

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 11  
ABITA SPRINGS, LOUISIANA**

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**ANNUAL FINANCIAL STATEMENTS**

As of and for the Year Ended December 31, 2021

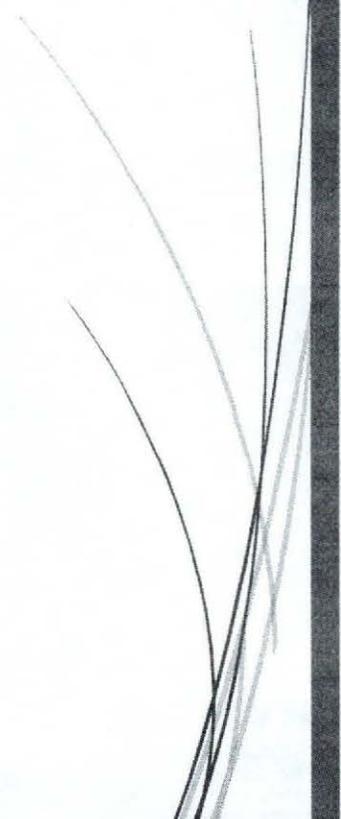


**Hebert Johnson  
& Associates, Inc.**  
Certified Public Accountants

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*A Professional Accounting Corporation*

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**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Annual Financial Statements  
As of and for the Year Ended December 31, 2021  
With Supplemental Information Schedules**

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**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Annual Financial Statements  
As of and for the Year Ended December 31, 2021  
With Supplemental Information Schedules**

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A P R O F E S S I O N A L   A C C O U N T I N G   C O R P O R A T I O N

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## Independent Auditor's Report

Board of Commissioners  
St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana

We have audited the accompanying financial statements of the governmental activities, and the general fund of St. Tammany Parish Recreation District No. 11, Abita Springs, Louisiana, a component unit of the St. Tammany Parish Council, as of and for the fiscal 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the general fund of St. Tammany Parish Recreation District No. 11, Abita Springs, Louisiana, a component unit of the St. Tammany Parish Council, as of December 31, 2021, and the respective changes in financial position, and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the St. Tammany Parish Recreation District No. 11 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 St. Tammany Parish Recreation District No. 11's ability to continue as a going concern for twelve months beyond the financial statement

date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 St. Tammany Parish Recreation District No. 11'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.

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 Supplemental Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 31 and 32, Schedule of Proportionate Share of the Net Pension Liability on page 33, and the Schedule of Contributions on page 34 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 and 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Tammany Parish Recreation District No 11's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2022, on our consideration of the St. Tammany Parish Recreation District No. 11's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of St. Tammany Parish Recreation District No. 11'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 St. Tammany Parish Recreation District No. 11's internal control over financial reporting and compliance.

*Chris Johnson*

Hebert Johnson & Associates, Inc.  
A Professional Accounting Corporation  
Ponchatoula, Louisiana  
May 26, 2022

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Basic Financial Statements  
Government-Wide Financial Statements

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Statement A**

**Statement of Net Position  
December 31, 2021**

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>Assets</b>                                       |                                    |
| Cash and Cash Equivalents                           | \$ 283,783                         |
| Ad Valorem Tax Receivable, Net                      | 635,645                            |
| Insurance Reimbursement Receivable                  | 64,013                             |
| Prepaid Insurance                                   | 8,435                              |
| Utility Deposit                                     | 150                                |
| Restricted Cash                                     | 18                                 |
| Net Pension Asset                                   | 30,772                             |
| Land  | 642,390                            |
| Construction in Progress                            | 65,626                             |
| Capital Assets, Net of Depreciation                 | <u>2,590,267</u>                   |
| Total Assets  | <u>4,321,099</u>                   |
| <br><b>Deferred Outflows of Resources</b>           |                                    |
| Pension Related                                     | <u>31,615</u>                      |
| Total Deferred Outflows of Resources                | <u>31,615</u>                      |
| Total Assets and Deferred Outflows of Resources     | <u>4,352,714</u>                   |
| <br><b>Liabilities</b>                              |                                    |
| Accounts Payable                                    | 5,607                              |
| Accrued Salaries                                    | 4,420                              |
| Accrued Interest                                    | 3,637                              |
| Payroll Liabilities                                 | 335                                |
| Pension Payable                                     | 22,720                             |
| Noncurrent Liabilities:                             |                                    |
| Bonds Payable Due Within One Year                   | 350,000                            |
| Bonds Payable Due in More Than One Year             | <u>235,000</u>                     |
| Total Liabilities                                   | <u>621,719</u>                     |
| <br><b>Deferred Inflows of Resources</b>            |                                    |
| Pension Related                                     | <u>63,995</u>                      |
| Total Deferred Inflows of Resources                 | <u>63,995</u>                      |
| Total Liabilities and Deferred Inflows of Resources | <u>685,714</u>                     |
| <br><b>Net Position</b>                             |                                    |
| Net Investment in Capital Assets                    | 2,713,283                          |
| Restricted  | 18                                 |
| Unrestricted  | <u>953,699</u>                     |
| Total Net Position                                  | <u>\$ 3,667,000</u>                |

The notes to the financial statements are an integral part of this statement.

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Statement B**

**Statement of Activities  
December 31, 2021**

| Functions/Programs            | Expenses     |
|-------------------------------|--------------|
| Governmental Activities:      |              |
| Recreation Expenses           | \$ 502,332   |
| Interest on Long-Term Debt    | 11,999       |
| Total Governmental Activities | 514,331      |
| Program Revenues:             |              |
| Charges for Services          | 139,195      |
| General Revenues:             |              |
| Property Taxes                | 711,403      |
| Revenue Sharing               | 21,235       |
| Insurance Reimbursement       | 64,013       |
| Interest Income               | 288          |
| Other                         | 22,420       |
| Total Revenues                | 958,554      |
| Change in Net Position        | 444,223      |
| Net Position, Beginning       | 3,222,777    |
| Net Position, Ending          | \$ 3,667,000 |

The notes to the financial statements are an integral part of this statement.

