHARD  CPAS

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

SPRINGFIELD, LOUISIANA

FINANCIAL STATEMENTS

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CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Carter Plantation Community Development District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Carter Plantation Community Development District (the District), a component of the Livingston Parish Council as of and for the year ended June 30, 2023, 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 statements of the business-type activities of Carter Plantation Community Development District of June 30, 2023, the respective changes in the financial statements, thereof 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 relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Prior Year Financial Statements

The 2022 financial statements were reviewed by us, and our report thereon, dated December 30, 2022, stated we were not aware of any material modifications that should be made to those financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

Responsibilities of Management 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; 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 Carter Plantation Community Development District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of 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 opinions. 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 Carter Plantation Community Development 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 the management's discussion and analysis on pages 4 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Agency Head on page 26 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 related directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the Agency Head 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 December 29, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
December 29, 2023

REQUIRED SUPPLEMENTARY INFORMATION

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Our discussion and analysis of the Carter Plantation Community Development District's (the District) financial performance provides an overview of the District's financial activity for the years ended June 30, 2023 and 2022. It should be read in conjunction with the basic financial statements.

Financial Highlights – 2023

- The assets of the District exceeded its liabilities at June 30, 2023 by \$11,137,919 (positive net position). The majority of this positive net position is related to capital assets.
- The District's total net position decreased \$262,413, with operating revenues of the District of \$580,093 and operating expenses of \$902,554 for the year ended June 30, 2023.

Financial Highlights –2022

- The assets of the District exceeded its liabilities at June 30, 2022 by \$11,400,332 (positive net position). The majority of this positive net position is related to capital assets.
- The District's total net position decreased \$310,393; with operating revenues of the District of \$495,185 and operating expenses of \$781,249 for the year ended June 30, 2022.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District is a special purpose government engaged only in business-type activities.

The basic financial statements report information about the District using full accrual accounting methods as utilized by similar business activities in the private sector. The financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows.

- The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and 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 revenues, expenses, and changes in net position presents information showing how the District's net position changed during the 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.
- The statement of cash flows presents changes in cash and cash equivalents from operational, financing, and investing activities. This statement presents cash receipt and disbursement information without consideration of the earnings event, when obligations arise, or depreciation of capital assets.

The basic financial statements can be found on pages 12-14 of this report.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Financial Analysis – 2023

The Statement of Net Position includes information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position (deficit). The statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the District.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
CONDENSED STATEMENTS OF NET POSITION

JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Change</u>
<u>ASSETS</u>				
Current assets	\$ 461,351	\$ 295,533	\$ 165,818	56.11%
Capital assets not being depreciated	3,340,643	3,340,643	-	0.00%
Capital assets being depreciated, net	7,439,360	7,816,233	(376,873)	-4.82%
Other noncurrent assets	150	150	-	0.00%
Total assets	<u>11,241,504</u>	<u>11,452,559</u>	<u>(211,055)</u>	<u>51.29%</u>
<u>LIABILITIES</u>				
Current liabilities	103,585	52,227	51,358	98.34%
Noncurrent liabilities	-	-	-	-
Total liabilities	<u>103,585</u>	<u>52,227</u>	<u>51,358</u>	<u>98.34%</u>
<u>NET POSITION</u>				
Invested in capital assets	10,780,003	11,156,876	(376,873)	-3.38%
Unrestricted	357,916	243,456	114,460	47.01%
Total net position	<u>\$ 11,137,919</u>	<u>\$ 11,400,332</u>	<u>\$ (262,413)</u>	<u>43.64%</u>

Current assets increased by \$165,818 due to an increase in cash balances as of June 30, 2023. Capital assets, net decreased by \$376,873 due to depreciation expense during the year ended June 30, 2023. Current liabilities increased by \$51,358, primarily due to an increase in accounts payable at June 30, 2023.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Financial Analysis – 2023 (continued)

The Statement of Revenues, Expenses, and Changes in Net Position provide an indication of the District's financial health.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
CONDENSED STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Change</u>
<u>OPERATING REVENUES</u>				
Water	\$ 161,569	\$ 146,567	\$ 15,002	10.24%
Sewer	193,652	148,485	45,167	30.42%
Late fees	2,133	2,721	(588)	-21.61%
Maintenance and benefit assessments	222,221	196,914	25,307	12.85%
Interest on maintenance assessments	518	498	20	4.02%
Total operating revenues	<u>580,093</u>	<u>495,185</u>	<u>84,908</u>	<u>35.91%</u>
<u>OPERATING EXPENSES</u>				
Utility service operating expense - water	122,253	78,905	43,348	54.94%
Utility service operating expense - sewer	190,196	189,012	1,184	0.63%
Maintenance and operating costs	81,850	54,953	26,897	48.95%
Depreciation expense	376,873	376,873	-	0.00%
Administrative	131,382	81,506	49,876	61.19%
Total operating expenses	<u>902,554</u>	<u>781,249</u>	<u>121,305</u>	<u>165.70%</u>
Net operating loss	<u>(322,461)</u>	<u>(286,064)</u>	<u>(36,397)</u>	<u>12.72%</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Hurricane IDA - FEMA Reimbursement	60,048	-	60,048	-
Hurricane IDA - Insurance proceeds	-	2,162	(2,162)	-100.00%
Hurricane IDA - repair expense	-	(26,491)	26,491	-100.00%
Total non-operating revenues (expenses)	<u>60,048</u>	<u>(24,329)</u>	<u>84,377</u>	<u>-200.00%</u>
Change in net position	<u>\$ (262,413)</u>	<u>\$ (310,393)</u>	<u>\$ 47,980</u>	<u>-15.46%</u>

