

EAST OUACHITA RECREATION DISTRICT NUMBER ONE

OUACHITA PARISH

MONROE, LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2021

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
East Ouachita Recreation District Number One
Monroe, Louisiana

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the East Ouachita Recreation District Number One, a component unit of the Ouachita Parish Police Jury (the District), as of and for the year ended December 31, 2021, 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 present fairly, in all material respects, the financial position of East Ouachita Recreation District Number One as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the East Ouachita Recreation District Number One 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 East Ouachita Recreation District Number One's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the East Ouachita Recreation District Number One'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the East Ouachita Recreation District Number One'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, and budgetary comparison information on pages 5 through 11 and 35 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, 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 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated June 30, 2022 on the results of our state wide agreed-upon procedures performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
Monroe, LA
June 30, 2022

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
FOR THE YEAR ENDED DECEMBER 31, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the East Ouachita Recreation District Number One (the District) provides an overview of the District's activities for the year ended December 31, 2021. Please read it in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

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

- The net position of our governmental activities increased by \$693,237 or 5.68%.
- The total net position is comprised of the following:
 - (1) Net investment in capital assets of \$10,933,625 that included property and equipment, net of accumulated depreciation \$4,984,260.
 - (2) Unrestricted net position of \$1,966,133 that represents the portion available to maintain continuing obligations to citizens and creditors.
- Revenues of our governmental activities totaled \$2,264,868, an increase of 1.27% from the prior year total of \$2,236,500, while expenditures totaled approximately \$1,683,691, a decrease of 14.88% from the prior year total of \$1,978,041.
- Approximately \$134,106 was expended in the current year primarily for capital expenditures on construction in progress for ballfield improvements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's basic financial statements consist of the following components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements
4. Required supplementary information, and
5. Other supplementary information, which is in addition to the basic financial statements themselves.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide financial statements are designed by GASB Statement 34 to change the way in which governmental financial statements are presented. It now provides readers a concise "entity-wide" Statement of Net Position and Statement of Activities. These statements include all assets and liabilities using the accrual basis of accounting in a manner similar to a private-sector business.

- A. The Statement of Net Position presents information on all of the District's assets and liabilities using the accrual basis of accounting. The difference between the assets and liabilities is reported as net position. The net position is segregated between net investment in capital assets, restricted net position, or unrestricted net position. These categories are determined by the nature or source of the net position. Amounts available in unrestricted net position may be utilized for continued operation and maintenance of recreation facilities or programs in the future. Over time, increase or decrease in net position may serve as a useful indicator of whether the financial position of the District is improving or weakening.
- B. The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. This statement shows the difference between expenditures and revenues for recreation activities and the general revenues of the District. 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 flow.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law and by bond covenants. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District consist of one category: governmental funds.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

- A. Governmental funds are used to account for most of the District's basic services as reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
- B. The District maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund.
- C. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the conversion from the governmental funds to governmental activities.

Our auditor has provided assurance in the Independent Auditors' Report that the Basic Financial Statements are fairly stated. The auditor regarding this Management's Discussion and Analysis and the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the Independent Auditors' Report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS AS A WHOLE

The District's net position increased by \$693,237 compared to a \$1,171,556 increase in the prior year.

NET ASSETS

A condensed comparative summary of the Statement of Net Position is presented in Table A.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

TABLE A
CONDENSED STATEMENT OF NET POSITION

	2021	2020		Total %
	<u>Amount</u>	<u>Amount</u>	<u>Variance</u>	<u>Change</u>
Current Assets	4,600,873	4,235,537	365,336	8.62
Capital Assets	<u>10,933,625</u>	<u>11,246,119</u>	(312,494)	(2.78)
<u>Total Assets</u>	<u>15,534,498</u>	<u>15,481,656</u>	<u>52,842</u>	<u>0.34</u>
Long-Term Debt	2,500,000	2,965,000	(465,000)	(15.68)
Other Liabilities	<u>134,740</u>	<u>310,135</u>	(175,395)	(56.55)
<u>Total Liabilities</u>	<u>2,634,740</u>	<u>3,275,135</u>	(640,395)	(19.55)
Net Investment in Capital Assets	10,933,625	11,246,119	(312,494)	(2.78)
Restricted	-	-	-	-
Unrestricted	<u>1,966,133</u>	<u>960,402</u>	<u>1,005,731</u>	<u>104.72</u>
<u>Total Net Position</u>	<u>12,899,758</u>	<u>12,206,521</u>	<u>693,237</u>	<u>5.68</u>

