

**JACKSON PARISH
RECREATION DISTRICT**

**ANNUAL FINANCIAL REPORT
DECEMBER 31, 2020**

Jackson Parish Recreation District
Jonesboro, Louisiana

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Jackson Parish Recreation District

P. O. Box 315
Jonesboro, LA 71251

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended December 31, 2020

The Management's Discussion and Analysis of the Jackson Parish Recreation District provides an overview and overall review of the District's financial activities for the year ended December 31, 2020. The intent of the MD&A is to look at the District's financial performance as a whole. It should, therefore be read in conjunction with this report.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. Certain comparative information is presented to provide an over-view of the District's operations.

Government-Wide Financial Statements

- The Statement of Net Position presents all of the District's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the District's net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The Statement of Activities presents information showing how the District's net position changed during the current 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 the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

- The services provided by the District are financed through a governmental fund. 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. The District's governmental fund is the General Fund (primary operating fund). These statements provide a short-term view of the District's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the District.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2020</u>	<u>2019</u>
ASSETS:		
Current Assets-		
Cash & Cash Equivalents	\$ 544,956	\$ 591,816
Inventory	2,632	11,292
Prepaid Expenses	15,475	20,059
Revenue Receivable	<u>898,762</u>	<u>883,819</u>
Total Current Assets	<u>\$1,461,825</u>	<u>\$1,506,986</u>
Noncurrent Assets-		
Capital Assets (Net)	\$4,466,406	\$4,452,637
Right-of-Use Assets (Net)	<u>33,990</u>	<u>55,392</u>
Total Noncurrent Assets	<u>\$4,500,396</u>	<u>\$4,508,029</u>
Total Assets	<u>\$5,962,221</u>	<u>\$6,015,015</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 48,792</u>	<u>\$ 129,391</u>
LIABILITIES:		
Current Liabilities-		
Accounts Payable	\$ 8,405	\$ 18,688
Payroll Payables	19,605	13,620
Current Portion of Capital Leases	<u>21,779</u>	<u>21,137</u>
Total Current Liabilities	<u>\$ 49,789</u>	<u>\$ 53,445</u>
Long-Term Liabilities-		
Net Pension Liability	\$ 1,478	\$ 144,926
Long-Term Portion of Capital Leases	13,225	35,003
Compensated Absences	<u>23,448</u>	<u>22,195</u>
Total Long-Term Liabilities	<u>\$ 38,151</u>	<u>\$ 202,124</u>
Total Liabilities	<u>\$ 87,940</u>	<u>\$ 255,569</u>
DEFERRED INFLOWS OF RESOURCES:	<u>\$ 70,748</u>	<u>\$ 10,246</u>
NET POSITION:		
Net Investment in Capital Assets	\$4,466,406	\$4,451,889
Unrestricted	<u>1,385,919</u>	<u>1,426,702</u>
Total Net Position	<u>\$5,852,325</u>	<u>\$5,878,591</u>

Summary of Statement of Activities

	<u>2020</u>	<u>2019</u>
REVENUES:		
Charges for Services	\$ 268,613	\$ 291,678
Capital Grants	15,000	0
General Revenues-		
Taxes	905,659	958,020
Interest	6,428	2,145
Non-employer Pension Revenue	2,541	2,495
Insurance Recovery	48,735	
Miscellaneous	<u>6,170</u>	<u>14,520</u>
Total Revenues	\$1,253,146	\$1,268,858
EXPENDITURES:		
Recreation	<u>1,279,412</u>	<u>1,405,236</u>
Change in Net Position	\$ <u>(26,266)</u>	\$ <u>(136,378)</u>

- The District's assets exceeded its liabilities by \$5,852,325 (Net Position) for the year. For the prior year, assets exceeded liabilities by \$5,878,591.
- Unrestricted Net Position of \$1,385,919 represents the portion available to maintain the District's obligation to both citizens and creditors. This is a decrease of \$40,783 from the prior year.
- During 2020, the District spent \$335,951 on acquiring capital assets, including renovations at the golf course and tennis courts and a new concession building.

General Fund Budgetary Highlights

The District continues to receive sufficient revenue to provide recreational services to the citizens of the parish. Actual revenues were 2% less than budgeted amounts which is within the allowable range. Actual expenditures were less than budgeted amounts by 2%.