Total operating revenues of \$580,093 for the year ended June 30, 2023, increased by \$84,908 as compared to the prior year. Total operating expenses of \$902,554 increased by \$121,305 as compared to the prior year due to an increase in service operating expenses during the year ended June 30, 2023. Total other non-operating revenues (expenses) increased from the prior year due to one-time non-recurring revenue during the year ended June 30, 2023, related to FEMA reimbursements for Hurricane Ida damage.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Financial Analysis – 2023 (continued)

The Statement of Cash Flow reports the cash provided and used by operating and capital financing activities.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Change</u>
<u>CASH FLOWS FROM:</u>				
Operating activities	\$ 83,612	\$ 102,884	\$ (19,272)	-18.73%
Capital financing activities	<u>60,048</u>	<u>(24,329)</u>	<u>84,377</u>	<u>-346.82%</u>
Net change in cash and cash equivalents	<u>143,660</u>	<u>78,555</u>	<u>65,105</u>	<u>-365.55%</u>
Beginning of year, cash and cash equivalents	<u>295,533</u>	<u>216,978</u>	<u>78,555</u>	<u>36.20%</u>
End of year, cash and cash equivalents	<u>\$ 439,193</u>	<u>\$ 295,533</u>	<u>\$ 143,660</u>	<u>48.61%</u>

Cash and cash equivalents increased by \$143,660 during the year ended June 30, 2023. The District recognized the following significant cash transactions during the year ended June 30, 2023:

- Cash provided by operations of \$83,612 related to water and sewer service charges and fees, along with maintenance assessment revenue during the 2023 year.
- Cash provided by capital financing activities of \$60,048 due to one-time non-recurring revenue during the year ended June 30, 2023, related to FEMA reimbursements for Hurricane Ida damage.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Financial Analysis – 2022

The Statement of Net Position includes information on all the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position (deficit). The statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the District.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

CONDENSED STATEMENTS OF NET POSITION

JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>Change</u>
<u>ASSETS</u>				
Current assets	\$ 295,533	216,978	\$ 78,555	36.20%
Capital assets not being depreciated	3,340,643	3,340,643	-	0.00%
Capital assets being depreciated, net	7,816,233	8,193,106	(376,873)	-4.60%
Other noncurrent assets	150	150	-	0.00%
Total assets	<u>11,452,559</u>	<u>11,750,877</u>	<u>(298,318)</u>	<u>31.60%</u>
<u>LIABILITIES</u>				
Current liabilities	52,227	40,152	12,075	30.07%
Noncurrent liabilities	-	-	-	-
Total current liabilities	<u>52,227</u>	<u>40,152</u>	<u>12,075</u>	<u>30.07%</u>
<u>NET POSITION</u>				
Invested in capital assets	11,156,876	11,533,749	(376,873)	-3.27%
Unrestricted	243,456	176,976	66,480	37.56%
Total net position	<u>\$ 11,400,332</u>	<u>\$ 11,710,725</u>	<u>\$ (310,393)</u>	<u>34.30%</u>

Current assets increased by \$78,555 due to an increase in cash balances as of June 30, 2022. Capital assets, net decreased by \$376,873 due to depreciation expense during the year ended June 30, 2022. Current liabilities increased by \$12,075, primarily due to an increase in customer deposits received during the year ended June 30, 2022.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Financial Analysis – 2022 (continued)

The Statement of Revenues, Expenses, and Changes in Net Position provide an indication of the District's financial health.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
CONDENSED STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>Change</u>
<u>OPERATING REVENUES</u>				
Water	\$ 146,567	\$ 111,141	\$ 35,426	31.87%
Sewer	148,485	128,302	20,183	15.73%
Late fees	2,721	2,034	687	33.78%
Maintenance and benefit assessments	196,914	220,523	(23,609)	-10.71%
Interest on maintenance assessments	498	1,200	(702)	-58.50%
Total operating revenues	<u>495,185</u>	<u>463,200</u>	<u>31,985</u>	<u>12.18%</u>
<u>OPERATING EXPENSES</u>				
Utility service operating expense - water	78,905	66,271	12,634	19.06%
Utility service operating expense - sewer	189,012	186,130	2,882	1.55%
Maintenance and operating costs	54,953	149,734	(94,781)	-63.30%
Depreciation expense	376,873	376,873	-	0.00%
Administrative	81,506	86,110	(4,604)	-5.35%
Total operating expenses	<u>781,249</u>	<u>865,118</u>	<u>(83,869)</u>	<u>-48.03%</u>
Net operating loss	<u>(286,064)</u>	<u>(401,918)</u>	<u>115,854</u>	<u>-28.83%</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Hurricane IDA - Insurance proceeds	2,162	-	2,162	-
Hurricane IDA - repair expense	(26,491)	-	(26,491)	-
Total non-operating revenues (expenses)	<u>(24,329)</u>	<u>-</u>	<u>(24,329)</u>	<u>-</u>
Change in net position	<u>\$ (310,393)</u>	<u>\$ (401,918)</u>	<u>\$ 91,525</u>	<u>-22.77%</u>