Net position may serve over time as a useful indicator of a government's financial position. The District's assets exceeded its liabilities at the close of the current year by \$12,899,758 (net position) compared to \$12,206,521 at the prior year-end. Of this amount, \$1,966,133 is unrestricted net position. This represents 15.24% of net position and its resources that are available to be used to meet the District's ongoing obligation to citizens and creditors. The District's unrestricted net position increased by \$1,005,731 during the year, largely from operations.

The District has total assets of \$15,534,498 compared to \$15,481,656 at the prior year-end. Of the total assets, \$10,933,625 are net investment in capital assets compared to \$11,246,119 at the end of 2020.

The District, in 2017, issued tax revenue bonds for \$4,300,000 to improve the facilities at Osterland Recreation Center. The project was completed in 2021.

CHANGES IN NET POSITION

The governmental activities of the District include recreation, i.e. activities buildings, tennis, and baseball and softball fields. Property taxes fund most of these governmental activities.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

A condensed comparative summary of the Statement of Activities is presented in Table B. This table shows the District's expenditures related to the functions/programs associated with its governmental activities. The table gives an indication of how the District's resources are utilized and the source of the resources.

TABLE B
CONDENSED STATEMENT OF ACTIVITIES

	<u>2021</u> <u>Amount</u>	<u>2020</u> <u>Amount</u>	<u>Variance</u>
Governmental Activities Recreation			
Program Expense			
Operating Costs	1,025,528	859,051	166,477
Interest Expense	53,302	67,162	(13,860)
Depreciation	<u>435,538</u>	<u>177,829</u>	<u>257,709</u>
<u>Total Program Expenses</u>	<u>1,514,368</u>	<u>1,104,042</u>	<u>410,326</u>
Program Revenues			
Charges for Services and Grants	194,003	86,399	107,604
Grants and Contributions	<u>-</u>	<u>250,000</u>	<u>(250,000)</u>
<u>Total Program Revenues</u>	<u>194,003</u>	<u>336,399</u>	<u>(142,396)</u>
Net Program Expense Before Revenues	(1,320,365)	(767,643)	(552,722)
General Revenues			
Ad Valorem Taxes	1,969,685	1,893,802	75,883
Other Revenues	31,392	28,395	2,997
Interest Income Earned	<u>12,525</u>	<u>17,002</u>	<u>(4,477)</u>
<u>Total General Revenues</u>	<u>2,013,602</u>	<u>1,939,199</u>	<u>74,403</u>
Change in Net Position	693,237	1,171,556	(478,319)
Beginning Net Position	<u>12,206,521</u>	<u>11,034,965</u>	<u>1,171,556</u>
Ending Net Position	<u>12,899,758</u>	<u>12,206,521</u>	<u>693,237</u>

Operating costs for the recreation activities of the District increased to \$1,025,528 compared to \$859,051 in 2020. Depreciation expense for 2021 was \$435,538, an increase of \$257,709 from 2020 depreciation expense. This was the result of a change in capital expenditures.

As indicated above, ad valorem tax revenue is the largest revenue source for the District comprising 97.8% and 97.6% of general revenues for 2021 and 2020. During the years ended December 31, 2021 and 2020, property taxes of 7.43 and 7.43 mills were levied on property inside of the District boundaries, respectively. The District's gross tax assessed for 2021 increased by \$71,982 to \$1,965,784 compared to \$1,893,802 for 2020.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As previously stated, the District maintains one governmental fund, the General Fund. The District's governmental fund reported ending balances of \$4,457,142 and \$3,875,965 for the fiscal years ended 2021 and 2020. This is an increase of \$581,177 from the prior year-end. The increase was due to a decline in capital expenditures as the major capital renovations moved toward the completion phase.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District adopts an annual budget for its General Fund. A budget comparison schedule has been included for the General Fund to demonstrate compliance with the legally adopted budget. An analysis of significant budget variances in the General Fund is as follows:

Revenues - There were some variations between the final budgeted revenues and the actual amounts realized for 2021 for revenues due to an increase in participation due to the opening of the new Ouachita Sportsplex at the Osterland Center.