Economic Factors and Next Year's Budget

The District has prepared its 2021 budget for the General Fund, taking into consideration the revenues and expenditures from prior year and any projected services and costs that may occur in 2021.

Contacting the District

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the District at P. O. Box 315, Jonesboro, LA 71251.

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Jackson Parish Recreation District
Jonesboro, LA 71251

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund information of the Jackson Parish Recreation District (District), a component unit of the Jackson Parish Police Jury, as of and for the 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 and the *Louisiana Governmental Audit Guide*. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund information of the District as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis 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 introductory section 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 District's basic financial statements. The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as other required supplementary information in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are fairly stated in all material respects in relation to the 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 14, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Thomas, Cunningham, Broadway + Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

May 14, 2021

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Jackson Parish Recreation District
Statement of Net Position
December 31, 2020

	<u>Governmental Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 544,956
Inventory	2,632
Prepaid Expenses	15,475
Revenue Receivable	<u>898,762</u>
Total Current Assets	<u>\$1,461,825</u>
Noncurrent Assets-	
Capital Assets (Net)	\$4,466,406
Right-of-Use Assets (Net)	<u>33,990</u>
Total Noncurrent Assets	<u>\$4,500,396</u>
Total Assets	<u>\$5,962,221</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 48,792</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 8,405
Payroll Payables	19,605
Current Portion of Capital Lease	<u>21,779</u>
Total Current Liabilities	<u>\$ 49,789</u>
Noncurrent Liabilities-	
Compensated Absences	\$ 23,448
Capital Lease Net of Current Portion	13,225
Net Pension Liability	<u>1,478</u>
Total Noncurrent Liabilities	<u>\$ 38,151</u>
Total Liabilities	<u>\$ 87,940</u>
DEFERRED INFLOWS OF RESOURCES:	<u>\$ 70,748</u>
NET POSITION:	
Net Investment in Capital Assets	\$4,466,406
Unrestricted	<u>1,385,919</u>
Total Net Position	<u>\$5,852,325</u>

See independent auditors' report and notes to financial statements.

Jackson Parish Recreation District
Statement of Activities
December 31, 2020

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Recreation-					
Personnel	\$ 361,160	\$ 0	\$0	\$ 0	\$ (361,160)
Programs	342,873	254,437	0	15,000	(73,436)
Concessions	12,372	14,176	0	0	1,804
Operations	<u>563,007</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(563,007)</u>
 Total Governmental Activities	 <u>\$1,279,412</u>	 <u>\$268,613</u>	 <u>\$0</u>	 <u>\$15,000</u>	 <u>\$ (995,799)</u>
			General Revenues:		
			Property Taxes	\$ 905,659	
			Interest	6,428	
			Non-employer Pension Revenue	2,541	
			Insurance Recovery	48,735	
			Miscellaneous	<u>6,170</u>	
			Total General Revenues	<u>\$ 969,533</u>	
			Change in Net Position	\$ (26,266)	
			Net Position January 1, 2020	<u>5,878,591</u>	
			Net Position December 31, 2020	<u>\$5,852,325</u>	

See independent auditors' report and notes to financial statements.

FUND FINANCIAL STATEMENTS

Jackson Parish Recreation District
Balance Sheet-Governmental Fund
December 31, 2020

	<u>General Fund</u>
ASSETS:	
Cash & Cash Equivalents	\$ 544,956
Inventory	2,632
Prepaid Expenses	15,475
Revenue Receivables	<u>898,762</u>
Total Assets	<u>\$1,461,825</u>
LIABILITIES:	
Accounts Payable	\$ 8,405
Payroll Liabilities	<u>19,605</u>
Total Liabilities	<u>\$ 28,010</u>
FUND BALANCE:	
Nonspendable- Prepaid Expenses	\$ 15,475
Unassigned	<u>1,418,340</u>
Total Fund Balance	<u>\$1,433,815</u>
Total Liabilities & Fund Balance	<u>\$1,461,825</u>

See independent auditors' report and notes to financial statements.

