

**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, 2020



**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, 2020  
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, 2020  
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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the general fund of the St. Tammany Parish Recreation District No. 11, as of December 31, 2020, and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6 through 11 and pages 39 and 40, Schedule of Proportionate Share of the Net Pension Liability on page 41, and the Schedule of Contributions on page 42 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.

### *Other 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.

The Schedule of Compensation, Benefits and Other Payments to Agency Head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures, 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 April 20, 2021, on our consideration of the St. Tammany Parish Recreation District No. 11's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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

April 20, 2021

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**Required Supplemental Information (Part I)**  
**Management's Discussion and Analysis**



**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**  
**Management's Discussion and Analysis**  
**December 31, 2020**

**Introduction**

The St. Tammany Parish Recreation District No. 11 was established by the St. Tammany Parish Council on July 2, 2002 pursuant to Louisiana Revised Statute 33:4564. The District has the authority to own and operate facilities and engage in activities which promote recreation. The District area encompasses all of Ward 10, including the Town of Abita Springs. The governing board is made up of five commissioners; four are appointed by the Parish Council and one is appointed by the Parish President.

**Financial Highlights**

- At December 31, 2020, the District's assets exceeded its liabilities by \$3,222,777 (net position). Of this amount, \$915,816 (unrestricted net position) may be used to meet the District's ongoing obligations to its citizens.
- At December 31, 2020, the District's governmental fund reported a fund balance of \$891,949, an increase of \$63,699 from the previous year. Of this amount, \$883,335 is unassigned and available for spending at the District's discretion, \$17 is restricted for debt service, and \$8,597 is nonspendable.

**Overview of the Financial Statements**

The financial statement focus is on both the District as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the District's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the District's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements.

**Government-Wide Financial Statements**

Government-wide financial statements are designed by GASB Statement 34 to change the way in which governmental financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Position and Statement of Activities, seeking to give the user of the financial statements a broad overview of the District's financial position and results of operations in a manner similar to a private sector.

The Statement of Net Position presents information on all the District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**  
**Management's Discussion and Analysis**  
**December 31, 2020**

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District consist of one category: governmental funds.

Governmental funds are used to account for most of the District's basic services as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found on Statements D and F.

The District maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in fund balance for the General Fund. The basic governmental fund financial statements can be found on Statements C and E of this report.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 37 of this report.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**  
**Management's Discussion and Analysis**  
**December 31, 2020**

**Financial Analysis of the District as a Whole**

The following table provides a summary of the District's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position following this section.

**Summary of Net Position**  
**December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Assets:</b>		
Current and Other Assets	\$ 953,780	\$ 878,906
Capital Assets	3,236,944	3,302,978
Total Assets	<u>4,190,724</u>	<u>4,181,884</u>
Deferred Outflows of Resources	<u>45,294</u>	<u>71,626</u>
Total Assets and Deferred Outflows of Resources	<u>4,236,018</u>	<u>4,253,510</u>
<b>Liabilities:</b>		
Current Liabilities	44,587	40,292
Long-Term Liabilities	930,000	1,339,260
Total Liabilities	<u>974,587</u>	<u>1,379,552</u>
Deferred Inflows of Resources	<u>38,654</u>	<u>4,829</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,013,241</u>	<u>1,384,381</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	2,306,944	2,042,978
Restricted	17	10
Unrestricted	<u>915,816</u>	<u>826,141</u>
Total Net Position	<u>\$ 3,222,777</u>	<u>\$ 2,869,129</u>

Approximately 71.6% of the District's net position reflects its net investment in capital assets (improvements, and equipment) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Approximately 28.4% of the District's net assets are unrestricted and may be used to meet the District's ongoing obligations to its citizens.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**  
**Management's Discussion and Analysis**  
**December 31, 2020**

**Governmental Activities**

In order to further understand what makes up the change in net position, the following table provides a summary of the results of the District's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table.