Expenditures - Actual expenditures were less than budget, primarily in operations and capital outlay. These expenditures were down due to management decisions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2021 and 2020, the District had \$15,140,482 and \$15,080,730 invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles (See table below).

	<u>2021</u>	<u>2020</u>
Buildings	3,995,730	3,997,505
Office Equipment	13,689	14,758
Janitorial	3,284	3,284
Recreational Equipment	618,464	517,824
Concessions	77,526	77,526
Auto	85,108	85,108
Baseball Field Equipment	415,114	469,033
Baseball Field Lights	101,595	109,895
Fence	58,579	61,918
Ouachita Sportsplex	9,771,393	-
Construction in Progress	-	9,743,879
<u>Totals</u>	<u>15,140,482</u>	<u>15,080,730</u>

EAST OUACHITA RECREATION DISTRICT NUMBER ONE

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

This year's major additions included equipment and completion of the Ouachita Sportsplex.

Debt

At year end, the District had a \$2,500,000 balance in limited tax bonds. Bonds are secured by the 7.43 ad valorem tax millage and are due in annual payments from 2022 to 2026.

ECONOMIC FACTORS

The District's revenues consist of ad valorem taxes, state revenue sharing, and recreation program fees. The Board of Commissioners actively monitors revenues and expenses and evaluates the costs of proposed expansion projects. Currently, the Board is preparing land for baseball and softball fields. They actively solicit parish government and state government aid whenever possible to help with the cost of these projects.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with 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 financial information, contact Delia Sivils, Secretary-Treasurer of the East Ouachita Recreation District #1, 710 Holland Drive, Monroe, Louisiana.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	<u>Governmental Activities</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash and Investments	2,767,677
Ad Valorem Tax Receivable, Net of Allowance for Doubtful Accounts of \$742	1,825,836
State Revenue Sharing Receivable	7,360
Prepaid Expenses	-
<u>TOTAL CURRENT ASSETS</u>	<u>4,600,873</u>
<u>CAPITAL ASSETS</u>	
Capital Assets, Net of Accumulated Depreciation	10,156,222
Land	777,403
<u>TOTAL CAPITAL ASSETS</u>	<u>10,933,625</u>
<u>TOTAL ASSETS</u>	<u>15,534,498</u>

See Independent Auditors' Report and accompanying notes.

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JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2021

	<u>Governmental Activities</u>
<u>LIABILITIES AND NET POSITION</u>	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	85,889
Accrued Expenses	28,489
Retainage Payable	19,850
Current Maturities of Bonds Payable	<u>480,000</u>
<u>TOTAL CURRENT LIABILITIES</u>	<u>614,228</u>
<u>NON-CURRENT LIABILITIES</u>	
Compensated Absences	512
Bonds Payable	<u>2,020,000</u>
<u>TOTAL NON-CURRENT LIABILITIES</u>	<u>2,020,512</u>
<u>TOTAL LIABILITIES</u>	<u>2,634,740</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets Unrestricted	10,933,625
	<u>1,966,133</u>
<u>TOTAL NET POSITION</u>	<u>12,899,758</u>
<u>TOTAL LIABILITIES AND NET POSITION</u>	<u>15,534,498</u>

See Independent Auditors' Report and accompanying notes.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

FUNCTIONS/PROGRAMS

Governmental Activities	
General Government-Recreation	<u>1,514,368</u>
<u>Total Governmental Activities</u>	<u>1,514,368</u>
Program Revenues	
Charge for Services	194,003
Grants and Contributions	<u>-</u>
<u>Total Program Revenues</u>	<u>194,003</u>
<u>NET GOVERNMENTAL ACTIVITIES</u>	<u>1,320,365</u>
General Revenues	
Ad Valorem Taxes	1,969,685
Revenue Sharing	7,360
Investment Earnings	12,525
Other	<u>24,032</u>
<u>Total General Revenues</u>	<u>2,013,602</u>
Change in Net Position	693,237
Net Position, Beginning of Year	<u>12,206,521</u>
<u>NET POSITION, END OF YEAR</u>	<u>12,899,758</u>

See Independent Auditors' Report and accompanying notes.