Jackson Parish Recreation District
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
December 31, 2020

Total Fund Balance for the Governmental Fund at December 31, 2020 \$ 1,433,815

Amounts reported for Governmental Activities in the
Statement of Net Position are different because:

The following used in Governmental Activities are
not financial resources. Therefore, they are not reported
in the Governmental Fund Balance Sheet-

Capital Assets	7,183,559
Less, Accumulated Depreciation	(2,717,153)
Right-of-Use Assets	75,755
Less, Accumulated Amortization	(41,765)
Deferred Outflows of Resources	48,792

The following are not due and payable in the
current period. Therefore, they are not reported in the
Governmental Fund Balance Sheet-

Capital Lease Liabilities	(35,004)
Net Pension Liability	(1,478)
Accrued Compensated Absences	(23,448)
Deferred Inflows of Resources	<u>(70,748)</u>

Total Net Position of Governmental Activities at December 31, 2020 \$ 5,852,325

See independent auditors' report and notes to financial statements.

Jackson Parish Recreation District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
December 31, 2020

	General <u>Fund</u>
Revenues:	
Ad Valorem Taxes	\$ 905,659
Intergovernmental Grant	15,000
Charges for Services-	
Baseball & Softball	27,672
Basketball	10,310
Golf Course	214,695
Concessions	14,176
Other Programs	1,760
Miscellaneous-	
Interest	6,428
Other	<u>6,170</u>
Total Revenues	<u>\$1,201,870</u>
Expenditures:	
Culture & Recreation-	
Baseball & Softball	\$ 71,319
Basketball	20,905
Concessions	12,372
Golf Course	245,690
Other Programs	4,958
Operating	218,027
Salaries & Related Expenditures	359,713
Capital Outlay	335,951
Debt Service	<u>22,532</u>
Total Expenditures	<u>\$1,291,467</u>
Deficiency of Revenues over Expenditures	\$ (89,597)
Other Financing Sources:	
Insurance Recovery	<u>48,734</u>
Deficiency of Revenues over Expenditures and Other Sources	\$ (40,863)
Fund Balance-Beginning of Year	<u>1,474,678</u>
Fund Balance-End of Year	<u>\$1,433,815</u>

See independent auditors' report and notes to financial statements.

Jackson Parish Recreation District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
for the Year Ended December 31, 2020

Net Change in Fund Balance- Governmental Fund \$ (40,863)

Amounts reported for Governmental Activities in the Statement of Activities are different because: Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation and amortization expense. The current year amounts for these items were-

Capital Outlays	335,951
Depreciation Expense	(322,182)
Amortization Expense	(21,403)

Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These timing differences are summarized below:

Non-employer Pension Revenue	2,541
Accrued Compensated Absences	(1,252)
Pension Expense	(194)
Capital Lease Payments	<u>21,136</u>

Change in Net Position of Governmental Activities \$ (26,266)

NOTES TO FINANCIAL STATEMENTS

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2020

Introduction:

The Jackson Parish Recreation District (the Recreation District) created March 21, 2001, as provided by Louisiana Revised Statute 33:4562, is located in Jackson Parish in northeast Louisiana. The Recreation District is governed by seven board members, appointed by the Jackson Parish Police Jury to act as the governing authority. The terms of the board members are five years and vacancies are filled by the Jackson Parish Police Jury.

The Recreation District was established to provide recreational programs and facilities for the residents of the parish funded by ad valorem taxes and program revenues.

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

As the governing authority of the parish, for reporting purposes, the Jackson Parish Police Jury (Police Jury) is the financial reporting entity for Jackson Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Jackson Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Police Jury appoints the organization's governing body, and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury, the Recreation District was determined to be a component unit of the Jackson Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Recreation District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2020

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Recreation District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. FUND ACCOUNTING-

The accounts of the Recreation District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Recreation District has one fund, which is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The fund of the Recreation District is described below:

Governmental Fund-

General Fund - used to account for all financial resources, except those required to be accounted for in another fund.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Recreation District as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2020

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Recreation District considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred.

The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts and certificates of deposit of the Recreation District.

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Recreation District maintains a threshold level of \$5,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-10 years

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

G. PENSIONS-

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2020

H. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows or financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

I. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as Net Position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - all other resources that do not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2020

- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund has an unassigned fund balance of \$1,418,340 and nonspendable fund balance of \$15,475. If applicable, the Recreation District would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

J. ESTIMATES-

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

K. BUDGET-

Prior to the beginning of each fiscal year, the Recreation District adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Recreation District are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Recreation District will not be able to recover its deposits. 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 or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Recreation District that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Recreation District's name.

For reporting purposes, cash and cash equivalents includes demand deposits, time deposits. At December 31, 2020, the Recreation District had cash and cash equivalents (collected bank balances) totaling \$548,645, of which \$391,649 was secured by FDIC insurance and the remaining \$156,996 was secured by pledged securities.