Basic Financial Statements  
Governmental Fund Financial Statements

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Statement C**

**Balance Sheet  
Governmental Fund  
December 31, 2021**

|   | <u>General<br/>Fund</u> |
|---|-------------------------|
| <b>Assets</b>                                       |                         |
| Current Assets:                                     |                         |
| Cash and Cash Equivalents                           | \$ 283,783              |
| Ad Valorem Tax Receivable, Net                      | 635,645                 |
| Insurance Reimbursement Receivable                  | 64,013                  |
| Prepaid Insurance                                   | 8,435                   |
| Utility Deposit                                     | 150                     |
| Total Current Assets                                | <u>992,026</u>          |
| Noncurrent Assets:                                  |                         |
| Restricted Cash                                     | 18                      |
| Total Noncurrent Assets                             | <u>18</u>               |
| Total Assets  | <u>\$ 992,044</u>       |
| <br><b>Liabilities and Fund Balance</b>             |                         |
| Current Liabilities:                                |                         |
| Accounts Payable                                    | \$ 5,607                |
| Accrued Salary                                      | 4,420                   |
| Payroll Liabilities                                 | 335                     |
| Pension Payable                                     | 22,720                  |
| Total Current Liabilities/Total Liabilities         | <u>33,082</u>           |
| <br><b>Deferred Inflow of Resources</b>             |                         |
| Unavailable Ad Valorem Taxes                        | <u>25,842</u>           |
| Total Deferred Inflow of Resources                  | <u>25,842</u>           |
| <br><b>Fund Balance</b>                             |                         |
| Nonspendable, Prepaid Insurance                     | 8,435                   |
| Restricted for Debt Service                         | 18                      |
| Unassigned Fund Balance                             | <u>924,667</u>          |
| Total Fund Balance                                  | <u>933,120</u>          |
| Total Liabilities/Deferred Inflows and Fund Balance | <u>\$ 992,044</u>       |

The notes to the financial statements are an integral part of this statement.

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Statement D**

**Reconciliation of the Governmental Fund Balance Sheet to  
the Government-Wide Statement of Net Position  
December 31, 2021**

**Fund Balances, Governmental Funds, Statement C** **\$ 933,120**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. These assets consist of:

|                                     |           |
|-------------------------------------|-----------|
| Land                                | 642,390   |
| Construction in Progress            | 65,626    |
| Capital Assets, Net of Depreciation | 2,590,267 |

Deferred inflows of resources - unavailable ad valorem taxes are not reported on government-wide financial statements. 25,842

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

|                                       |           |
|---------------------------------------|-----------|
| Limited Tax Certificates, Series 2012 | (125,000) |
| Limited Tax Certificates, Series 2013 | (245,000) |
| Limited Tax Certificates, Series 2015 | (215,000) |
| Accrued Interest Payable              | (3,637)   |
| Net Pension Asset                     | 30,772    |
| Deferred Outflow of Resources         | 31,615    |
| Deferred Inflow of Resources          | (63,995)  |

**Net Position, Governmental Activities, Statement A** **\$ 3,667,000**

The notes to the financial statements are an integral part of this statement.

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Statement E**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
For the Year Ended December 31, 2021**

|                           | <u>General<br/>Fund</u> |
|---------------------------|-------------------------|
| <b>Revenues</b>           |                         |
| Property Taxes            | \$ 709,441              |
| Revenue Sharing           | 21,235                  |
| Interest Income           | 288                     |
| Park Revenue              | 139,195                 |
| Gym Rental                | 13,144                  |
| Other                     | 7,801                   |
| Total Revenues            | <u>891,104</u>          |
| <b>Expenditures</b>       |                         |
| Accounting                | 15,009                  |
| Adult Class               | 915                     |
| Advertising               | 896                     |
| Assessor                  | 1,100                   |
| Automobile                | 1,992                   |
| Baseball & Softball       | 23,588                  |
| Basketball                | 7,388                   |
| Cheerleader               | 2,664                   |
| Concession                | 12,369                  |
| Employee Benefit - Health | 982                     |
| Facilities Maintenance    | 11,920                  |
| Field Maintenance         | 7,261                   |
| Football                  | 4,892                   |
| Insurance                 | 38,751                  |
| Miscellaneous             | 5,492                   |
| Office Supplies           | 7,313                   |
| Payroll                   | 149,060                 |
| Pension, Sheriff's        | 22,720                  |
| Postage                   | 187                     |
| Retirement                | 13,827                  |
| Soccer                    | 25,084                  |
| Training                  | 1,695                   |
| Utilities                 | 37,038                  |
| Website                   | 22                      |

The notes to the financial statements are an integral part of this statement.

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Statement E**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
For the Year Ended December 31, 2021**

|   | General<br>Fund |
|---|-----------------|
| Capital Outlay                                    | \$ 162,607      |
| Debt Service:                                     |                 |
| Retirement of Principal                           | 345,000         |
| Interest  | 14,174          |
| Total Expenditures                                | 913,946         |
| Excess (Deficiency) of Revenues over Expenditures | (22,842)        |
| <b>Other Financing Sources (Uses)</b>             |                 |
| Insurance Reimbursement                           | 64,013          |
| Total Other Financing Sources and (Uses)          | 64,013          |
| <b>Net Change in Fund Balance</b>                 | 41,171          |
| <b>Fund Balance, Beginning</b>                    | 891,949         |
| <b>Fund Balance, Ending</b>                       | \$ 933,120      |

The notes to the financial statements are an integral part of this statement.

