

RECREATION DISTRICT NO. 1
OF THE PARISH OF ST. MARY
Amelia, Louisiana

Financial Report

Year Ended September 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1-2
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of net position	5
Statement of activities	6
Fund Financial Statements	
Governmental funds:	
Balance sheet	9-10
Statement of revenues, expenditures, and changes in fund balance	11-12
Notes to financial statements	13-22
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund:	
Budgetary comparison schedule	24
Note to budgetary comparison schedule	25
REQUIREMENTS OF THE <i>LOUISIANA GOVERNMENTAL AUDIT GUIDE</i>	
Independent accountant's report on applying agreed-upon procedures	27-29
Schedule of findings	30-31
Summary schedule of prior findings	32
Corrective action plan for current findings	33

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

WWW.KCSRCPAS.COM

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Commissioners
Recreation District No. 1 of the Parish of St. Mary
Amelia, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund of Recreation District No. 1 of the Parish of St. Mary (hereinafter "District"), a component unit of the Parish of St. Mary, as of and for the year ended September 30, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA and the provisions of *Government Auditing Standards*, issue by the Comptroller General of the United States, applicable to review engagements. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information 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. Such information is the responsibility of the management of the District. The budgetary comparison schedule on pages 24 and 25 was not audited or reviewed by us, and we do not express an opinion, a conclusion, nor provide any form of assurance on it.

The District has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
March 25, 2021

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Statement of Net Position
September 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 622,224
Investments	369,094
Receivables, net	26,938
Prepaid expenses	3,059
Capital assets:	
Land	80,000
Other, net of accumulated depreciation	<u>1,750,025</u>
Total assets	<u>2,851,340</u>
LIABILITIES	
Accounts, salaries, and other payables	<u>11,523</u>
NET POSITION	
Net investment in capital assets	1,830,025
Unrestricted	<u>1,009,792</u>
Total net position	<u>\$ 2,839,817</u>

See accompanying notes and independent accountant's review report.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Statement of Activities
Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Change in Net Position
Governmental activities:			
Culture and recreation	\$ 452,869	\$ 4,963	\$ (447,906)
General revenues:			
Taxes:			
Property taxes, levied for operations and maintenance			195,335
Sales taxes			173,459
Interest and investment earnings			5,379
Miscellaneous			577
Total general revenues			374,750
Change in net position			(73,156)
Net Position - October 1, 2019			2,912,973
Net Position - September 30, 2020			\$ 2,839,817

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS

MAJOR FUND DESCRIPTION

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Balance Sheet
Governmental Funds
September 30, 2020

	<u>General</u>
ASSETS	
Assets:	
Cash and interest-bearing deposits	\$ 622,224
Investments	369,094
Prepaid expenditures	3,059
Due from other governmental units	<u>26,938</u>
Total assets	<u>\$ 1,021,315</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 7,839
Accrued liabilities	<u>3,684</u>
Total liabilities	11,523
Fund balance:	
Unassigned	<u>1,009,792</u>
Total liabilities and fund balances	<u>\$ 1,021,315</u>

(continued)

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Balance Sheet (continued)
Governmental Funds
September 30, 2020

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Total fund balances for governmental funds at September 30, 2020	\$ 1,009,792
Total net position reported for governmental activities in the statement of net position is different because:	
Cost of capital assets, net of accumulated depreciation	<u>1,830,025</u>
Net position at September 30, 2020	<u>\$ 2,839,817</u>

See accompanying notes and independent accountant's review report.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended September 30, 2020

	General
Revenues:	
Sales tax	\$ 173,459
Ad valorem taxes	195,335
Rental income	4,870
Concession income	93
Interest income	5,379
Other	577
Total revenues	379,713
Expenditures:	
Current -	
Culture and recreation	
Advertising	711
Concessions	1,152
Gas and diesel	4,406
Insurance	35,629
Lawn care labor	755
Miscellaneous	531
Office supplies	2,813
Operating supplies	11,867
Pension deduction from ad valorem taxes	6,561
Professional services	21,320
Recreation	20
Repairs and maintenance	16,822
Retirement plan	2,692
Salaries, wages, and benefits	171,594
Utilities and telephone	58,918
Capital outlay	4,145
Total expenditures	339,936
Net change in fund balance	39,777
Fund balance, beginning	970,015
Fund balance, ending	\$ 1,009,792

(continued)

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)
Governmental Funds
Year Ended September 30, 2020

Reconciliation of the statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

Total net changes in fund balance for the year ended September 30, 2020 Per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 39,777
The change in net position reported for governmental activities in the statement of activities is different because:	
Cost of capital assets	4,145
Depreciation expense	<u>(117,078)</u>
Total changes in net position for the year ended September 30, 2020 per Statement of Activities	<u>\$ (73,156)</u>

See accompanying notes and independent accountant's review report.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements

INTRODUCTION

Recreation District No. 1 of the Parish of St. Mary, State of Louisiana was created by Ordinance No. 942 issued by the St. Mary Parish Police Jury (predecessor of the St. Mary Parish Council) on November 14, 1984. The District encompasses Ward Nine of the Parish. The District is governed by a Board of Commissioners appointed by the St. Mary Parish Council. The purpose of the District is to provide for cultural and recreational activities in that portion of the Parish.