Total operating revenues of \$495,185 for the year ended June 30, 2022, increased by \$31,985 as compared to the prior year. Total operating expenses of \$781,249 decreased by \$83,869 as compared to the prior year due to infrastructure maintenance during the year ended June 30, 2022. Total other non-operating revenues (expenses) increased from the prior year due to one-time non-recurring expenses during the year ended June 30, 2022, for repairs of Hurricane Ida damage.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Financial Analysis – 2022 (continued)

The Statement of Cash Flow reports the cash provided and used by operating and capital financing activities.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>Change</u>
<u>CASH FLOWS FROM:</u>				
Operating activities	\$ 102,884	\$ (11,896)	\$ 114,780	-964.86%
Capital financing activities	(24,329)	-	(24,329)	-
Net change in cash and cash equivalents	<u>78,555</u>	<u>(11,896)</u>	<u>90,451</u>	<u>-964.86%</u>
Beginning of year, cash	216,978	228,874	(11,896)	-5.20%
End of year, cash	<u>\$ 295,533</u>	<u>\$ 216,978</u>	<u>\$ 78,555</u>	<u>36.20%</u>

Cash and cash equivalents increased by \$78,555 during the year ended June 30, 2022. The District recognized the following significant cash transactions during the year ended June 30, 2022:

- Cash provided by operations of \$102,884 related to water and sewer service charges and fees, along with maintenance assessment revenue during the 2022 year.
- Cash used in capital financing activities of \$24,329 due to repair expenses related to Hurricane Ida damage.

Capital Assets

At June 30, 2023 and 2022, the District had \$10,780,003 and \$11,156,876, respectively, invested in a range of capital assets including buildings and infrastructure as shown below.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Carter house	\$ 1,077,567	\$ 1,088,869	\$ 1,100,173
Ponds & lakes	393,778	393,778	393,778
Right of ways	1,948,858	1,948,858	1,948,858
Roads & storm water	7,006,662	7,317,752	7,628,845
Sewer system	170,520	197,991	225,468
Water system	182,618	209,628	236,627
Capital assets, net	<u>\$ 10,780,003</u>	<u>\$ 11,156,876</u>	<u>\$ 11,533,749</u>

There were no additions and no disposals of capital assets in the current year and the prior year and the decrease in net capital assets from prior year related to the current year depreciation expense of the capital assets.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Long-Term Debt

At June 30, 2023 and 2022, the District had no long-term debt.

Economic Factors

At June 30, 2023, the District had positive net position of \$11,137,919. The District had \$382,723 in unrestricted cash and \$56,470 in restricted cash as of June 30, 2023. In future years the District will continue to evaluate the costs of providing services and maintaining its infrastructure against the fees charged to the District's customers.

Request for Information

This financial report is designed to provide a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District at P.O. Box 1402, Springfield, Louisiana 70462.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022

ASSETS

	2023	2022
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 382,723	\$ 244,813
Cash and cash equivalents - restricted	56,470	50,720
Accounts receivable	22,158	-
Total current assets	461,351	295,533
<u>NONCURRENT ASSETS</u>		
Capital assets not being depreciated	3,340,643	3,340,643
Capital assets being depreciated, net	7,439,360	7,816,233
Utility deposits	150	150
Total noncurrent assets	10,780,153	11,157,026
<u>TOTAL ASSETS</u>	\$ 11,241,504	\$ 11,452,559

LIABILITIES AND NET POSITION

<u>CURRENT LIABILITIES</u>		
Accounts payable and accruals	\$ 47,115	\$ 1,507
Customer deposits	56,470	50,720
Total current liabilities	103,585	52,227
<u>TOTAL LIABILITIES</u>	103,585	52,227
<u>NET POSITION</u>		
Net investment in capital assets	10,780,003	11,156,876
Unrestricted	357,916	243,456
<u>TOTAL NET POSITION</u>	\$ 11,137,919	\$ 11,400,332

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

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
<u>OPERATING REVENUES</u>		
Charges for services - water service	\$ 161,569	\$ 146,567
Charges for services - sewer service	193,652	148,485
Charges for services - late fees	2,133	2,721
Maintenance and benefit assessments	222,221	196,914
Interest on maintenance assessments	518	498
Total operating revenues	580,093	495,185
<u>OPERATING EXPENSES</u>		
Utility service operating expense - water	122,253	78,905
Utility service operating expense - sewer	190,196	189,012
Maintenance and operating costs	81,850	54,953
Depreciation expense	376,873	376,873
Administrative	131,382	81,506
Total operating expenses	902,554	781,249
<u>OPERATING LOSS</u>	(322,461)	(286,064)
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Hurricane IDA - FEMA reimbursement	60,048	-
Hurricane IDA - insurance proceeds	-	2,162
Hurricane IDA - repair expense	-	(26,491)
Total nonoperating revenues (expenses), net	60,048	(24,329)
<u>CHANGE IN NET POSITION</u>	(262,413)	(310,393)
<u>NET POSITION, BEGINNING OF THE YEAR</u>	11,400,332	11,710,725
<u>NET POSITION, END OF THE YEAR</u>	\$ 11,137,919	\$ 11,400,332