St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana

Statement F

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2021

Net Change in Fund Balance, Governmental Funds, Statement E \$ 41,171

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

Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. These differences consist of:

|                      |           |
|----------------------|-----------|
| Capital Outlay       | 162,607   |
| Depreciation Expense | (101,268) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

|  |       |
|--|-------|
| Change in Unavailable Ad Valorem Taxes | 1,962 |
|--|-------|

Accrued interest expense on long-term debt is reported in the government-wide statements of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest is not reported as expenditures in government funds.

|                                    |       |
|------------------------------------|-------|
| Change in Accrued Interest Payable | 2,175 |
|------------------------------------|-------|

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

|                             |         |
|-----------------------------|---------|
| Repayment of Bond Principal | 345,000 |
|-----------------------------|---------|

|   |         |
|---|---------|
| Non-employer contributions to cost-sharing plan | 1,475   |
| Change in Pension Expense per GASB 68           | (8,899) |

**Change in Net Position, Governmental Activities, Statement B** \$ 444,223

The notes to the financial statements are an integral part of this statement.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2021**

**Introduction**

St. Tammany Parish Recreation District No. 11 was created by ordinance of the St. Tammany Parish Council for the purpose of acquiring, maintaining, and operating recreation facilities and equipment within the District. The District operates under the direction of a five-member board appointed by the St. Tammany Parish Council.

Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," as amended by GASB 39, "Determining Whether Certain Organizations Are Component Units", 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 St. Tammany Parish Recreation District No. 11 is considered a component unit of the St. Tammany Parish Council. 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.

**1. Summary of Significant Accounting Policies**

**A. Government-Wide and Fund Financial Statements**

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the St. Tammany Parish Recreation District No. 11.

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, 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.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, as amended. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net position (or balance sheet), and a statement of activities. The definition of composition of these statements, as originally defined in GASB Statement No. 34, as amended by GASB Statements included in the following paragraph. Management has elected to omit the Management's Discussion and Analysis.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2021**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized 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. In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net position includes assets, deferred outflows of resources, liabilities and deferred inflows of resources.

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 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 associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Ad Valorem taxes collected 60 days after year end are recorded as a deferred inflow of resources on the government fund balance sheet. All other revenue items are considered to be measurable and available only when cash is received by the government. At December 31, 2021 the District has Deferred Inflow of Resources for Unavailable Ad Valorem Taxes of \$25,842.

The District reports the following governmental fund:

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

Amounts reported as program revenues include registration fees for baseball, basketball, football, soccer, cheer, concessions and entrance fees. Likewise, general revenues include all taxes, revenue sharing and interest income.

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

**C. 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 allows the District to invest in collateralized certificates of deposit, government-backed

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2021**

securities, commercial paper, the state-sponsored investment pool and mutual funds consisting solely of government-backed securities. The District has not formally adopted deposit and investment policies that limit the government's allowable deposits or investments and address the specific types of risk to which the government is exposed.

**D. Inventories**

The District utilizes the "purchase method" of accounting for supplies in governmental funds whereby expendable operating supplies are recognized as expenditures when purchased. The District did not record any inventory at December 31, 2021, since the amount is not material.

**E. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**F. Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the District. Purchased assets are recorded as expenditures in the fund financial statements and are capitalized at cost on the government-wide statement of net position. In the case of gifts or contributions, such assets are recorded at fair market value at the time received.

The District has not adopted a formal capitalization policy. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

|                            |               |
|----------------------------|---------------|
| Buildings and Improvements | 15 - 20 Years |
| Equipment                  | 3 - 10 Years  |

**G. Compensated Absences**

General leave for the District includes vacation pay. General leave is based on the employee working full-time for the District. All full-time employees receive one week of vacation each year beginning on January 1. At December 31, 2021 there was no accrued vacation.

**H. Long-Term Debt**

In the fund-level financial statements, governmental funds report the face amount of debt issued, as well as any premiums (discounts) as other financing sources (uses). In the government-wide financial

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
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statements, long-term debt is reported as liabilities in the statement of net position. Debt issuance costs are expended in the governmental funds and government-wide financial statements.

With the implementation of GASB 65, *Items Previously Reported as Assets and Liabilities*, bond issuance costs are expended in the period incurred.

**I. Fund Equity**

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-spendable fund balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted fund balance – amounts that can be spent only for specific purposes because of the Constitution of the State of Louisiana, other state and federal laws, or externally imposed conditions by grantors, creditors, or voter approved propositions.
3. Committed fund balance – amounts that can be used only for specific purposes determined by a formal action by the District.
4. Assigned fund balance – amounts that are constrained by the District's intent that they will be used for specific purposes.
5. Unassigned fund balance – all other amounts not included elsewhere.

The District considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The District also considers committed fund balances to be spent first when other unrestricted fund balance classifications are available for use. The District has a policy to have a minimum fund balance between five and fifteen percent of operating revenues.

**J. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

**K. Estimates**

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

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
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**L. Reconciliation of Government-Wide and Fund Financial Statements**

Explanations of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanations of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

**M. Pension Plans**

The St. Tammany Parish Recreation District No. 11 participates in the Parochial Employees' Retirement System of Louisiana.

**2. Stewardship, Compliance and Accountability**

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-14. The major requirements of the Local Government Budget Act are summarized as follows:

1. The District must adopt a budget each year for the general fund and each special revenue fund, if applicable.
2. The chairman must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District has jurisdiction.
3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on December 30, 2020.
4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The District amended the budget on December 28, 2021.

The District's actual expenditures of \$894,040 exceeded its final budgeted expenditures of \$741,100. The variance is greater than 5% and will result in a budget violation.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
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5. The District uses the cash basis of accounting to report actual inflows and outflows. The reconciliation below shows how the modified cash basis differs from GAAP.

|   |                  |
|---|------------------|
| Net Change in Fund Balance (Schedule E)   | \$ 41,171        |
| Add: Prior Year Receivables, Net          | 673,085          |
| Prior Year Prepaid Insurance              | 8,597            |
| Current Year Payables                     | 25,312           |
| Current Year Deferred Inflow of Resources | 25,842           |
| Less: Current Year Receivables, Net       | (699,658)        |
| Current Year Prepaid Insurance            | (8,436)          |
| Prior Year Payables                       | (27,755)         |
| Prior Year Deferred Inflow of Resources   | (23,880)         |
| Net Change in Fund Balance (Schedule 1)   | <u>\$ 14,278</u> |

**3. Cash and Cash Equivalents**

At December 31, 2021, the District had cash and cash equivalents (book balances) totaling \$283,801 as follows:

|                 |                   |
|-----------------|-------------------|
| Demand Deposits | \$ <u>283,801</u> |
|-----------------|-------------------|

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 \$294,991 in demand deposits (collected bank balances). All bank balances of the District are fully insured.