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JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

FUND FINANCIAL STATEMENTS

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
 MONROE, LOUISIANA
 BALANCE SHEET-GOVERNMENTAL FUNDS
 DECEMBER 31, 2021

	<u>Governmental Funds</u>
<u>ASSETS</u>	
Cash	2,767,677
Receivables	1,823,693
Prepaid Expenses	-
<u>TOTAL ASSETS</u>	<u>4,591,370</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Accounts Payable	85,889
Accrued Expenses	28,489
Retainage Payable	19,850
<u>TOTAL LIABILITIES</u>	<u>134,228</u>
<u>FUND BALANCE</u>	
Unassigned Funds	<u>4,457,142</u>
<u>TOTAL FUND BALANCE</u>	<u>4,457,142</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>4,591,370</u>
<u>RECONCILIATION TO STATEMENT OF NET POSITION</u>	
Total Fund Equity, Governmental Funds	4,457,142
Differences in Reporting for the Statement of Net Position	
Net Investment in Capital Assets	10,933,625
Property Tax Accrual	9,503
Liability for Compensated Absences	(512)
Long-Term Debt	(2,500,000)
<u>Net Adjustment</u>	<u>8,442,616</u>
<u>TOTAL NET POSITION, GOVERNMENT-WIDE</u>	<u>12,899,758</u>

See Independent Auditors' Report and accompanying notes.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>General Fund</u>
<u>REVENUES</u>	
Ad Valorem Taxes	2,015,886
Intergovernmental Revenues	
State of Louisiana Revenue Sharing	7,360
Local Grant	-
Miscellaneous	
Concessions	59,268
Membership Dues	9,719
Registration Fees	125,016
Interest	12,525
Other	<u>35,094</u>
<u>TOTAL REVENUES</u>	<u>2,264,868</u>
<u>EXPENDITURES</u>	
Current	
Administration	153,833
Athletics	87,370
Operations and Maintenance	267,835
Salaries and Benefits	519,734
Concessions	2,511
Capital Outlay	134,106
Debt Service	
Principal Retirement	465,000
Interest and Fiscal	<u>53,302</u>
<u>TOTAL EXPENDITURES</u>	<u>1,683,691</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>581,177</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Bond Proceeds	-
Bond Issuance Costs	<u>-</u>
<u>TOTAL FINANCING SOURCES (USES)</u>	<u>-0-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>581,177</u>
<u>FUND BALANCE, DECEMBER 31, 2020</u>	<u>3,875,965</u>
<u>FUND BALANCE, DECEMBER 31, 2021</u>	<u>4,457,142</u>

See Independent Auditors' Report and accompanying notes.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

INTRODUCTION

The East Ouachita Recreation District Number One, Monroe, Louisiana, (the "District") was established by the Ouachita Parish Police Jury in 1978, under Louisiana Revised Statute (LSA-RS), for provision of a public recreation center. The District is operated by a board of commissioners which is appointed by the Ouachita Parish Police Jury. The District operates three recreation facilities; Swartz-Lakeshore, Osterland and Sterlington.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the East Ouachita Recreation District Number One is considered a component unit of Ouachita Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the East Ouachita Recreation District Number One. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods,

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Government-Wide and Fund Financial Statements (Continued)

services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus, Basis of Accounting and Financial
Statement Presentation (Continued)

accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The East Ouachita Recreation District Number One reports the following governmental fund:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Cash Deposits and Investments

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. State law and the East Ouachita Recreation District Number One's investment policy allow the entity to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Accounts Receivable

Uncollectible amounts due for ad valorem taxes are recognized as uncollectible using the allowance method. The allowance for doubtful accounts at December 31, 2021, for receivables recorded in the government wide financial statements is \$742.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., curbs, sidewalks, drainage, lighting, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The East Ouachita Recreation District Number One maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

	<u>Life for Depreciation</u>
Land Improvements and Infrastructure Assets	15 to 25 Years
Buildings and Building Improvements	30 to 40 Years
Furniture, Fixtures and Equipment	5 to 10 Years
Vehicles	3 to 5 Years

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

Budget Practices

The Board of Commissioners adopts an annual budget for the General Fund. The annual budget is prepared in accordance with the cash basis of accounting. A public hearing was held on December 9, 2020, to discuss the budget. The budget was

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Budget Practices (Continued)

approved by the Board on that day. Upon approval of the Board of Commissioners, budgeted amounts can be transferred within expense categories.