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

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Received from customers	\$ 557,935	\$ 495,185
Customer deposits received	5,750	11,752
Paid to vendors	(480,073)	(404,053)
Net cash provided by operating activities	83,612	102,884
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>		
Received from FEMA	60,048	-
Received from insurance	-	2,162
Paid for Hurricane IDA repairs	-	(26,491)
Net cash provided by (used in) capital and related financing activities	60,048	(24,329)
Net change in cash and cash equivalents	143,660	78,555
Cash and cash equivalents, beginning of year	295,533	216,978
Cash and cash equivalents, end of year	\$ 439,193	\$ 295,533
Reconciliation of net operating loss to net cash provided by operating activities are as follows:		
Operating loss	\$ (322,461)	\$ (286,064)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation	376,873	376,873
Change in operating assets and liabilities:		
Increase in accounts receivable	(22,158)	-
Increase in customer deposits	5,750	11,752
Increase in accounts payable	45,608	323
Net cash provided by operating activities	\$ 83,612	\$ 102,884

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

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies

Organization

Carter Plantation Community Development District (the District) is a special district as provided in Article VI, Section 19 of the Constitution of Louisiana, which is created pursuant to Chapter 27-B of Title 33 of the Louisiana Revised Statutes of 1950, as amended, specifically, La. R.S. 33:9039.11 through 33:9039.37, inclusive (the “Act”) and limited to the performance of those specialized functions authorized by the Act, the boundaries of which are contained wholly within a single parish; the governing head of which is a body created, organized and constituted and authorized to function specifically as prescribed in the Act for the delivery of community development services; and the formation, powers, governing body, operation, duration, accountability, requirements for disclosure and termination of which are governed pursuant to the provisions of the Act.

Carter Plantation Development District, Parish of Livingston, State of Louisiana (the “District”) is a public corporation and a community development district organized and existing under the provisions of the Act, and pursuant to an Ordinance duly adopted by the Council Members of Livingston Parish Council (primary government), State of Louisiana, effective on January 9, 2003 (the “Ordinance”). The District is comprised of an includes all of the immovable property situated within the described boundaries of the District.

Pursuant to the provisions of the Act, the District is authorized to finance, fund, plan, establish, acquire construct or reconstruct, enlarge, extend, equip, operate and maintain systems, facilities and basic infrastructure for the following: 1) water management and control for the lands on the District, including the connection of some or any of such facilities with road and bridges; 2) water supply, sewer and wastewater management, reclamation and refuse or any combination thereof; 3) bridges or culverts that may be needed across any drain, ditch, canal, floodway holding basin, excavation, public highway, tract, grade, fill or cut and roadways over levees and embankment; and 4) roads and streets in the District (the “Project”).

The District is authorized by the Act to levy and collect non-ad valorem special assessments against all immovable property situated in the District that is subject to assessment as a result of the project. The Board of Supervisors of the District (the “Board”) exercise the powers granted to the District pursuant to the Act. The Board consists of five members; except as otherwise provided by the Act, each member holds the position for a term of four years, and until a successor is chosen and qualified. Two of the supervisors are elected officers of the District: Chairman and Secretary. The initial members of the Board were to be residents of the State of Louisiana, and at least one of the initial members was to be a resident of the area immediately adjacent to the District. Additionally, the initial members of the Board served terms of six years after the initial appointment of members. The positions of each member whose term has expired is filled by a qualified elector of the District, or if there are no qualified electors of the District, a qualified elector of Livingston Parish who will be elected by the qualified electors of the District in accordance with Title 18 of the Louisiana Revised Statues of 1950. However, if the District consists of a population of less than six hundred persons, the governing authority of the Livingston Parish Council will appoint members of the Board.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies (continued)

Organization (continued)

Members of the Board are known as supervisors and, upon entering into office, take an oath of office. The supervisors hold office for the term for which they were elected or appointed and until their successors are chosen and qualified. If, during the term of office, a vacancy occurs, the remaining members of the Board will fill the vacancy by an appointment for the remainder of the unexpired term. Each supervisor is entitled to receive for this or her services, a per diem not to exceed seventy-five dollars per meeting, and such travel expenses as may be authorized in the bylaws of the District. A majority of the members of the Board constitutes a quorum for the purpose of conducting its business, exercising its powers and for all other purposes. Actions taken by the District are upon vote of a majority of the members present, unless general law or a rule of the District requires a great number.

Reporting Entity

Component units are a legally separate organization for which elected officials of the primary government (the District) are financially accountable. Component unit status is determined using the following criteria: (1) Able to impose its will on the component unit and (2) there is potential for the component unit to provide specific financial benefits to or impose financial burdens on the District. Based on the application of this criteria, the District has no component units. As a result, the accompanying financial statements present information only on the District.

Under the provisions of this criteria, the District is considered a component unit of the Livingston Parish Council. As a component unit, the accompanying financial statements should be included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

Basis of Presentation and Accounting

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to enterprise funds of governmental units. An enterprise fund is a proprietary type fund used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's intent is that the costs of providing goods or services to customers on a continuing basis be financed or recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred, and/or changes in net position is appropriate for capital maintenance, public policy, management control, and accountability.

The District follows the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recorded when incurred. Operating revenues consist of charges for services and maintenance and benefit assessments. Operating expenses consist of utility (water and sewer) operating expense and depreciation expense for water and sewer. Nonoperating revenues and expense consist of those revenues and expenses that are related to financing and investing type activities and result from nonexchange transactions or ancillary services.