**St. Tammany Parish Recreation District No. 11  
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**Notes to the Financial Statements  
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**4. Receivables**

The receivables of \$699,658 at December 31, 2021, are as follows:

| Class of Receivable                | General Fund |
|------------------------------------|--------------|
| Ad Valorem Tax Receivable          | \$ 653,645   |
| Insurance Reimbursement Receivable | 64,013       |
| Allowance for Uncollectible        | (18,000)     |
| Ad Valorem Tax Receivable, Net     | \$ 699,658   |

**5. Levied Taxes**

The following is a summary of authorized and levied ad valorem taxes:

|              | Authorized | Levied |
|--------------|------------|--------|
| General Fund | 9.23       | 9.23   |

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District during the year and are billed to taxpayers and become due in November. Billed taxes become delinquent on December 31<sup>st</sup> of each year. Revenues from ad valorem taxes are budgeted in the year billed and are recognized as revenue when billed. The St. Tammany Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the St. Tammany Parish Assessor. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2021, the District levied 9.23 mills for a total tax levy of \$714,605. At December 31, 2021, the ad valorem tax receivable was \$653,645. An allowance for uncollectible property taxes is recorded in the amount of \$18,000.

**St. Tammany Parish Recreation District No. 11  
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**Notes to the Financial Statements  
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**6. Capital Assets**

A summary of changes in capital assets follows:

|  | Beginning<br>Balance | Increases         | Decreases         | Ending<br>Balance   |
|--|----------------------|-------------------|-------------------|---------------------|
|  | <u>          </u>    | <u>          </u> | <u>          </u> | <u>          </u>   |
| <b>Governmental Activities:</b>            |                      |                   |                   |                     |
| Capital Assets Not Being Depreciated:      |                      |                   |                   |                     |
| Land and Improvements                      | \$ 642,390           | \$ -              | \$ -              | \$ 642,390          |
| Construction in Progress                   | 62,826               | 2,800             | -                 | 65,626              |
| Total Capital Assets Not Being Depreciated | <u>705,216</u>       | <u>2,800</u>      | <u>-</u>          | <u>708,016</u>      |
| Other Capital Assets:                      |                      |                   |                   |                     |
| Buildings & Improvements                   | 2,923,295            | 149,354           | -                 | 3,072,649           |
| Equipment                                  | 140,867              | 10,453            | -                 | 151,320             |
| Total Capital Assets                       | <u>3,064,162</u>     | <u>159,807</u>    | <u>-</u>          | <u>3,223,969</u>    |
| Less Accumulated Depreciation:             |                      |                   |                   |                     |
| Buildings & Improvements                   | (399,192)            | (81,013)          | -                 | (480,205)           |
| Equipment                                  | (133,242)            | (20,255)          | -                 | (153,497)           |
| Total Accumulated Depreciation             | <u>(532,434)</u>     | <u>(101,268)</u>  | <u>-</u>          | <u>(633,702)</u>    |
| Other Capital Assets, Net                  | <u>2,531,728</u>     | <u>58,539</u>     | <u>-</u>          | <u>2,590,267</u>    |
| Governmental Activities Capital, Net       | <u>\$ 3,236,944</u>  | <u>\$ 61,339</u>  | <u>\$ -</u>       | <u>\$ 3,298,283</u> |

Depreciation was charged to governmental functions as follows:

|                         |                   |
|-------------------------|-------------------|
| Recreation Expenditures | \$ <u>101,268</u> |
|-------------------------|-------------------|

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2021**

**7. Long-Term Debt**

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

|                                       | Interest Rate<br>% | Issue<br>Date | Maturity<br>Date | Outstanding       |
|---------------------------------------|--------------------|---------------|------------------|-------------------|
| Limited Tax Certificates, Series 2012 | 2.18               | 8/30/2012     | 3/1/2022         | \$ 125,000        |
| Limited Tax Certificates, Series 2013 | 1.0 - 1.75         | 3/20/2013     | 3/1/2023         | 245,000           |
| Limited Tax Certificates, Series 2015 | 1.5 - 1.825        | 9/25/2015     | 3/1/2023         | 215,000           |
|                                       |                    |               |                  | <u>\$ 585,000</u> |

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

|  | Beginning<br>Balance | Additions   | Reductions        | Ending<br>Balance | Due within<br>one year |
|--|----------------------|-------------|-------------------|-------------------|------------------------|
| Limited Tax Certificates,<br>Series 2012 | \$ 245,000           | \$ -        | \$ 120,000        | \$ 125,000        | \$ 125,000             |
| Limited Tax Certificates,<br>Series 2013 | 365,000              | -           | 120,000           | 245,000           | 120,000                |
| Limited Tax Certificates,<br>Series 2015 | 320,000              | -           | 105,000           | 215,000           | 105,000                |
|  | <u>\$ 930,000</u>    | <u>\$ -</u> | <u>\$ 345,000</u> | <u>\$ 585,000</u> | <u>\$ 350,000</u>      |

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

| <u>Year Ending<br/>December 31</u> | <u>Principal</u>  | <u>Interest</u> | <u>Total</u>      |
|------------------------------------|-------------------|-----------------|-------------------|
| 2022                               | \$ 350,000        | \$ 6,459        | \$ 356,459        |
| 2023                               | 235,000           | 2,098           | 237,098           |
| Total                              | <u>\$ 585,000</u> | <u>\$ 8,557</u> | <u>\$ 593,557</u> |

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2021**

**8. Leases**

On August 18, 2021 the District entered in to an operating lease with Leaf Capital Funding, LLC for a Savin Copier system. The term of the lease is for 60 months for \$126 per month. For the year ended December 31, 2021, the District's lease expense for the copier system was \$378. The payment schedule for the years subsequent to December 31, 2021 are as follows:

| <u>Year Ending<br/>December 31</u> |    |                     |
|------------------------------------|----|---------------------|
| 2022                               | \$ | 1,512               |
| 2023                               |    | 1,512               |
| 2024                               |    | 1,512               |
| 2025                               |    | 1,512               |
| 2026                               |    | <u>1,134</u>        |
| Total                              | \$ | <u><u>7,182</u></u> |

**9. Compensated Absences**

The District does not have employees that accumulate or vest benefits.