Compensated Absences

The District has the following policy relating to vacation and sick leave:

All full-time employees earn fifteen days of vacation leave each year, plus one day per year added after the 11th year of employment. Vacation time can be accumulated up to twenty days. Employees earn five to ten days of sick leave each year. Unused sick leave can be sold back at a rate of 2 days for 1 day of pay at the end of the calendar year.

The District's recognition and measurement criteria for compensated absences follows:

Governmental accounting standards provide that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

An accrual for earned sick leave is made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies. Unused sick leave is calculated at the rate it is purchased at the end of the year.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Compensated Absences (Continued)

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. With the implementation of GASB 65, items previously reported as assets and liabilities, bond issuance costs are now expended in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are expended in the governmental funds.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Balance

GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

1. Nonspendable fund balances are associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of decision-making authority).
4. Assigned fund balances are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balances are the residual classification for the District's general fund and include all spendable amounts not contained in the other classifications.

The District's practice is to apply expenditures against nonspendable, restricted, committed, assigned, and unassigned fund balances, in that order.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Balance (Continued)

balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

As of December 31, 2021, the District did not have any nonspendable, restricted, committed, or assigned fund balances.

Net Position

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

1. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Net Position (Continued)

proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount. At December 31, 2021, the District had no outstanding debt, deferred outflows of resources, or deferred inflows of resources.

2. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
3. Unrestricted net position - The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, GASB requires a government to delay the recognition of decreases in net position as expenditures or increases in net position as revenues until a future period.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

In these circumstances, deferred outflows of resources or deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or deferred outflows as of December 31, 2021.

Estimates

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

Reconciliations of Government-Wide and Fund Financial Statements

The following reconciles the fund balances of governmental funds to the government-wide statement of net position:

Capital Assets and Depreciation	10,933,625
Property Tax Accrual	9,503
Liability for Compensated Absences	(512)
Long-Term Debt	(2,500,000)
<u>Net Adjustment</u>	<u>8,442,616</u>

The following reconciles the net changes in fund balance-total governmental funds to the changes in net position of governmental activities:

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
 MONROE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reconciliations of Government-Wide and Fund Financial Statements (Continued)

Property Taxes Receivable	(39,960)
Depreciation	(435,538)
Capital Outlay	123,044
Compensated Absence Accrual	(486)
Debt Service	518,302
Interest	(53,302)
<u>Net Adjustment</u>	<u>112,060</u>

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS:

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

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

At December 31, 2021, the District had cash and cash equivalents (book balances) totaling \$2,767,677 as follows:

Demand Deposits	2,767,677
Savings Accounts	<u> -</u>
<u>TOTAL</u>	<u>2,767,677</u>

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a written policy for custodial credit risk; however, their practice is to require banks to pledge securities equal to the amount on deposit with the bank less the applicable federal deposit insurance.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) 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 with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2021, the District had \$2,814,443 in deposits (collected bank balances). These deposits are secured from risk by \$307,259 of federal deposit insurance and \$3,600,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - RECEIVABLES:

The following is a summary of receivables at December 31, 2021:

Taxes:

Ad Valorem Taxes (Net of Allowance for Bad Debts of \$742)	1,825,836
State of Louisiana - Revenue Sharing	<u>7,360</u>
<u>TOTAL</u>	<u>1,833,196</u>

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 3 - RECEIVABLES: (Continued)

Property taxes which are delinquent over one year are written off.