When an expense is incurred for purpose in which both restricted and unrestricted net assets are available, the District's policy is to first apply restricted resources.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

At June 30, 2023 and 2022, restricted cash of \$56,470 and \$50,720, respectively, was held as customer meter deposits.

Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts. Receivables are periodically evaluated for collectability based on past credit history with customers. Allowance for doubtful accounts is determined on the basis of the evaluation of collectability.

Capital Assets

General capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Improvements are capitalized while the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. All capital assets, other than land, right of ways, lakes and ponds, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Life</u>
Land, right of ways, lakes and ponds	N/A
Road, streets, drainage and buildings	40
Utility plants and systems	25
Fire hydrants	25
Pool	20

Interest incurred during capital asset construction periods is expensed in accordance with GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

Net Position

Net position is displayed in three components:

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 and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of restricted assets reduced by restricted liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies (continued)

Net Position (continued)

Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Assessment Methodology

The District used an Assessment Methodology Consultant to determine and establish the special assessment (or benefit special assessment) levied against all assessable property in the District (also see Note 3). The consultant determined that the assessments would be an amount sufficient to provide for the cost of all infrastructure and common improvements, capitalized and accrued interest, on-going district management and legal counsel and issuance costs on the Bonds issued to finance the infrastructure and common improvements to be acquired. All assessable property in the District benefits in the same manner from the use of the infrastructure and common improvements, and as such, all such property was assessed utilizing the same method.

The benefitted assessment cost allocation as derived by calculating the value of the infrastructure and common improvements throughout the District, based on estimated (appraised) value of lots, for all assessable properties in the District, and applying a factor weighted to each lot's appraised value in an amount sufficient to cover the costs outlined above. This methodology, which was used to establish and determine the benefit special assessments that pay the cost of the projects, has been presented to and approved by the Board of the District and is set forth in the Allocation of Infrastructure Cost & Assessment Methodology Report prepared by King, Bossier, Nosacka & Holley and District Manager, Inc., the Assessment Methodology Consultants to the District.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Accounting pronouncements - Adopted

The Governmental Accounting Standards Board (GASB) has issued the following statements which the District adopted during the year ended June 30, 2023.

In June 2017, the GASB issued Statement No. 87, *Leases*. This statement established standard of accounting and financial reporting for leases by lessees and lessors. The requirements of this statement are effective for fiscal years beginning after June 15, 2021. The adoption of this standard did not have a material impact on the District's financial statements.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies (continued)

Accounting pronouncements – Adopted (continued)

In January 2020, the GASB issued Statement No. 92, *Omnibus*. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Certain requirements of this Statement are effective immediately and others for reporting periods beginning after June 15, 2021. The adoption of this standard did not have a material impact on the District's financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The adoption of this standard did not have a material impact on the District's financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The Statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The adoption of this standard did not have a material impact on the District's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provided guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of the Statement are effective for reporting periods beginning after June 15, 2022. The adoption of this standard did not have a material impact on the District's financial statements.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net position.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

2. Cash and Cash Equivalents

The District is authorized to make direct investments of money within funds and accounts established by the bond indentures in United States government bonds, treasury notes, treasury bills or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the state of Louisiana or any other federally insured investment, or guaranteed investment contracts issued by a financial institution having one of the two highest rating categories or in mutual or trust fund institutions which are registered with the SEC and which have underlying investments consisting solely of and limited to securities of the government or its agencies. The types of permitted investments for a special district constituting a political subdivision of the State of Louisiana are more fully set forth in the Louisiana Revised Statutes.

The District's deposits at June 30, 2023 and 2022 are all classified as cash and cash equivalents as described in Note 1. Under state law, these deposits must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit. These securities are held by and in the name of the pledging fiscal agent bank or in a holding or custodial bank that is mutually acceptable to both parties. Under state law, deposits held in a separate trust account are not required to have pledged securities in the name of the government; however, the bank must deposit with an unaffiliated bank pledges securities to cover the deposits held in trust.

Custodial credit risk, as it relates to cash deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2023, and 2022, none of the District's deposits (bank balances) of \$428,405 and \$284,209, respectively, were exposed to custodial credit risk because they were either insured by the Federal Deposit Insurance Corporation or they were held in a bank trust department where state law requires the bank trust department to deposit securities with an unaffiliated bank that is equal to the amount held in trust.

3. Benefit Special Assessments and Maintenance Special Assessments

Benefit Special Assessments

The District's Special Assessments are a type of non-ad valorem benefit special assessments levied against assessable property within the boundaries of the District's lands based upon the special benefit to accrue to such property as a result of the implementation of the Project (See Note 1). Non-ad valorem assessments are not based upon millage and can become a lien against homestead property as permitted under the provisions of the Act.

The term "Special Assessment" means the net proceeds derived from the levy and collection of "benefit special assessments", as provided for in La. R.S. 33:9039.29 (A) of the Act (except for any such special assessments levied and collected for maintenance purposes), against the lands located within the District that are subject to assessments regarding the project or any portion thereof. These assessments may be due and collected during each year that parish taxes are due and collected, in which case, such annual installment and levy shall be evidenced and certified to the assessor by the Board not later than August 31st of each year. Such assessment shall be entered by the assessor on the parish tax rolls and shall be collected and enforced by the tax collector in the same manner and at the same time as parish taxes; the proceeds thereof shall be paid to the District.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

3. Benefit Special Assessments and Maintenance Special Assessments (continued)

Benefit Special Assessments (continued)

Additionally, at the time of the sale of land located in the District that is subject to assessments, the owner of the property shall prepay the special assessment and extinguish the lien upon the property to be acquired by paying, on the date of the sale, the entire amount of the assessment plus accrued interest to the Trustee. The amount of the assessment will be deposited by the Trustee into the appropriate Debt Service or Prepayment Account.