**10. Compensation of Board Members Commissioners**

The St. Tammany Parish Recreation District No. 11 paid no compensation to its board members as of and for the year ended December 31, 2021.

**11. Judgements, Claims, and Similar Contingencies**

St. Tammany Parish Recreation District No. 11 is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of commercial insurance.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
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**12. Pension Plan**

Employees participate in the Parochial Employees' Retirement System of Louisiana. This system is a public defined benefit pension plan which provides retirement allowances and other benefits, operating pursuant to LSA-R.S. 11:1901 through 2025. The retirement system has the powers and privileges of a corporation.

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Plan A was designed for employers out of Social Security. Plan B was designed for those employers that remained in Social Security.

The employees participate in Plan A.

*Plan A Benefits.*

A. Normal Retirement Benefits - The retirement allowance is equal to three percent of the member's final average compensation multiplied by his years of creditable service. Final average compensation shall be defined as the average of the highest consecutive 36 month salary for members hire prior to 1/1/07. For members hired 1/1/07 and later, final average compensation shall be defined as the average of the highest consecutive 60 month's salary.

Eligibility Provisions for Active Members Hired 1/1/07 and Later are as follows:

- 7 years of service, age 67
- 10 years of service, age 62
- 30 years of service, age 55

*Membership.* All permanent employees working at least 28 hours per week shall become members on the date of employment.

Effective July 1, 1997, new employees age 55 and older and who have 40 quarters or more of Social Security participation have an option to join the Parochial System. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. When a decision is made, an election form must be completed and sent to the retirement system office. If the employee elects to join the system, the standard Personal History form should be completed as well. If the employee begins work before the election is made, the employee should be enrolled in Social Security or in a deferred compensation plan until the retirement determination is made.

**St. Tammany Parish Recreation District No. 11**  
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*Vesting.* Seven years of service credit is required to be eligible for a normal retirement benefit at age 65 if the member was an active member of either plan on December 31, 2006. For employees hired after 1/1/07 and later, vesting occurs with seven years of service credit; however, those members must attain age 67 before becoming eligible for normal retirement. Eligibility to actually begin receiving benefits is a function of fulfilling the eligibility provisions of age and service.

*Funding Policy.* The system is funded primarily by employer and employee contributions which are expressed as percentages of payroll. The amount of employee contributions is fixed by law. Currently, the Plan A employee rate is 9.5% and the Plan B employee rate is 3.0%. Employer contributions are actuarially determined every fiscal year according to statutory process. Written notice of these rates is provided to employers annually. In 2021, the employer rates were 12.25% for Plan A and 7.50% for Plan B.

The St. Tammany Recreation District No. 11 contributions to the System under Plan A for the years ending December 31, 2021, 2020 and 2019 were \$13,827, \$14,359, and \$12,762 respectively equal to the required contributions.

A statement of accumulated member contributions is provided to all members with a balance following the close of each plan year.

Requests for further information should be directed to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619.

**Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2021, the District reported an asset of \$30,772 for its proportionate share of the net pension liability of the System. The net pension asset measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's portion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At December 31, 2020, the District's proportion was 0.0175%, which was the same as the proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the District recognized pension expense of \$22,726 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

**St. Tammany Parish Recreation District No. 11  
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|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ -                              | \$ 3,673                         |
| Changes of Assumptions  | 10,068                            | -                                |
| Net difference between projected and actual earnings on pension plan investments                              | 7,492                             | 60,059                           |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 228                               | 263                              |
| Employer contributions subsequent to the measurement date   | 13,827                            | -                                |
| Total   | \$ 31,615                         | \$ 63,995                        |

The District reported a total of \$13,827 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2020 which will be recognized as a reduction in net pension liability in the year ended December 31, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year |    |          |
|------|----|----------|
| 2021 | \$ | (13,394) |
| 2022 |    | (4,425)  |
| 2023 |    | (19,065) |
| 2024 |    | (9,811)  |
|      | \$ | (46,695) |

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
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**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2020 is as follows:

|   |   |
|---|---|
| <b>Valuation Date</b>                   | December 31, 2020   |
| <b>Actuarial Cost Method</b>            | Plan A - Entry Age Normal<br>Plan B - Entry Age Normal  |
| <b>Investment Rate of Return</b>        | 6.40% (Net of investment expense)   |
| <b>Expected Remaining Service lives</b> | 4 years   |
| <b>Projected Salary Increases</b>       | Plan A – 4.75%<br>Plan B – 4.25%  |
| <b>Cost of Living Adjustments</b>       | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.   |
| <b>Mortality</b>                        | Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants. |
| <b>Inflation Rate</b>                   | 2.30%   |

The discount rate used to measure the total pension liability was 6.40% for Plan A and 6.40% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions for plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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The long-term expected real rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future rate of real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of re-balancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2020.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2020 are summarized in the following table:

| Asset Class                        | Target Asset<br>Allocation | Long-Term Expected<br>Portfolio Real Rate<br>of Return |
|------------------------------------|----------------------------|--|
| Fixed Income                       | 33%                        | 0.86%  |
| Equity                             | 51%                        | 3.36%  |
| Alternatives                       | 14%                        | 0.67%  |
| Real Assets                        | 2%                         | 0.11%  |
| Totals                             | 100%                       | 5.00%  |
| Inflation                          |                            | 2.00%  |
| Expected Arithmetic Nominal Return |                            | 7.00%  |

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

**St. Tammany Parish Recreation District No. 11  
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**Notes to the Financial Statements  
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**Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate**

The following presents the net pension liability/(asset) of the District calculated using the discount rate of 6.40%, as well as what the employers’ net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate.

|  | 1% Decrease |    | Current Discount<br>Rate |    | 1% Increase |
|--|-------------|----|--------------------------|----|-------------|
|  | 5.40%       |    | 6.40%                    |    | 7.40%       |
| PERSLA   |             |    |                          |    |             |
| Rates of St. Tammany<br>Parish Recreation District No. 11 of NPA | \$ 64,521   | \$ | (30,772)                 | \$ | (110,578)   |

**13. Commitments**

In 2022, the District entered into a contract to change the park’s field lights to LED lights. The project was complete in February 2022 with a total cost of \$186,742.