**Statement of Activities**  
**For the Years Ended December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
Program Revenues:		
Charges for Services	\$ 81,517	\$ 144,249
General Revenues:		
Ad Valorem Taxes	691,409	640,476
Revenue Sharing	20,827	20,670
Interest Income	512	434
Other Income	7,953	14,101
Total Revenues	802,218	819,930
Expenses:		
Recreation Expenditures	448,570	535,719
Total Expenses	448,570	535,719
Change in Net Position	353,648	284,211
Net Position, Beginning	2,869,129	2,584,918
Net Position, Ending	\$ 3,222,777	\$ 2,869,129

Charges for services include registration fees for baseball, basketball, football, soccer and cheer. They also include concessions and entrance fees.

Charges for services decreased by \$62,732 and recreation expenditures decreased by \$87,149 due to the suspension of various sports programs because of the COVID-19 pandemic.

**Fund Financial Analysis**

As of the end of the current fiscal year, the District's General Fund reported an ending fund balance of \$891,949. This represents an increase of \$63,699 or 7.7% from the previous year.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**  
**Management's Discussion and Analysis**  
**December 31, 2020**

**General Fund Budgetary Highlights**

Significant variations between the original and final budget amounts are as follows:

- Park revenues were lowered from \$126,900 to \$81,800 due to the suspension of sports programs because of the COVID 19 pandemic.
- Baseball expenditures were lowered from \$40,000 to \$17,000 due to the suspension of sports programs because of the COVID 19 pandemic.

Significant variations from the general fund's final budget amounts and actual amounts are as follows:

- Capital outlay was \$32,308 more than budgeted. The District did not put a line item for Capital Outlay.

**Capital Assets and Debt Administration**

**Capital Assets**

The District's capital assets for its governmental activities as of December 31, 2020 was \$3,236,944. The total decrease in the District's capital assets for the current fiscal year was \$66,034 due primarily to depreciation expense of \$101,317.

Additional information on the District's capital assets can be found in *Footnote 6 Capital Assets*.

**Debt Administration**

At year-end, the District had \$360,000 in Limited Tax Certificates, Series 2012, \$480,000 in Limited Tax Certificates, Series 2013 bonds and \$420,000 in Limited Tax Certificates, Series 2015.

**Condensed Statement of Long-Term Debt**

<u>Governmental Activities</u>	
Limited Tax Certificates, Series 2012	\$ 245,000
Limited Tax Certificates, Series 2013	365,000
Limited Tax Certificates, Series 2015	<u>320,000</u>
	<u>\$ 930,000</u>

The current portion of the debt listed above is \$345,000.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**  
**Management's Discussion and Analysis**  
**December 31, 2020**

**Future Economic Plans**

The District expects to have the development of the T-Ball fields complete this year. The District plans to develop a walking track and a dog park. The District has applied for wetlands mitigation from the Army Corps of Engineers for further development of the acreage next to the gymnasium that was purchased several years ago so that the District can also develop soccer fields.

**Contacting the District's Financial Management**

Questions regarding this report or requests for additional information should be addressed to Brandon Harrell, Chairman, St. Tammany Parish Recreation District No. 11, 22519 Hwy 36, Abita Springs, LA 70420.

**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, 2020**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 271,931
Ad Valorem Tax Receivable, Net	673,085
Prepaid Insurance	8,597
Utility Deposit	150
Restricted Cash	17
Land	642,390
Construction in Progress	62,826
Capital Assets, Net of Depreciation	<u>2,531,728</u>
<b>Total Assets</b>	<u><b>4,190,724</b></u>
 <b>Deferred Outflows of Resources</b>	
Pension Related	<u>45,294</u>
<b>Total Deferred Outflows of Resources</b>	<u><b>45,294</b></u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u><b>4,236,018</b></u>
 <b>Liabilities</b>	
Accounts Payable	4,109
Accrued Salaries	1,737
Accrued Interest	5,812
Construction Payable	2,975
Payroll Liabilities	6,963
Pension Payable	22,167
Noncurrent Liabilities:	
Net Pension Liability	824
Bonds Payable Due Within One Year	345,000
Bonds Payable Due in More Than One Year	<u>585,000</u>
<b>Total Liabilities</b>	<u><b>974,587</b></u>
 <b>Deferred Inflows of Resources</b>	
Pension Related	<u>38,654</u>
<b>Total Deferred Inflows of Resources</b>	<u><b>38,654</b></u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u><b>1,013,241</b></u>
 <b>Net Position</b>	
Net Investment in Capital Assets	2,306,944
Restricted	17
Unrestricted	<u>915,816</u>
<b>Total Net Position</b>	<u><b>\$ 3,222,777</b></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, 2020**