NOTE 4 - CAPITAL ASSETS:

The following is a summary of changes in the general fixed assets account group for the fiscal year:

	December 31, 2020			December 31, 2021
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
Buildings	3,997,505	-	1,775	3,995,730
Office Equipment	14,758	-	1,069	13,689
Janitorial	3,284	-	-	3,284
Recreation Equipment	517,824	106,593	5,953	618,464
Concessions	77,526	-	-	77,526
Auto	85,108	-	-	85,108
Baseball Field Equipment	469,033	-	53,919	415,114
Baseball Field Lights	109,895	-	8,300	101,595
Fence	61,918	-	3,339	58,579
Ouachita Sportsplex Construction in Progress - Recreation Improvement	- 9,743,879	9,771,393 -	- 9,743,879	9,771,393 -
<u>Total</u>	15,080,730	9,877,986	9,818,234	15,140,482
Accumulated Depreciation	4,612,014	435,538	63,292	4,984,260
<u>NET CAPITAL ASSETS</u>	<u>10,468,716</u>	<u>9,442,448</u>	<u>9,754,942</u>	<u>10,156,222</u>
Land	777,403	-0-	-0-	777,403

Depreciation expense of \$435,538 was charged to the general government, recreation function in the statement of activities.

NOTE 5 - LONG-TERM OBLIGATIONS:

At December 31, 2021, bonds payable consisted of the following individual issues:

<u>Direct Placement Limited Tax Bond Series 2017</u>	<u>Interest Rate %</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Outstanding</u>
	2.23	4/12/2017	3/01/2026	<u>2,500,000</u>

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
 MONROE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 5 - LONG-TERM OBLIGATIONS: (Continued)

Transactions for the year ended December 31, 2021, are summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Limited Tax Bond Series 2017	2,965,000	-0-	465,000	2,500,000	<u>480,000</u>

The annual aggregate maturities for the years subsequent to December 31, 2021, are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	480,000	50,398	530,398
2023	490,000	39,583	529,583
2024	500,000	28,544	528,544
2025	510,000	17,283	527,283
2026	520,000	5,798	525,798
<u>Total</u>	<u>2,500,000</u>	<u>141,606</u>	<u>2,641,606</u>

Ad valorem taxes are pledged to the Limited Tax Bond-2017 Series. Interest expense amounted to \$53,302 for the year ended December 31, 2021.

At December 31, 2021, employees of the District have accumulated and vested \$512 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. A summary of changes in long-term obligations is as follows:

	<u>Compensated Absences</u>
Balance, December 31, 2020	26
Additions	486
Deletions	-
Balance, December 31, 2021	<u>512</u>

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 - LEVIED TAXES:

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish in October or November and are actually billed to the taxpayers in December. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year received.

The Parish of Ouachita bills and collects property taxes for the District using the assessed values determined by the tax assessor of the State of Louisiana.

For the year ended December 31, 2021, taxes of 7.43 mills were levied on property with assessed valuations totaling \$318,333,623 and were dedicated as follows:

	<u>Authorized Millages</u>	<u>Levied Millages</u>
General Fund, Operation and Maintenance	7.43 Mills	7.43 Mills

Total taxes levied were \$1,965,784 for 2021 and \$1,905,640 for 2020.

NOTE 7 - RISK MANAGEMENT:

In the ordinary course of business, the District is at risk for property damage, liability, theft and worker's compensation. The District provides insurance coverage through the oversight entity, the Ouachita Parish Police Jury and commercial insurance companies. As a participant in the Police Jury's commercial insurance program the District also participates in the self-insurance fund maintained by the Police Jury. The District's annual contribution to the self-insurance fund is determined by the insurance company and their exposure for loss is limited to that amount.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8 - SUBSEQUENT EVENTS:

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 30, 2022, which is the date the financial statements were available to be issued.

NOTE 9 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS:

Property tax revenues include amounts withheld by the Sheriff to make "on-behalf payments for fringe benefits" which represent the District's pro-rata share of retirement plan contributions for other governmental units. Because the District is one of several governmental agencies receiving proceeds from a property tax assessment, it has to bear a pro-rata share of the pension expense relating to the public employees who participate in the Parochial Employees Retirement System. The District's pro-rata share of the required contribution was \$58,785. The total withheld by the Sheriff from property tax collections satisfies the District's obligation and has been included as "Administration" in the expenditures of the General fund in these financial statements.