The benefit special assessments include:

- a) Acquisition Prepayments (Assessments on Lots) – Payment, made by the owner of land in the District subject to assessment, from the proceeds of the land sales in the amount of the special assessments imposed to pay principal of the Bonds (plus accrued interest as outlined in the Indentures);
- b) Annual Benefit Special Assessments – Net proceeds derived from levying, imposing and collecting benefit special assessments against assessable property annually, if necessary, with respect to the project;
- c) Periodic Benefit Special Assessments – Assessments levied, imposed and collected by the District semi-annually to pay the interest or principal on the Bonds, based on the next debt service payment date; and
- d) Other Benefit Special Assessments – Any other assessments levied, imposed and collected by the District related to the project or Bonds.

Acquisition Prepayments collected totaled \$-0- for the years ended June 30, 2023, and 2022.

During fiscal year 2012, the Board of Supervisors of the District approved an ordinance levying periodic benefit special assessments in an amount sufficient to pay debt obligations due and replenish debt services reserves; however, the ordinance levying such assessments was subsequently rescinded in accordance with the conditions of a forbearance agreement entered into on August 26, 2011

Annual, Period and Other Benefit Special Assessments totaled \$-0- for the years ended June 30, 2023, and 2022.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

3. Benefit Special Assessments and Maintenance Special Assessments (continued)

Maintenance Special Assessment

Maintenance Special Assessments are assessments levied, ordered and collected for maintenance purposes. Maintenance Special Assessments levied for the years ended June 30, 2023, and 2022 totaled \$222,221 and \$196,914, respectively. Of this amount for the year ended June 30, 2023, \$222,221 was collected by the tax collector and \$198,323 was remitted to the District (\$222,221 collected less \$23,898 collection fees retained by tax collector). Of this amount for the year ended June 30, 2022, \$196,914 was collected by the tax collector and \$173,239 was remitted to the District (\$196,914 collected less \$23,675 collection fees retained by tax collector). Current year Maintenance Assessments Revenue has been recorded at the amount collected, since the District does not expect to receive any of the additional assessments levied for the year and based on what has happened historically with these assessments.

Enforcement of Lien Nonpayment

Collection of Special Assessments levied is enforceable in the manner provided by law, particularly the provisions of Sections 9039.29 and 9039.30 of the Act. Special Assessments constitute a lien on the property until such Special Assessments are paid and shall be on parity with the lien of state, parish, municipal and school board taxes.

Such Special Assessments are a lien in favor of the District arising under RS 33:9039.30 and may be enforced by the District in a court of competent jurisdiction as provided in the Act and other law of the State. Such proceedings may be brought at any time after the expiration of one year from the date of any tax, or installment thereof, becomes delinquent. No such proceedings have yet been undertaken.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

4. Capital Assets

A summary of changes in capital assets is as follows:

	<u>June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Capital assets, not being depreciated				
Right of ways	\$ 1,948,858	\$ -	\$ -	\$ 1,948,858
Land for sewer plant	75,479	-	-	75,479
Land for water well	13,832	-	-	13,832
Ponds and lakes	393,778	-	-	393,778
Carter house land	680,000	-	-	680,000
Carter house historical portion	228,696	-	-	228,696
Total capital assets, not being depreciated	<u>3,340,643</u>	<u>-</u>	<u>-</u>	<u>3,340,643</u>
Capital assets, being depreciated				
Carter house and renovations	96,064	-	-	96,064
Pool	178,000	-	-	178,000
Roads and storm water systems	12,443,591	-	-	12,443,591
Sewer system	686,774	-	-	686,774
Water system	675,262	-	-	675,262
Total capital assets, being depreciated	<u>14,079,691</u>	<u>-</u>	<u>-</u>	<u>14,079,691</u>
Less accumulated depreciation for:				
Carter house and renovations	(40,810)	(2,402)	-	(43,212)
Pool	(142,392)	(8,900)	-	(151,292)
Roads and storm water systems	(5,125,839)	(311,090)	-	(5,436,929)
Sewer system	(488,783)	(27,471)	-	(516,254)
Water system	(465,634)	(27,010)	-	(492,644)
Total accumulated depreciation	<u>(6,263,458)</u>	<u>(376,873)</u>	<u>-</u>	<u>(6,640,331)</u>
Total capital assets, being depreciated, net	<u>7,816,233</u>	<u>(376,873)</u>	<u>-</u>	<u>7,439,360</u>
Capital assets, net	<u>\$ 11,156,876</u>	<u>\$ (376,873)</u>	<u>\$ -</u>	<u>\$ 10,780,003</u>

For the years ended June 30, 2023, and 2022, depreciation expense was \$376,873.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