Jackson Parish Recreation District
Notes to Financial Statements
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3. Inventories:

Concession supplies are expensed when purchased. The amount on hand is not material to the financial statements. Inventory at the golf course pro shop is recorded at cost.

4. Ad Valorem Taxes:

The Recreation District levies taxes on real and business personal property located within the boundaries of Jackson Parish. Property taxes are levied by the Recreation District on property values assessed by the Assessor and approved by the State of Louisiana Tax Commission.

The Jackson Parish Sheriff's office bills and collects property taxes for the Recreation District. Collections are remitted to the Recreation District monthly. The Recreation District recognizes property tax revenues when levied.

Property Tax Calendar

Assessment date	January 1
Levy date	November 15
Total taxes due	December 31
Penalties and interest added	January 31
Lien date	January 31
Tax sale	May 16

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2018. Total assessed value was \$255,509,010 in 2020. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$22,464,780 of the assessed value in 2020. For the year ended December 31, 2020, taxes of 4.63 mils were levied on the property.

The five largest taxpayers and their assessed valuation are as follows:

<u>Taxpayer</u>	<u>Assessed Value</u>
ETC Tiger Pipeline, LLC	\$37,265,140
Compass Energy Operating, LLC	32,800,930
Westrock CP, LLC	21,070,370
Regency Intrastate Pipeline	20,051,540
Enable Gas Transmission, LLC	9,967,160

5. Receivables:

The following is a summary of receivables at December 31, 2020:

<u>Class of Receivable</u>	<u>General Fund</u>
Taxes-Ad Valorem	<u>\$898,762</u>

Substantially all receivables are considered to be fully collectible; therefore, no allowance for uncollectible accounts is used.

Jackson Parish Recreation District
Notes to Financial Statements
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6. Capital Leases:

The Recreation District entered into lease agreements for mowers for the golf course. The first lease was obtained in 2017 for a riding mower with a six-year lease term. The second lease was obtained in May 2019 for a ground master with a three-year lease term. The interest rate for both leases is 3.00%. Interest expense is \$1,395 for the year ended December 31, 2020.

Right-of-use assets and amortization activity as of and for the year ended December 31, 2020, is as follows:

Governmental Activities	Balance 01-01-20	Additions	Deletions	Balance 12-31-20
Right-of-use Assets:				
Outdoor Equipment	\$75,755	\$ 0	\$0	\$75,755
Less, Accumulated Amortization:				
Outdoor Equipment	<u>20,363</u>	<u>21,402</u>	<u>0</u>	<u>41,765</u>
Net Right-of-Use Assets	<u>\$55,392</u>	<u>\$21,402</u>	<u>\$0</u>	<u>\$33,990</u>

Amortization expense of \$21,402 was charged to the recreation function.

The changes in capital lease liabilities for December 31, 2020 are as follows:

Beginning Capital Lease Liabilities	\$ 56,140
Additions	0
Deletions	<u>(21,136)</u>
Ending Capital Lease Liabilities	<u>\$ 35,004</u>

The annual debt service requirements to maturity for these leases are as follows:

Year Ending December 31	Principal	Interest	Total
2021	\$21,779	\$ 752	\$22,531
2022	10,113	197	10,310
2023	<u>3,112</u>	<u>40</u>	<u>3,152</u>
Total	<u>\$35,004</u>	<u>\$ 989</u>	<u>\$35,993</u>

7. Operating Leases:

The Recreation District entered into an operating lease with Fairway Carts, Inc. for the rental of thirteen EZGO golf carts at the amount of \$63 per cart per month. The term of this lease shall be for a period of two years, beginning September 1, 2019 and ending August 31, 2021, with monthly payments of \$945. Total lease payments in 2020 totaled \$11,340.

Combined future lease payment obligations for the years ending December 31 are as follows:

2021	<u>\$7,560</u>
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Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2020

8. Post-Employment Benefits:

The Recreation District does not provide any post-employment benefits; therefore, no disclosure for GASB 45 is required.

9. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2020, is as follows:

Governmental Activities	Balance <u>01-01-20</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12-31-20</u>
Capital Assets Not Depreciated:				
Land	\$ 737,055	\$ 0	\$ 0	\$ 737,055
Construction in Progress	<u>82,269</u>	<u>117,735</u>	<u>(0)</u>	<u>200,004</u>
Total Assets Not Depreciated	<u>\$ 819,324</u>	<u>\$117,735</u>	<u>\$ (0)</u>	<u>\$ 937,059</u>
Capital Assets Depreciated:				
Athletic Equipment	\$ 150,650	\$ 0	\$ 0	\$ 150,650
Vehicles	60,747	28,127	0	88,874
Buildings	2,235,487	86,865	0	2,322,352
Grounds Equipment	143,125	47,034	0	190,159
Kitchen Equipment	20,212	0	0	20,212
Land Improvements	3,119,720	0	0	3,119,720
Office Equipment	19,764	0	0	19,764
Outdoor Equipment	<u>285,792</u>	<u>56,190</u>	<u>(7,214)</u>	<u>334,768</u>
Total Assets Depreciated	<u>\$6,035,497</u>	<u>\$218,216</u>	<u>\$(7,214)</u>	<u>\$6,246,499</u>
Total Assets	<u>\$6,854,821</u>	<u>\$335,951</u>	<u>\$(7,214)</u>	<u>\$7,183,558</u>
Less, Accumulated Depreciation:				
Athletic Equipment	\$ 111,338	\$ 14,606	\$ 0	\$ 125,944
Vehicles	60,746	4,219	0	64,965
Buildings	557,768	90,738	0	648,506
Grounds Equipment	123,058	12,553	0	135,611
Kitchen Equipment	15,136	2,068	0	17,204
Land Improvements	1,300,871	177,071	0	1,477,942
Office Equipment	14,761	2,063	0	16,824
Outdoor Equipment	<u>218,506</u>	<u>18,864</u>	<u>(7,214)</u>	<u>230,156</u>
Total Depreciation	<u>\$2,402,184</u>	<u>\$322,182</u>	<u>\$(7,214)</u>	<u>\$2,717,152</u>
Net Capital Assets	<u>\$4,452,637</u>	<u>\$ 13,769</u>	<u>\$(0)</u>	<u>\$4,466,406</u>

Depreciation expense of \$322,182 was charged to the recreation function.

Jackson Parish Recreation District
Notes to Financial Statements
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10. Compensated Absences:

All full-time employees earn annual leave at rates varying from twelve to twenty-one days each year depending upon length of service. Employees of the Recreation District shall not accrue more than twenty-one days of annual leave. Upon termination, no employees shall be paid for accrued annual leave. In addition, all full-time employees earn twelve to twenty-one days of sick leave each year depending on length of service. Sick leave can accumulate without limitation. Upon separation of employment, employees will be paid for a maximum of twenty-five days of unused sick leave at the employee's current rate of pay. Upon retirement, employees may elect to receive pay for up to twenty-five days of unused sick leave at the employee's current rate of pay.

The following is a summary of the accrual of compensated absences for the year ended December 31, 2020:

Beginning Balance	Additions	Deletions	Ending Balance
\$22,195	\$1,253	\$0	\$23,448

11. Pension Plan:

Plan Description

The Recreation District contributes to Parochial Employees' Retirement System of Louisiana (System) which is a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan".

Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically, and other general laws of the State of Louisiana. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.persla.org.

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2020

Retirement

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

- At any age after 30 or more years of creditable service
- At age 55 after 25 years of creditable service
- At age 60 after 10 years of creditable service
- At age 65 after 7 years of creditable service

For employees hired after January 1, 2007:

- At age 55 after 30 years of creditable service
- At age 62 after 10 years of creditable service
- At age 67 after 7 years of creditable service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor's Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2020

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and have been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Cost-of-Living Increases

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (LA R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2019, the actuarially determined contribution rate was 12.18% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2019 was 11.50%.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A in proportion to the member's compensation. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer revenue is \$2,541.

Jackson Parish Recreation District
Notes to Financial Statements
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The Recreation District's contractually required composite contribution rate for the year ended December 31, 2020 was 12.25% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District were \$27,633 for the year ended December 31, 2020.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the Recreation District reported a liability of \$1,478, and at December 31, 2019, \$144,926 for its proportionate share of the Net Pension Liability. The Net Pension Liability was 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 Recreation District's proportion of the Net Pension Liability was based on a projection of the Recreation District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, the District's proportion was .0314%, which was a decrease of .00125% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the District recognized pension expense of \$28,643 minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$(435).