**14. Subsequent Events**

Subsequent events have been evaluated by management through May 26, 2022, the date the financial statements were available to be issued. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2021.

## Required Supplemental Information

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Schedule 1**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance –**  
**Budget (Modified Cash Basis) and Actual**  
**For the Year Ended December 31, 2021**

| <b>Revenues</b>           | Budgeted Amounts |         | Actual<br>Amounts | Variance with<br>Final Budget |
|---------------------------|------------------|---------|-------------------|-------------------------------|
|                           | Original         | Final   |                   | Favorable<br>(Unfavorable)    |
|                           |                  | \$      | \$                | \$                            |
| Property Taxes            | 587,000          | 593,000 | 726,675           | 133,675                       |
| Revenue Sharing           | 16,000           | 16,000  | 21,235            | 5,235                         |
| Interest Income           | 400              | 400     | 288               | (112)                         |
| Park Revenue              | 81,800           | 126,900 | 139,175           | 12,275                        |
| Gym Rental                | 2,000            | 2,000   | 13,144            | 11,144                        |
| Other                     | 1,000            | 1,000   | 7,801             | 6,801                         |
| Total Revenues            | 688,200          | 739,300 | 908,318           | 169,018                       |
| <b>Expenditures</b>       |                  |         |                   |                               |
| Accounting                | 16,000           | 16,000  | 15,009            | 991                           |
| Adult Class               | 1,000            | 1,000   | 915               | 85                            |
| Advertising               | 500              | 500     | 896               | (396)                         |
| Assessor                  | 1,600            | 500     | 1,100             | (600)                         |
| Automobile                | 1,400            | 1,400   | 1,992             | (592)                         |
| Baseball & Softball       | 17,000           | 27,000  | 23,588            | 3,412                         |
| Basketball                | 6,000            | 12,000  | 7,388             | 4,612                         |
| Cheerleader               | 2,000            | 2,000   | 2,664             | (664)                         |
| Concession                | 8,000            | 19,000  | 12,369            | 6,631                         |
| Employee Benefit - Health | 2,400            | 2,400   | 982               | 1,418                         |
| Facilities Maintenance    | 12,000           | 16,000  | 11,920            | 4,080                         |
| Field Maintenance         | 5,000            | 5,000   | 7,261             | (2,261)                       |
| Football                  | 3,300            | 4,800   | 4,892             | (92)                          |
| Insurance                 | 36,000           | 36,000  | 38,590            | (2,590)                       |
| Miscellaneous             | 5,500            | 3,600   | 5,492             | (1,892)                       |
| Office Supplies           | 3,800            | 2,800   | 7,313             | (4,513)                       |
| Payroll                   | 157,000          | 169,000 | 149,060           | 19,940                        |
| Postage                   | 200              | 200     | 187               | 13                            |
| Professional              | -                | -       | -                 | -                             |
| Retirement                | -                | -       | 13,827            | (13,827)                      |
| Soccer                    | 17,000           | 17,000  | 25,084            | (8,084)                       |
| Training                  | -                | 3,000   | 1,695             | 1,305                         |
| Utilities                 | 37,910           | 44,910  | 37,038            | 7,872                         |
| Volleyball                | 100              | 700     | -                 | 700                           |
| Website                   | 4,000            | 4,000   | 22                | 3,978                         |

See independent auditor's report.

**St. Tammany Parish Recreation District No. 11  
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**Schedule 1**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget (Modified Cash Basis) and Actual  
For the Year Ended December 31, 2021**

|                                   | Budgeted Amounts |            | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|-----------------------------------|------------------|------------|-------------------|---|
|                                   | Original         | Final      |                   |   |
| Capital Outlay                    | \$ -             | \$ -       | \$ 165,582        | \$ (165,582)  |
| Debt Service:                     |                  |            |                   |   |
| Retirement of Principal           | 336,316          | 330,000    | 345,000           | (15,000)  |
| Interest                          | 14,174           | 20,490     | 14,174            | 6,316   |
| Total Expenditures                | 688,200          | 739,300    | 894,040           | (154,740)   |
| <b>Net Change in Fund Balance</b> | -                | -          | 14,278            | 14,278  |
| <b>Fund Balance, Beginning</b>    | 246,868          | 261,753    | 261,753           | -   |
| <b>Fund Balance, Ending</b>       | \$ 246,868       | \$ 261,753 | \$ 276,031        | \$ 14,278   |

See independent auditor's report.

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Schedule 2**

**Schedule of the District's Proportionate Share of the Net Pension Liability  
For the Year Ended December 31, 2021**

| Actuarial<br>Valuation<br>Date | Employer<br>Proportion<br>of the Net<br>Pension<br>Liability<br>(Asset) | Employer<br>Proportionate<br>Share of the<br>Net Pension<br>Liability<br>(Asset) | Employer's<br>Covered<br>Employee<br>Payroll | Employer's<br>Proportionate Share<br>of the Net Pension<br>Liability (Asset) as a<br>Percentage of its<br>Covered Employee<br>Payroll | Plan Fiduciary<br>Net Position as a<br>Percentage of the<br>Total Pension<br>Liability |
|--------------------------------|---|--|--|---|--|
| December 31, 2015              | 0.0119%   | \$ 3,249   | \$ 74,207                                    | 4.3783%   | 99.15%   |
| December 31, 2016              | 0.0119%   | \$ 32,627  | \$ 87,527                                    | 37.2765%  | 92.23%   |
| December 31, 2017              | 0.0148%   | \$ 30,396  | \$ 79,984                                    | 38.0026%  | 94.15%   |
| December 31, 2018              | 0.0165%   | \$ 12,720  | \$ 107,305                                   | 11.8541%  | 101.98%  |
| December 31, 2019              | 0.0165%   | \$ 12,842  | \$ 110,976                                   | 11.5719%  | 88.86%   |
| December 31, 2020              | 0.0175%   | \$ 14,359  | \$ 117,215                                   | 12.2501%  | 99.89%   |
| December 31, 2021              | 0.0175%   | \$ 13,827  | \$ 113,856                                   | 12.1443%  | 104.00%  |

*Schedule is intended to show information for 10 years.*

*Additional years will be displayed as they become available*

See independent auditor's report.