Functions/Programs	Expenses
Governmental Activities:	
Recreation Expenses	\$ 430,115
Interest on Long-Term Debt	18,455
Total Governmental Activities	448,570
Program Revenues:	
Charges for Services	81,517
General Revenues:	
Property Taxes	691,409
Revenue Sharing	20,827
Interest Income	512
Other	7,953
Total Revenues	802,218
Change in Net Position	353,648
Net Position, Beginning	2,869,129
Net Position, Ending	\$ 3,222,777

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, 2020**

	<u>General Fund</u>
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 271,931
Ad Valorem Tax Receivable, Net	673,085
Prepaid Insurance	8,597
Utility Deposit	150
Total Current Assets	<u>953,763</u>
Noncurrent Assets:	
Restricted Cash	<u>17</u>
Total Noncurrent Assets	<u>17</u>
Total Assets	<u><u>\$ 953,780</u></u>
 <b>Liabilities and Fund Balance</b>	
Current Liabilities:	
Accounts Payable	\$ 4,109
Accrued Salary	1,737
Construction Payable	2,975
Payroll Liabilities	6,963
Pension Payable	22,167
Total Current Liabilities/Total Liabilities	<u>37,951</u>
 <b>Deferred Inflow of Resources</b>	
Unavailable Ad Valorem Taxes	<u>23,880</u>
Total Deferred Inflow of Resources	<u>23,880</u>
 <b>Fund Balance</b>	
Nonspendable, Prepaid Insurance	8,597
Restricted for Debt Service	17
Unassigned Fund Balance	<u>883,335</u>
Total Fund Balance	<u>891,949</u>
Total Liabilities/Deferred Inflows and Fund Balance	<u><u>\$ 953,780</u></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, 2020**

**Fund Balances, Governmental Funds, Statement C** **\$ 891,949**

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	62,826
Capital Assets, Net of Depreciation	2,531,728

Deferred inflows of resources - unavailable ad valorem taxes are not reported on government-wide financial statements. 23,880

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	(245,000)
Limited Tax Certificates, Series 2013	(365,000)
Limited Tax Certificates, Series 2015	(320,000)
Accrued Interest Payable	(5,812)
Net Pension Liability	(824)
Deferred Outflow of Resources	45,294
Deferred Inflow of Resources	(38,654)

**Net Position, Governmental Activities, Statement A** **\$ 3,222,777**

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, 2020**

	<u>General Fund</u>
<b>Revenues</b>	
Property Taxes	\$ 685,740
Revenue Sharing	20,827
Interest Income	512
Park Revenue	81,517
Gym Rental	1,610
Other	4,927
Total Revenues	<u>795,133</u>
<b>Expenditures</b>	
Accounting	15,259
Adult Class	1,225
Advertising	210
Assessor	880
Automobile	792
Baseball & Softball	16,349
Basketball	5,356
Cheerleader	2,319
Concession	6,659
Employee Benefit - Health	2,781
Facilities Maintenance	11,285
Field Maintenance	3,359
Football	681
Insurance	34,260
Miscellaneous	3,933
Office Supplies	6,404
Payroll	146,842
Pension, Sheriff's	22,167
Postage	421
Professional	350
Retirement	14,359
Soccer	15,689
Utilities	33,969
Volleyball	90
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, 2020**

	<u>General Fund</u>
Capital Outlay	\$ 35,283
Debt Service:	
Retirement of Principal	330,000
Interest	<u>20,490</u>
Total Expenditures	<u>731,434</u>
 <b>Net Change in Fund Balance</b>	 63,699
 <b>Fund Balance, Beginning</b>	 <u>828,250</u>
<b>Fund Balance, Ending</b>	<b>\$ <u><u>891,949</u></u></b>