NOTE 10 - ECONOMIC DEPENDENCE:

The District's main source of revenue is ad valorem taxes assessed on the taxpayers of East Ouachita Parish. There is one major taxpayer that exceeds 10% of the total assessment. This taxpayer is in the utility industry and represents 22% of the total assessment for the district.

REQUIRED SUPPLEMENTAL INFORMATION

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
 MONROE, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE - BUDGET (NON-GAAP BASIS) AND
 ACUTAL (BUDGETARY BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>				
Ad Valorem Taxes	1,916,819	1,625,000	1,625,000	291,819
State of LA Revenue Sharing	7,738	-	-	7,738
Concessions	59,268	55,000	55,000	4,268
Membership Dues	9,719	10,000	10,000	(281)
Registration Fees	125,016	125,000	125,000	16
Interest	12,525	7,500	7,500	5,025
Other	35,094	77,500	77,500	(42,406)
<u>Total Revenues</u>	<u>2,166,179</u>	<u>1,900,000</u>	<u>1,900,000</u>	<u>266,179</u>
<u>Expenditures</u>				
Current:				
Administration	95,285	125,000	125,000	29,715
Athletics	86,662	180,000	180,000	93,338
Operations and Maintenance	264,230	365,000	365,000	100,770
Salaries and Benefits	518,690	590,000	590,000	71,310
Concessions	1,874	25,000	25,000	23,126
Capital Outlay	305,861	615,000	615,000	309,139
Debt Service	525,935	-	-	(525,935)
<u>Total Charges</u>	<u>1,798,537</u>	<u>1,900,000</u>	<u>1,900,000</u>	<u>101,463</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>367,642</u>	<u>-</u>	<u>-</u>	<u>367,642</u>
<u>Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>367,642</u>	<u>-</u>	<u>-</u>	<u>367,642</u>
<u>Fund Balance, December 31, 2020</u>	<u>2,400,035</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,400,035</u>
<u>FUND BALANCE, DECEMBER 31, 2021</u>	<u>2,767,677</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,767,677</u>

See Independent Auditors' Report and accompanying notes.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 RECONCILIATION OF ACTUAL RESULTS TO BUDGETARY BASIS

The budget for the year ended December 31, 2021, was prepared on a cash basis. The following schedule reflects the adjustments necessary to convert actual results from a GAAP basis to the cash basis for purposes of budget comparison in the financial statements.

General Fund:

	<u>GAAP Basis</u>	<u>Receivables</u>	<u>Payables</u>	<u>Cash Basis</u>
<u>Revenues</u>				
Ad Valorem Taxes	2,015,886	(1,875,118)	1,776,051	1,916,819
State of LA - Revenue				
Sharing	7,360	(7,360)	7,738	7,738
Concessions	59,268	-	-	59,268
Membership Dues	9,719	-	-	9,719
Registration Fees	125,016	-	-	125,016
Interest	12,525	-	-	12,525
Other	35,094	-	-	35,094
<u>Total Revenues</u>	<u>2,264,868</u>	<u>(1,882,478)</u>	<u>1,783,789</u>	<u>2,166,179</u>
<u>Expenditures</u>				
Current:				
Administration	153,833	623	(59,171)	95,285
Athletics	87,370	-	(708)	86,662
Operations	267,835	552	(4,157)	264,230
Salaries	519,734	8,812	(9,856)	518,690
Concessions	2,511	-	(637)	1,874
Capital Outlay	134,106	271,605	(99,850)	305,861
Debt Service	518,302	26,267	(18,634)	525,935
<u>Total Expenditures</u>	<u>1,683,691</u>	<u>307,859</u>	<u>(193,013)</u>	<u>1,798,537</u>
<u>Fund Balance, Beginning</u>				
<u>Of Year</u>	<u>3,875,965</u>	<u>307,859</u>	<u>(1,783,789)</u>	<u>2,400,035</u>

See Independent Auditors' Report and accompanying notes.

OTHER SUPPLEMENTAL INFORMATION

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2021

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Board members received no compensation for the year ended December 31, 2021.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
 MONROE, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
 AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
 FOR THE YEAR ENDED DECEMBER 31, 2021

AGENCY HEAD NAME: WILLIE E. CRAIN, JR.