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Schedule 3**

**Schedule of Contributions – Retirement Plan  
For the Year Ended December 31, 2021**

| <u>Actuarial<br/>Valuation<br/>Date</u> | <u>Contractually<br/>Required<br/>Contribution</u> | <u>Contributions<br/>Relations to<br/>Contractual<br/>Required<br/>Contributions</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Employer's<br/>Covered<br/>Employee<br/>Payroll</u> | <u>Contributions<br/>as a<br/>Percentage<br/>of Covered<br/>Payroll</u> |
|---|--|--|---|--|---|
| December 31, 2015                       | \$ 10,760  | \$ 10,760  | \$ -  | \$ 71,071  | 15.1398%  |
| December 31, 2016                       | \$ 11,720  | \$ 11,720  | \$ -  | \$ 87,528  | 13.3900%  |
| December 31, 2017                       | \$ 10,300  | \$ 10,300  | \$ -  | \$ 79,984  | 12.8776%  |
| December 31, 2018                       | \$ 12,363  | \$ 12,363  | \$ -  | \$ 109,443   | 11.2963%  |
| December 31, 2019                       | \$ 12,842  | \$ 12,842  | \$ -  | \$ 110,976   | 11.5719%  |
| December 31, 2020                       | \$ 14,359  | \$ 14,359  | \$ -  | \$ 117,215   | 12.2501%  |
| December 31, 2021                       | \$ 13,827  | \$ 13,827  | \$ -  | \$ 113,856   | 12.1443%  |

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report.

## Supplemental Information

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Schedule 4**

**Schedule of Compensation, Benefits, and  
Other Payments to Agency Head  
For the Year Ended December 31, 2021**

Agency Head: Lisa Palisi

| <b>Purpose</b>      | <b>Amount</b> |
|---------------------|---------------|
| Salary              | \$ 55,223     |
| Retirement Benefits | 6,645         |
| Training            | -             |
| Total Payments      | \$ 61,868     |

See independent auditor's report.

**Other Independent Auditor's Report**

CHARLES P. HEBERT, CPA  
CHRISTOPHER S. JOHNSON, CPA, MBA  
ADAM C. HEBERT, CPA

MEMBER  
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A P R O F E S S I O N A L A C C O U N T I N G C O R P O R A T I O N

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Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

To the Board of Commissioners  
St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the St. Tammany Parish Recreation District No. 11, Abita Springs, Louisiana, a component unit of the St. Tammany Parish Council, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise St. Tammany Parish Recreation District No. 11's basic financial statements, and have issued our report thereon dated May 26, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered St. Tammany Parish Recreation District No. 11'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 St. Tammany Parish Recreation District No. 11's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Tammany Parish Recreation District No. 11's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses as item 2021-1 that we consider to be a significant deficiency.

### **Report Compliance and Other Matters**

As part of obtaining reasonable assurance about whether St. Tammany Parish Recreation District No. 11's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses as items 2021-2 and 2021-3.

### **St. Tammany Parish Recreation District No. 11 Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on St. Tammany Parish Recreation District No. 11's response to the findings identified in our audit and described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses. St. Tammany Parish Recreation District No. 11's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Chris Johnson*

Hebert Johnson & Associates, Inc.  
A Professional Accounting Corporation  
Ponchatoula, Louisiana  
May 26, 2022

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses  
For the Year Ended December 31, 2021**

We have audited the basic financial statements of the St. Tammany Parish Recreation District No. 11 as of and for the year ended December 31, 2021, and have issued our report thereon dated May 26, 2022. 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 audit of the financial statements as of December 31, 2021 resulted in an unmodified opinion.

**Section I - Summary of Auditor's Reports**

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness, No                      Significant Deficiencies, Yes

Compliance

Compliance Material to Financial Statements, Yes

b. Federal Awards

Not Applicable

Was a management letter issued? No

**Section II - Financial Statement Findings**

**Internal Control**

**2021-1 Accountant Cannot Prepare Financial Statements**

**Criteria:**

The District must prepare the basic financial statements of the St. Tammany Parish Recreation District No. 11 in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses**  
**For the Year Ended December 31, 2021**

**Condition:**

The District's accountant cannot draft the District's financial statements.

**Cause:**

The St. Tammany Parish Recreation District No. 11's job description for accountant does not require the accountant to have the technical skills to prepare the accompanying financial statements of the governmental activities, and the general fund of the St. Tammany Parish Recreation District No. 11.

**Effect:**

As part of the audit, the auditor assisted with preparation of the financial statements and related notes.

**Recommendation:**

We recommend the District review the cost benefit of hiring an accountant with the technical skills to prepare the accompanying financial statements of the governmental activities, and the general fund of the St. Tammany Parish Recreation District No. 11.

**Management's Response:**

The District board will review the cost benefit of hiring an accountant with the required expertise to prepare the financial statements on an annual basis. Responsible party is Responsible Party is Board President, Brandon Harrell (985) 888-6547.

**Compliance**

**2021-2 Violation of the Louisiana Local Government Budget Act**

**Criteria:**

The Local Government Budget Act (LSA-RS 39:1301-15) requires a political subdivision to adopt a budget amendment in an open meeting when total actual expenditures are exceeding total budgeted expenditures by a variance greater than five percent.