At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$13,235
Changes in assumption	20,647	0
Net difference between projected and actual earnings on pension plan investments	0	55,417
Changes in employer's proportion of beginning net pension liability	324	2,046
Differences between employer contributions and proportionate share of employer contributions	260	51
Subsequent Period Contributions	27,561	0
Total	\$48,792	\$70,749

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31:	
2020	\$(11,500)
2021	(14,023)
2022	961
2023	(24,956)
Total	\$(49,518)

Jackson Parish Recreation District
Notes to Financial Statements
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:

Valuation Date	December 31, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years.
Investment Rate of Return	6.50%, net of investment expense, including inflation.
Inflation Rate	2.40% per annum.
Mortality	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.
	Experience study performed on plan data for the period January 1, 2013 through December 31, 2017.
Salary Increases	4.75%
Cost of Living Adjustments	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 increases not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from 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.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2020

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset 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 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 rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019. The 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:

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Recreation District's proportionate share of the Net Pension Liability using the discount rate of 6.50%, as well as what the Recreation District's proportionate share of the Net Pension Liability 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%) than the current rate:

	1.0% Decrease (5.50%)	Current Discount Rate (6.50%)	1.0% Increase (7.50%)
Employer's proportionate share of net pension liability	\$159,785	\$1,478	\$(131,180)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Annual Financial Report at www.persla.org.

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$14,059, which is the legally required contribution due at December 31, 2020. This amount is recorded in accrued expenses.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2020

12. Compensation Paid Commission Members:

Board members receive \$40 per diem for reimbursement of travel expenses for each meeting he or she attends.

Chris Womack	\$ 360
Ricky Cash	320
Brandon Lamkin	320
Rodney Potts, Jr.	280
Ronald Washington	80
Sullivan Stevens	<u>240</u>
Total	<u>\$1,600</u>

13. Litigation and Claims:

Management has advised that there is no litigation pending against the Recreation District at December 31, 2020.

14. Subsequent Events:

Management has evaluated events through May 14, 2021, the date which the financial statements were available for issue. There were not any items noted that needed to be reported.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

Jackson Parish Recreation District
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Ad Valorem	\$ 1,116,050	\$ 960,000	\$ 905,659	\$ (54,341)
Intergovernmental	-	-	15,000	15,000
Fees for Services & Programs	128,000	72,300	54,017	(18,283)
Golf Course	156,250	167,100	214,695	47,595
Interest	1,000	6,500	6,429	(71)
Miscellaneous	2,000	5,500	6,070	570
Total Revenues	<u>\$ 1,403,300</u>	<u>\$ 1,211,400</u>	<u>\$ 1,201,870</u>	<u>\$ (9,530)</u>
EXPENDITURES:				
Office & Administration	\$ 232,600	\$ 162,065	\$ 176,566	\$ (14,501)
Recreation Programs	156,600	98,000	97,183	817
Golf Course	288,000	317,800	245,690	72,110
Concessions	58,000	13,000	12,372	628
Payroll & Related Benefits	272,000	262,500	359,713	(97,213)
Telephone & Utilities	50,000	45,000	41,460	3,540
Capital Outlay	155,000	420,000	335,951	84,049
Debt Service	-	-	22,532	(22,532)
Total Expenditures	<u>\$ 1,212,200</u>	<u>\$ 1,318,365</u>	<u>\$ 1,291,467</u>	<u>\$ 26,898</u>
Excess of Revenues over Expenditures	<u>\$ 191,100</u>	<u>\$ (106,965)</u>	<u>\$ (89,597)</u>	<u>\$ 17,368</u>
OTHER FINANCING SOURCES (USES):				
Cooperative Endeavors	\$ 70,000	\$ 70,000	\$ -	\$ (70,000)
Insurance Recoveries		-	48,734	48,734
Total Other Financing Sources	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 48,734</u>	<u>\$ (21,266)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ 261,100</u>	<u>\$ (36,965)</u>	<u>\$ (40,863)</u>	<u>\$ (3,898)</u>
Fund Balance- Beginning of Year	<u>1,474,678</u>	<u>1,474,678</u>	<u>1,474,678</u>	<u>-</u>
Fund Balance- End of Year	<u>\$ 1,735,778</u>	<u>\$ 1,437,713</u>	<u>\$ 1,433,815</u>	<u>\$ (3,898)</u>

See independent auditors' report and notes to financial statements.