4. Capital Assets (continued)

	<u>June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2022</u>
Capital assets, not being depreciated				
Right of ways	\$ 1,948,858	\$ -	\$ -	\$ 1,948,858
Land for sewer plant	75,479	-	-	75,479
Land for water well	13,832	-	-	13,832
Ponds and lakes	393,778	-	-	393,778
Carter house land	680,000	-	-	680,000
Carter house historical portion	228,696	-	-	228,696
Total capital assets, not being depreciated	<u>3,340,643</u>	<u>-</u>	<u>-</u>	<u>3,340,643</u>
Capital assets, being depreciated				
Carter house and renovations	96,064	-	-	96,064
Pool	178,000	-	-	178,000
Roads and storm water systems	12,443,591	-	-	12,443,591
Sewer system	686,774	-	-	686,774
Water system	675,262	-	-	675,262
Total capital assets, being depreciated	<u>14,079,691</u>	<u>-</u>	<u>-</u>	<u>14,079,691</u>
Less accumulated depreciation for:				
Carter house and renovations	(38,408)	(2,402)	-	(40,810)
Pool	(133,490)	(8,902)	-	(142,392)
Roads and storm water systems	(4,814,746)	(311,093)	-	(5,125,839)
Sewer system	(461,306)	(27,477)	-	(488,783)
Water system	(438,635)	(26,999)	-	(465,634)
Total accumulated depreciation	<u>(5,886,585)</u>	<u>(376,873)</u>	<u>-</u>	<u>(6,263,458)</u>
Total capital assets, being depreciated, net	<u>8,193,106</u>	<u>(376,873)</u>	<u>-</u>	<u>7,816,233</u>
Capital assets, net	<u>\$ 11,533,749</u>	<u>\$ (376,873)</u>	<u>\$ -</u>	<u>\$ 11,156,876</u>

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

5. Per Diem Paid to Board Members

The following Supervisors received per diem during the years ended June 30, in the amounts listed below which are included in administrative expenses on the Statement of Activities:

	<u>2023</u>	<u>2022</u>
Gillis Windham	\$ -	\$ 375
Paul Marchinko	300	-
Ronnie Morse	525	825
Maurice Welsh	675	300
John Munding	675	750
Butch Marchinko	-	675
Jason Ard	375	150
	<u>\$ 2,550</u>	<u>\$ 3,075</u>

6. Hurricane Ida (FEMA Reimbursement)

On August 29, 2021, Hurricane Ida struck the Louisiana gulf coast causing considerable damage to the Greater New Orleans area and the temporary relocation of some of the population of Tangipahoa Parish and the surrounding areas. The District experienced damage to sewer and water facilities. During the year ended June 30, 2023, the District received a FEMA reimbursement of \$60,048 for damage caused by Hurricane Ida.

SUPPLEMENTARY INFORMATION

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2023

Agency Head Name: Maurice Welsh, Board Chair

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - insurance	-
Meals and parking	-
Registration fees	-
Per diem	675
Conference travel	-
	<u>\$ 675</u>

Louisiana Revised Statute 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statement of local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

See independent auditor's report.

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS



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 Directors of
Carter Plantation Community Development District

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 statement of Carter Plantation Community Development District (the District) which comprise the statement of net position as of June 30, 2023 and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 29, 2023.

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

Our consideration of internal control 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters 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.

Richard CPAS

Metairie, Louisiana
December 29, 2023

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2023

1. Summary of Independent Auditors' Results

Financial Statements

(a) The type of report issued on the basic financial statements: **Unmodified**

(b) Internal control over financial reporting:

Material weakness(es) identified: **None reported**

Significant deficiency(ies) identified: **None reported**

(c) Noncompliance which is material to the basic financial statements: **None reported**

2. Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*

None reported.

3. Prior Year Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*

None reported.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

LOUISIANA LEGISLATIVE AUDITOR

STATEWIDE AGREED-UPON PROCEDURES REPORT

JUNE 30, 2023

RICHARD  CPAS

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

LOUISIANA LEGISLATIVE AUDITOR

STATEWIDE AGREED-UPON PROCEDURES REPORT

JUNE 30, 2023

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Supervisors of Carter Plantation Community Development District and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Agreed-Upon Procedures (AUPs) for the fiscal period July 1, 2022, through June 30, 2023. The Arc of Greater New Orleans's management is responsible for those C/C areas identified in the AUPs.

Carter Plantation Community Development District (The District) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022, through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

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

Richard CPAS

Metairie, Louisiana
December 29, 2023

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

PROCEDURES (SCHEDULE A)

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*No exception noted*” or for step 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) ***Written Policies and Procedures***

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

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

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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(s) rate of pay or approval and maintenance of pay rate schedules.

This policy is not applicable to the District, as the District has no employees.

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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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

viii. 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).

This policy is not applicable to the District, as the District does not have any credit cards.

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

No exceptions were found as a result of this procedure.

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

This policy is not applicable to the District. The District has no outstanding debt.

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

No exceptions were found as a result of this procedure.

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FOR THE YEAR ENDED JUNE 30, 2023

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

Exception noted. The District did not have a Prevention of Sexual Harassment policy in place during fiscal year 2023.

2) *Board or Finance Committee*

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were found as a result of this procedure.

ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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.*

No exceptions were found as a result of this procedure.

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.

This procedure was not applicable to the District in fiscal year 2023.

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.

This procedure was not applicable to the District in fiscal year 2023.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

3) *Bank Reconciliations*

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

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

No exceptions were found as a result of this procedure.

ii. Bank reconciliations include written 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);

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

4) *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).

No exceptions were found as a result of this procedure.

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 (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:

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

No exceptions were found as a result of this procedure.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

- 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.

No exceptions were found as a result of this procedure.

- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A 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:

- i. Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Exceptions noted. Richard CPAS observed that 3 of the 5 deposits selected for testing were made later than one business day after receipt at the collection location.

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

No exceptions were found as a result of this procedure.

5) *Non-Payroll Disbursements (excluding card purchases/payments, 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).

No exceptions were found as a result of this procedure.

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

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

Exception noted. RICHARD CPAS noted one Board Member has a check book and this Board Member prepares, signs, and mails some disbursements which are not processed by the outsourced CPA.

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

Exception noted. RICHARD CPAS noted the District does not require the Board Secretary Treasurer to have additional approval for payments to vendors less than \$5,000.

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AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

- 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.

No exceptions were found as a result of this procedure.

- 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.

Exception noted. The District utilizes a third-party accountant who processes and prepares payments and is sometimes responsible for mailing signed checks.

- 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.

No exceptions were found as a result of this procedure.

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

- i. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions were found as a result of this procedure.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

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

- A. 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 person who maintained possession of the cards. Obtain management’s representation that the listing is complete.

The District had no credit cards/debit cards/fuel cards/p-cards during fiscal year 2023.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [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.]

The District had no credit cards/debit cards/fuel cards/p-cards during fiscal year 2023.

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

The District had no credit cards/debit cards/fuel cards/p-cards during fiscal year 2023.

- C. Using the monthly statements or combined statements selected under #6B 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 it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

The District had no credit cards/debit cards/fuel cards/p-cards during fiscal year 2023.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

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

i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Exception noted. RICHARD CPAS observed 1 of 5 reimbursements to a board member selected for testing that was not approved in writing by someone other than the person receiving the reimbursement.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

8) ***Contracts***

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

i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions were found as a result of this procedure.

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).

No exceptions were found as a result of this procedure.

iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

No exceptions were found as a result of this procedure.

iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of this procedure.

9) ***Payroll and Personnel***

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

This procedure is not applicable to the District.

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B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). [Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.]

This procedure is not applicable to the District.

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

This procedure is not applicable to the District.

iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

This procedure is not applicable to the District.

iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

This procedure is not applicable to the District.

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

This procedure is not applicable to the District.

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

This procedure is not applicable to the District.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

10) *Ethics*

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

i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Exceptions noted. RICHARD CPAS observed 0 of the 5 Board Members selected for testing completed one hour of ethics training during the fiscal period.

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

No exceptions were found as a result of this procedure.

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

Exception noted. RICHARD CPAS did not observe the District's submission of an ethics designee to the Board of Ethics prior to July 1, 2022, as required by R.S. 42:1170.

Debt Service

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

The District had no debt activity in fiscal year 2023.

D. 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).

The District had no debt activity in fiscal year 2023.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

11) *Fraud Notice*

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

No exceptions were found as a result of this procedure.

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

Exception noted. RICHARD CPAS did not observe the notice required by R.S. 24:523.1 posted on the District's website.

12) *Information Technology Disaster Recovery/Business Continuity*

- A. Perform the following procedures, verbally discuss the results with management, and report **"We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

13) *Prevention of Sexual Harassment*

- A. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe 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.

Exception noted. RICHARD CPAS observed 0 of the 5 board members selected for testing had completed one hour of sexual harassment training during the fiscal period.

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

Exception noted. RICHARD CPAS did not observe the policy and complaint procedure posted on the District’s website.

- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

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

The District did not compile an annual sexual harassment report for fiscal year 2023.

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

The District did not compile an annual sexual harassment report for fiscal year 2023.

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

The District did not compile an annual sexual harassment report for fiscal year 2023.

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

The District did not compile an annual sexual harassment report for fiscal year 2023.

v. Amount of time it took to resolve each complaint.

The District did not compile an annual sexual harassment report for fiscal year 2023.

*Carter Plantation C.D.D.
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December 29, 2023

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Subject: Agreed Upon Procedures Exceptions

The following are the Carter Plantation Community Development District's (The District) responses to the exceptions included in the statewide agreed-upon procedures for the year ended June 30, 2023.

Written Policies and Procedures – The District concurs with the findings. The District will consider policies to add to the existing collection of policies and procedures to cover any missing categories.

Cash Collections – The District concurs with the findings. The District will consider measures to ensure proper internal controls are regulating cash collections and subsequent deposits of cash/checks/money orders.

Non-Payroll Disbursements – The District concurs with the findings. The District will consider measures to ensure proper internal controls are regulating disbursements to vendors.

Travel and Travel-Related Expense Reimbursements – The District concurs with the findings. The District will ensure that reimbursements to board members are approved by someone other than the board member receiving the reimbursement.

Ethics – The District concurs with the findings. The District will require board members to receive annual ethics training as well as appoint an ethics designee to submit to the Board of Ethics as required by 42:1170.

Fraud Notice – The District concurs with the findings. The District will post the required fraud notice on their website.

Prevention of Sexual Harassment – The District concurs with the findings. The District will require board members to receive annual sexual harassment prevention training, post the required sexual harassment policy and complaint procedure on their website, and compile an annual sexual harassment report for the District as required by R.S. 42:344.

The District expects the findings to be resolved prior to the close of the current fiscal year ended June 30, 2024. The person responsible for the corrective action is:

John Mundinger
Secretary-Treasurer

Please let us know if you need additional information.

Regards,


John Munding
Secretary-Treasurer