**Condition:**

The District did not comply with certain provisions of the Local Government Budget Act, which requires the District to amend its budget when actual expenditures exceed total budgeted expenditures by a variance greater than five percent.

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses  
For the Year Ended December 31, 2021**

**Cause:**

This was an oversight by management.

**Effect:**

The District was in violation of the Local Government Budget Act.

**Recommendation:**

We recommend the District review its budget to actual revenues and expenditures on a monthly basis and amend the budget as necessary in an open meeting.

**Management's Response**

The District will take measures to ensure the budget is amended according to state law. Responsible Party is Board President, Brandon Harrell (985) 888-6547

**2021-3 Ethics and Sexual Harassment Training**

**Criteria:**

LRS 42:1170 requires public servants to receive a minimum of one hour of education and training on the Code of Governmental Ethics during each year of his public employment or term of office.

LRS 42:343 requires public servants to receive a minimum of one hour of education and training preventing sexual harassment during each full calendar year of the public servant's term of office.

**Condition:**

The District did not have documentation of the required ethics and sexual harassment training for one board member and one employee for the year ending December 31, 2021.

**Cause:**

The employee and board member did not complete the ethics and sexual harassment training.

**Effect:**

Noncompliance with the revised statutes listed in the criteria.

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses  
For the Year Ended December 31, 2021**

**Recommendation:**

The District should ensure all employees and board members complete the required training during each year. The District should set a completion deadline for all board members and employees to complete the required training.

**Management's Response**

Management will have all employees and board members complete each training as soon as possible. Responsible Party is Board President, Brandon Harrell (985) 888-6547.

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Schedule of Prior Year Findings  
For the Year Ended December 31, 2021**

**2020-1 Accountant Cannot Prepare Financial Statements Condition**

The District's accountant cannot draft the District's financial statements.

**Recommendation:**

We recommend the District review the cost benefit of hiring an accountant with the technical skills to prepare the accompanying financial statements of the governmental activities, and the general fund of the St. Tammany Parish Recreation District No. 11.

**Resolved:**

See Finding 2021-1

**ST. TAMMANY PARISH RECREATION DISTRICT NO. 11**  
**ABITA SPRINGS, LOUISIANA**

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AGREED-UPON PROCEDURES

For the Year Ended December 31, 2021



**Hebert Johnson  
& Associates, Inc.**  
Certified Public Accountants

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*A Professional Accounting Corporation*

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A PROFESSIONAL ACCOUNTING CORPORATION

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners  
St. Tammany Parish Recreational District No. 11  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) required Act 774 Agreed-Upon Procedures for the fiscal period January 1, 2021 through December 31, 2021. St. Tammany Parish Recreational District No. 11's management is responsible for those C/C areas identified in the Agreed-Upon Procedures.

St. Tammany Parish Recreational District No. 11 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 required agreed-upon procedures for the fiscal period January 1, 2021 through 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:

***Sports Registration Receipts (follow-up)***

---

1. Obtain a listing of cash/check/money order (cash) collection locations for sports registration fees and management's representation that the listing is complete.

**Results:** We obtained all cash collection locations for sports registrations and fees.

**2. For each sports registration collection location:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting sports registration

cash is (1) bonded or insured, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

**Results:**

1. Employees responsible for cash are not bonded or insured.
2. Employees responsible for collecting cash are not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account. There are rare times when one person is working that will collect the cash and make the deposit. All registrations are reported on a worksheet and reconciled with the deposit on a daily basis.
3. The District's employees can share the same register with another employee. Registrations are totaled at the end of the day on a spreadsheet and reconciled to the daily deposit.

**Management's Response:**

The cost associated with bonding outweighs the risk of the minimal dollars that are collected on a daily basis.

While the same employees collecting registration fees may deposit the collections in the bank and use the same drawer, the collections are matched to the registration forms filled out by registrants by management.

- b) Randomly select 2 weeks of cash collections from the general ledger or other accounting records during the fiscal period (during which sports registration fees were collected) and:
  - Using entity sports registration collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

**Results:**

All deposits selected were made within one business day.

3. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all sports registration collections by a person who is not responsible for collections.

**Results:**

The District does have written procedures to determine completeness of all sports registration collections by a person who is not responsible for collections.

***Information Technology Disaster Recovery/Business Continuity (follow-up)***

---

1. Obtain and inspect the entity's written policies and procedures over information technology disaster recovery/business continuity (or the equivalent contractual terms if IT services are outsourced) and observe that they address (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Results:**

The District does not have written policies and procedures over information technology disaster recovery/business continuity.

**Management's Response:**

The District will begin the process of adopting written policies and procedures over information technology disaster recover/business continuity.

***Sexual Harassment (follow-up)***

---

1. Obtain and inspect the entity's written policies and procedures over sexual harassment prevention and observe that they include R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training and (3) annual reporting.

**Results:**

The District did have written policies and procedures over sexual harassment prevention.

2. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials and obtain sexual harassment training documentation from management for each of the selected employees, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year. If your sample includes supervisors, observe the documentation demonstrates additional training as per 42:342 (A)(2).

**Results:**

Out of the 5 employees/officials selected, 2 did not have their certificate.

**Management's Response:**

Management will ensure that all training is completed as soon as possible.

***Ethics***

---

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

**Results:**

The District did have written policies and procedures over ethics.

2. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Obtain ethics documentation from management for 5 randomly selected employees, and:
  - a. Observe that the documentation demonstrates each employee/official 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.

**Results:**

Out of the 5 employees/officials selected, 2 did not have their certificate. No changes were made to the ethics policy.

**Management's Response:**

Management will ensure that all training is completed as soon as possible.

## ***Payroll and Personnel***

---

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

### **Results:**

We agreed all paid salaries to the employees' personnel files.

We were engaged by St. Tammany Parish Recreational District No. 11 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 Agreed-Upon Procedures. 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 St. Tammany Parish Recreational District No. 11 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the Agreed-Upon Procedures, 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.

*Chris Johnson*

Hebert Johnson & Associates, Inc.  
A Professional Accounting Corporation  
Ponchatoula, Louisiana  
May 26, 2022