Jackson Parish Recreation District
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2020

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
2015	.02960%	\$ 8,092	\$214,530	3.77%	99.15%
2016	.03742%	\$ 98,495	\$222,861	44.20%	92.23%
2017	.03758%	\$ 77,394	\$192,604	40.18%	94.15%
2018	.03139%	\$ (23,301)	\$200,468	-11.62%	101.98%
2019	.03265%	\$144,926	\$199,134	72.78%	88.86%
2020	.03140%	\$ 1,478	\$224,988	0.66%	99.89%

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

See independent auditors' report and notes to financial statements.

Jackson Parish Recreation District
Schedule of Employer Contributions
For the Year Ended December 31, 2020

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$31,107	\$31,107	\$0	\$214,530	14.50%
2016	\$28,972	\$28,972	\$0	\$222,861	13.00%
2017	\$24,076	\$24,076	\$0	\$192,604	12.50%
2018	\$23,054	\$23,054	\$0	\$200,468	11.50%
2019	\$22,900	\$22,900	\$0	\$199,134	11.50%
2020	\$27,561	\$27,561	\$0	\$224,988	12.25%

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

Changes of Assumptions:

There were no changes of benefit assumptions for the year ended December 31, 2020.

See independent auditors' report and notes to financial statements.

Jackson Parish Recreation District
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2020

Agency Head Name: Tommy Smith, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$61,000
Benefits- Retirement	7,473
Benefits- Medicare	885
Reimbursements	<u>166</u>
Total	<u>\$69,524</u>

See independent auditor's report.

OTHER REPORTS/SCHEDULES

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - A Professional Corporation
Jessica H. Broadway, CPA - A Professional Corporation
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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 Members of the
Jackson Parish Recreation District
Jonesboro, LA, 71251

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund of the Jackson Parish Recreation District (District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 14, 2021.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of audit findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of audit findings as item 2020-001 to be significant deficiency.

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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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*.

Jackson Parish Recreation District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of audit findings. The District'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 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. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

May 14, 2021

Jackson Parish Recreation District
Schedule of Audit Findings
Year Ended December 31, 2020

I. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Jackson Parish Recreation District.
2. The audit disclosed a significant deficiency in the internal control system which was not determined to be a material weakness.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

II. Findings in Accordance with Governmental Auditing Standards

Internal Control-

2020-001 *Segregation of Duties*

Criteria - Proper internal controls dictate that duties be segregated so that no one individual performs or controls all duties related to the accounting system.

Condition - In reviewing the internal control structure, we noted that the District does not have adequate segregation of duties with respect to all areas of the accounting function.

Cause - Due to a lack of funds, the District does not have a sufficient number of employees to adequately separate accounting duties or to prepare the District's annual financial statements with related note disclosures.

Effect - Without adequate segregation of duties and oversight, intentional or unintentional errors could be made and not detected within the accounting system.

Recommendation - Keeping in mind the limited number of employees to which the duties can be assigned, and since the costs associated with establishing an appropriate system of internal control should not outweigh the benefits derived from it, we do not have a recommendation to make.

Management's Response - It is not economically feasible to add a sufficient number of employees to adequately segregate accounting duties. In addition, we have evaluated the cost/benefit of establishing a system to prepare our annual financial statements and have determined that it is in the best interest of the District to have our independent auditors prepare our financial statements. We understand that we should review the financial statements and notes and accept responsibility for their contents and presentation.

Jackson Parish Recreation District
Schedule of Audit Findings
Year Ended December 31, 2020

III. Prior Year Findings

Internal Control-

2019-001 *Cash Collections at the Golf Course*

Condition - The Golf Course manager admitted to misappropriation of cash receipts in the amount of \$12,000 for the golf course over a seven-month period. The outside CPA firm estimated the theft to be approximately \$19,000. The Golf Course manager was arrested by the Jackson Parish Sheriff's Department and bond was set. Due to the timing of the arrest and the type of hearing required, the court hearing has not occurred as of the date of the auditor's report.

Status - This was cleared as of December 31, 2020.

2019-002 *Segregation of Duties*

Condition - Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties for cash collections at the sports complex, concessions and the golf course.

Status - Repeat finding. See 2020-001.

Compliance-

2019-003 *Compliance with Local Government Budget Act*

Condition - Actual revenues were less than budgeted revenues by more than the 5% variance allowed.

Status - This was cleared as of December 31, 2020.