<u>Purpose</u>	<u>Amount</u>
Salary	71,154
Benefits-Insurance	5,198
Benefits-retirement	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Phone allowance	650
Car allowance	-0-
Vehicle provided by government (enter amount reported on W-2)	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Housing	-0-
Unvouchered expenses (example: travel advances, etc.)	-0-
Special meals	-0-
Other	-0-

See Independent Auditors' Report and accompanying notes.

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

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DAWN WHITSTINE, CPA, APC

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INDEPENDENT AUDITORS' 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
East Ouachita Recreation District Number One
Monroe, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the government activities of the East Ouachita Recreation District Number One (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 30, 2022.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not 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 result 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.

This report is intended for the information use of management, the Board members, and the Louisiana Legislative Auditor for the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Monroe, LA

June 30, 2022

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

A. Report on Internal Control and Compliance Material to Financial Statements

Internal Control
Material Weakness ___ Yes X No

Significant Deficiency ___ Yes X No

Compliance
Compliance Material to Financial Statements ___ Yes X No

B. Not Applicable

C. Not Applicable

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

Internal Control

There were no internal control findings for the year ended December 31, 2021.

Compliance

There were no compliance findings for the year ended December 31, 2021.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION III - FEDERAL AWARD FINDINGS

Not Applicable

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
DECEMBER 31, 2021

FINANCIAL STATEMENT FINDINGS - PRIOR YEAR ENDED DECEMBER 31, 2020

Internal Control

2020-001

Finding: The District had one expenditure that did not have the proper approvals.

Status: Cleared

Compliance

There were no findings for compliance for the year ended December 31, 2020.

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of East Ouachita Recreation District Number One

We have performed the procedures enumerated below, which were agreed to by the East Ouachita Recreation District Number One (the District) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 to December 31, 2021. The District's management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 to December 31, 2021. 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 and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the District's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (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.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.

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

Findings: The written policies do not include information technology disaster recovery/business continuity, debit & fuel cards, debt service, or sexual harassment.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

Board or Finance Committee

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

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Findings: No exceptions noted.

Bank Reconciliations

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

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months at the end of the statement closing date.

Findings: One bank reconciliation did not show evidence of being reviewed.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Findings: We obtained the listing and management's representation.

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

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit:

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

Findings: No exceptions noted.

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

Findings: No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially pre-numbered.

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

c) Trace the deposit slip total to the actual deposit per the bank statement.

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

e) Trace the actual deposit per the bank statement to the general ledger.

Findings: No exceptions noted.

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

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

Findings: We obtained the listing of locations that process payments and management's representation.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Findings: No exceptions noted.

10. For each location selected under #8 above, obtain the District's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Findings: No exceptions noted.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Findings: We obtained the listing and management's representation.

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Findings: No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). 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.

Findings: No exceptions noted.

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

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

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: We obtained the general ledger and the District's travel and related expense reimbursements. We obtained management's representation.

No exceptions noted.

Contracts

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

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

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

Findings: We obtained a list of contracts and management's representations.

No exceptions noted.

Payroll and Personnel

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

Findings: We obtained a listing of employees and management's representation.

No exceptions were noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- b) Observe that supervisors approved the attendance and leave of the selected employees.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Findings: No exceptions noted.

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

pay rates in the employees' personnel files, and agree the termination payment to entity policy.

Findings: We obtained a listing of terminated employees and management's representation.

No exceptions noted.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Findings: No exceptions noted.

Ethics (excluding nonprofits)

20. Using the five randomly selected employees from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management and:

a) Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.

b) Observe that 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.

Findings: No exceptions noted.

Debt Service

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

Findings: No exceptions noted.

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

Findings: No exceptions noted.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Findings: We noted that there were no misappropriations of public funds or assets reported to the District.

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

Findings: This notice was not found on the District's website.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

Information Technology Disaster Recovery/Business Continuity

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

- a) Obtain and inspect the District's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the District's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the District's computers currently in use, and their related locations, and management's representation that the listing is complete. 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.

Findings: No exceptions noted.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Findings: No exceptions noted.

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

Findings: This notice was not found on the District's website.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

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

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Findings: There was no report filed for 2021.

We were engaged by East Ouachita Recreation District Number One 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 SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
Monroe, LA
June 30, 2022