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, 2020**

**Net Change in Fund Balance, Governmental Funds, Statement E** **\$ 63,699**

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	35,283
Depreciation Expense	(101,317)

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	5,669
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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	2,035
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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	330,000
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Non-employer contributions to cost-sharing plan	1,416
Change in Pension Expense per GASB 68	16,863

<b>Change in Net Position, Governmental Activities, Statement B</b>	<b>\$ <u>353,648</u></b>
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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, 2020**

**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 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



**St. Tammany Parish Recreation District No. 11**  
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**Notes to the Financial Statements**  
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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, 2020 the District has Deferred Inflow of Resources for Unavailable Ad Valorem Taxes of \$23,880.

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 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.

**St. Tammany Parish Recreation District No. 11**  
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**Notes to the Financial Statements**  
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**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, 2020, 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, 2020 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 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.

**St. Tammany Parish Recreation District No. 11  
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With the implementation of GASB 65, *Items Previously Reported as Assets and Liabilities*, bond issuance costs are expensed 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  
As of and for the Year Ended December 31, 2020**

**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 17, 2019.
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 30, 2020.

The District's actual expenditures of \$712,139 exceeded its final budgeted expenditures of \$688,200. The variance did not result in a budget violation.

**St. Tammany Parish Recreation District No. 11  
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**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2020**

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)	\$	63,699
Add: Prior Year Receivables, Net		587,680
Prior Year Prepaid Insurance		7,255
Current Year Payables		27,755
Current Year Deferred Inflow of Resources		23,880
Less: Current Year Receivables, Net		(673,085)
Current Year Prepaid Insurance		(8,597)
Prior Year Payables		(27,670)
Prior Year Deferred Inflow of Resources		(18,211)
Net Change in Fund Balance (Schedule 1)	\$	<u>(17,294)</u>

**3. Cash and Cash Equivalents**

At December 31, 2020, the District had cash and cash equivalents (book balances) totaling \$271,948 as follows:

Demand Deposits	\$	<u>271,948</u>
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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, 2020, the District had \$272,998 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 \$673,085 at December 31, 2020, are as follows:

Class of Receivable	General Fund
Ad Valorem Tax Receivable	\$ 691,085
Allowance for Uncollectible	(18,000)
Ad Valorem Tax Receivable, Net	\$ 673,085

**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 2020, the District levied 9.23 mills for a total tax levy of \$958,732. The amount exempt under Homestead exemption was \$262,192. The balance due Recreation District No. 11 is \$696,540. 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:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 642,390	\$ -	\$ -	\$ 642,390
Construction in Progress	27,543	35,283	-	62,826
Total Capital Assets Not Being Depreciated	<u>669,933</u>	<u>35,283</u>	<u>-</u>	<u>705,216</u>
Other Capital Assets:				
Buildings & Improvements	2,923,295	-	-	2,923,295
Equipment	140,867	-	-	140,867
Total Capital Assets	<u>3,064,162</u>	<u>-</u>	<u>-</u>	<u>3,064,162</u>
Less Accumulated Depreciation:				
Buildings & Improvements	(319,369)	(79,823)	-	(399,192)
Equipment	(111,748)	(21,494)	-	(133,242)
Total Accumulated Depreciation	<u>(431,117)</u>	<u>(101,317)</u>	<u>-</u>	<u>(532,434)</u>
Other Capital Assets, Net	<u>2,633,045</u>	<u>(101,317)</u>	<u>-</u>	<u>2,531,728</u>
Governmental Activities Capital, Net	<u>\$ 3,302,978</u>	<u>\$ (66,034)</u>	<u>\$ -</u>	<u>\$ 3,236,944</u>

Depreciation was charged to governmental functions as follows:

Recreation Expenditures	\$ <u>101,317</u>
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**St. Tammany Parish Recreation District No. 11**  
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**Notes to the Financial Statements**  
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**7. Long-Term Debt**

At December 31, 2020, bonds payable consisted of the following individual issues:

	Interest Rate %	Issue Date	Maturity Date	Outstanding
Limited Tax Certificates, Series 2012	2.18	8/30/2012	3/1/2022	\$ 245,000
Limited Tax Certificates, Series 2013	1.0 - 1.75	3/20/2013	3/1/2023	365,000
Limited Tax Certificates, Series 2015	1.5 - 1.825	9/25/2015	3/1/2023	320,000
				<u>\$ 930,000</u>

Transactions for the year ended December 31, 2020 are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Limited Tax Certificates, Series 2012	\$ 360,000	\$ -	\$ 115,000	\$ 245,000	\$ 120,000
Limited Tax Certificates, Series 2013	480,000	-	115,000	365,000	120,000
Limited Tax Certificates, Series 2015	420,000	-	100,000	320,000	105,000
	<u>\$ 1,260,000</u>	<u>\$ -</u>	<u>\$ 330,000</u>	<u>\$ 930,000</u>	<u>\$ 345,000</u>

The annual aggregate maturities for the years subsequent to December 31, 2020, are as follows:

Year Ending December 31	Principal	Interest	Total
2021	\$ 345,000	\$ 14,174	\$ 359,174
2022	350,000	6,459	356,459
2023	235,000	2,098	237,098
Total	<u>\$ 930,000</u>	<u>\$ 22,731</u>	<u>\$ 952,731</u>



**St. Tammany Parish Recreation District No. 11**  
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**Notes to the Financial Statements**  
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**8. Leases**

On February 18, 2017 the District entered in to an operating lease with Leaf Capital Funding, LLC for a Savin MPC 307 SPF copier system. The term of the lease is for 60 months for \$119 a month. The payment schedule for the years subsequent to December 31, 2020 are as follows:

<u>Year Ending</u> <u>December 31</u>		
2021	\$	1,428
2022		<u>238</u>
Total	\$	<u><u>1,666</u></u>

The District entered into an operating lease on December 30, 2019 for a Clover Station Point of Sale System. The term of the lease is for 36 months for \$58 a month.

<u>Year Ending</u> <u>December 31</u>		
2021	\$	696
2022		<u>696</u>
Total	\$	<u><u>1,392</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, 2020.

**11. Concentrations**

Property taxes totaling \$685,740 accounted for 86% of the District's total revenue of \$795,133. Revenues generated by park activities such as registration fees, concessions and entrance fees totaling \$81,517 accounted for 10% of the total revenue.

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

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2020**

**12. 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.

**13. 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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**Notes to the Financial Statements  
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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 2020, 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, 2020, 2019 and 2018 were \$14,359, \$12,842 and \$12,455 respectfully 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, 2020, the District reported a liability of \$824 for its proportionate share of the net pension liability of the System. The net pension asset measured as of December 31, 2019 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, 2019, the District's proportion was 0.0175%, which was an decrease of 0.0003% from the proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the District recognized pension expense of -\$2,504 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2020, 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  
Abita Springs, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2020**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,376
Changes of Assumptions	11,507	-
Net difference between projected and actual earnings on pension plan investments	18,895	30,884
Changes in proportion and differences between Employer contributions and proportionate share of contributions	533	394
Employer contributions subsequent to the measurement date	14,359	-
Total	\$ 45,294	\$ 38,654

The District reported a total of \$14,359 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2019 which will be recognized as a reduction in net pension liability in the year ended December 31, 2021.

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	
2020	\$ (6,178)
2021	(8,233)
2022	713
2023	(13,886)
	\$ (27,584)

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

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2020**

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019 is as follows:

<b>Valuation Date</b>	December 31, 2019
<b>Actuarial Cost Method</b>	Plan A - Entry Age Normal Plan B - Entry Age Normal
<b>Investment Rate of Return</b>	6.50% (Net of investment expense)
<b>Expected Remaining Service lives</b>	4 years
<b>Projected Salary Increases</b>	Plan A – 4.75% 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>	2.40%

The discount rate used to measure the total pension liability was 6.50% for Plan A and 6.50% 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.

**St. Tammany Parish Recreation District No. 11  
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**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2020**

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 7.18% for the year ended December 31, 2019.

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, 2019 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real Assets	2%	0.11%
Totals	100%	5.18%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.18%

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 Heathy 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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**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 6.50%, 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 5.50% or one percentage point higher 7.50% that the current rate.

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
PERSLA			
Rates of St. Tammany			
Parish Recreation District No. 11 of NPL	\$ 89,048	\$ 824	\$ (73,106)

**14. Subsequent Events**

Subsequent events have been evaluated by management through April 20, 2021, 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, 2020.

## Required Supplemental Information (Part II)



**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, 2020**

<b>Revenues</b>	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Property Taxes	\$ 593,000	\$ 587,000	\$ 585,397	\$ (1,603)
Revenue Sharing	16,000	16,000	20,827	4,827
Interest Income	400	400	512	112
Park Revenue	126,900	81,800	81,572	(228)
Gym Rental	2,000	2,000	1,610	(390)
Other	1,000	1,000	4,927	3,927
<b>Total Revenues</b>	<u>739,300</u>	<u>688,200</u>	<u>694,845</u>	<u>6,645</u>
 <b>Expenditures</b>				
Accounting	15,000	16,000	15,859	141
Adult Class	1,000	1,000	1,450	(450)
Advertising	500	500	252	248
Assessor	1,600	1,600	1,759	(159)
Automobile	1,200	1,400	792	608
Baseball & Softball	40,000	17,000	16,349	651
Basketball	12,000	6,000	5,356	644
Cheerleader	1,700	2,000	2,319	(319)
Concession	17,000	8,000	6,659	1,341
Employee Benefit - Health	10,000	2,400	2,781	(381)
Facilities Maintenance	24,000	12,000	11,349	651
Field Maintenance	6,000	5,000	4,211	789
Football	4,500	3,300	681	2,619
Insurance	39,000	36,000	35,602	398
Miscellaneous	6,900	5,500	4,136	1,364
Office Supplies	4,000	3,800	6,428	(2,628)
Payroll	164,000	157,000	146,842	10,158
Postage	200	200	421	(221)
Professional	-	-	350	(350)
Retirement	-	-	14,359	(14,359)
Soccer	12,000	17,000	15,744	1,256
Utilities	40,000	37,910	35,530	2,380
Volleyball	1,500	100	90	10
Website	4,000	4,000	22	3,978

See independent auditor's report.

**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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Capital Outlay	\$ 9,085	\$ -	\$ 32,308	\$ (32,308)
Debt Service:				
Retirement of Principal	325,000	330,000	330,000	-
Interest	26,515	20,490	20,490	-
Total Expenditures	766,700	688,200	712,139	(23,939)
<b>Net Change in Fund Balance</b>	(27,400)	-	(17,294)	(17,294)
<b>Fund Balance, Beginning</b>	213,516	246,768	246,768	-
<b>Fund Balance, Ending</b>	\$ 186,116	\$ 246,768	\$ 229,474	\$ (17,294)

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, 2020**

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension 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%

*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, 2020**

<u>Actuarial Valuation Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions Relations to Contractual Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered 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%

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 (Part III)

**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, 2020**

Agency Head: Lisa Palisi

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 56,763
Retirement Benefits	6,900
Training	229
Total Payments	<u>\$ 63,892</u>

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*

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, 2020, 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 April 20, 2021.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Tammany Parish Recreation District No. 11's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses as items 2020-1 that we consider to be significant deficiencies.

### **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

St. Tammany Parish Recreation District No. 11's response to the findings identified in our audit is 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 auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my 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.

This report is intended solely for the information and use of management and the Office of the Legislative Auditor, State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed to the Legislative Auditor as a public document.

*Chris Johnson*

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

April 20, 2021

**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, 2020**

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, 2020, and have issued our report thereon dated April 20, 2021. 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, 2020 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, No

b. Federal Awards

Not Applicable

Was a management letter issued? No

**Section II - Financial Statement Findings**

**Internal Control**

**2020-1 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, 2020**

**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.

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

**Schedule of Prior Year Findings  
For the Year Ended December 31, 2020**

**2019-1 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 2020-1