(1) Summary of Significant Accounting Policies

The accompanying component unit financial statements of the Recreation District No. 1 of the Parish of St. Mary (hereinafter "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the St. Mary Parish Government is the financial reporting entity for St. Mary Parish. The financial reporting entity consists of (a) the primary government (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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, *The Financial Reporting Entity*, as amended, established criteria for determining which component units should be considered part of the St. Mary Parish Government for financial reporting purposes. The basic criterion 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 include:

- Appointing a voting majority of an organization's governing body, and the ability of the Parish Council to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Government.
- Organizations for which the Parish Council does not appoint a voting majority but are fiscally dependent on the Parish Government.
- 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.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

Because the Parish Council appoints the governing body and has the ability to significantly impose its will, the District is a component unit of the St. Mary Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

Fund Financial Statements

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are classified into one category: governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The District's general fund was determined to be the major fund and is described below:

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

Governmental Fund(s) –

General Fund – the general fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in other funds.

C. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing assets.

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. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	40 years
Equipment	5-10 years
Vehicles	5-7 years

D. Measurement Focus/Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become 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 be used to pay liabilities of the current period. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. The District uses the following practices in recording certain revenues and expenditures:

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

Revenues

Sales taxes are recorded when earned.

Ad valorem taxes are recorded in the year taxes are assessed.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

E. Cash

Cash includes amounts in demand deposits and interest-bearing demand deposits.

Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. Investments

State statutes authorize the District to invest in United States bonds, treasury notes or certificates, and time deposits of State banks organized under Louisiana law and national banks having principal offices in Louisiana. Local governments in Louisiana are also authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments meeting the criteria specified in the Statement are stated at fair value. Investments that do not meet the requirements are stated at cost. These investments include amounts invested in the Louisiana Asset Management Pool (LAMP).

G. Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond the current period are recorded as prepaid items.

H. Compensated Absences

Employees earn annual and sick leave at varying rates depending upon length of service. No liability has been accrued for compensated absences because the amount is immaterial.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

I. Equity Classifications

Government-wide financial statements

Equity is classified as net position and displayed in three components:

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

Fund financial statements

Fund balance for the District's governmental funds are displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through formal actions approved by the Board of Commissioners.
4. Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the Board of Commissioners may assign amounts for specific purposes.
5. Unassigned - all other spendable amounts.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Commissioners have provided otherwise in its commitment or assignment actions.

J. Use of Restricted Funds

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

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2020, the District has cash and interest-bearing deposits (book balances) totaling \$622,224, as follows:

Cash and interest-bearing deposits	<u>\$ 622,224</u>
------------------------------------	-------------------

Under state law, deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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 bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

Deposit balances (bank balances) at September 30, 2020 totaling \$625,913 are secured as follows:

Federal deposit insurance	\$ 500,000
Pledged securities	<u>125,913</u>
Total	<u>\$ 625,913</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. The District does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. At September 30, 2020, deposits in the amount of \$125,913 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent but not the District's name.

(3) Investments

Investments held at September 30, 2020 consist of \$369,094 in the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statements No. 40, *Deposit and Investment Risk Disclosure*, requires the disclosure of credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investments pools:

Credit risk – LAMP is rated AAAM by Standard & Poor's.

Custodial credit risk – LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not with the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk – pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk – 2a7-like investment pool are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

Foreign currency risk – not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Fair Value Measurements

To the extent available, the District's investments are recorded at fair value as of September 30, 2020. GASB Statement No. 72, *Fair Value Measurements and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The District measures and records its investments using fair value guidelines established by GASB 72, which recognizes a three-tiered fair value hierarchy as follows:

- Level 1 – quoted prices for identical investments in active markets
- Level 2 – observable inputs other than quoted market prices
- Level 3 – unobservable inputs

The District's investments in LAMP are measured using observable inputs other than quoted market prices (Level 2 inputs). The investments in LAMP are valued using quoted market prices of the underlying investment of LAMP on a weekly basis and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

(4) Ad Valorem Taxes

The District's ad valorem tax is levied in October of each year on the assessed value of property within the District's taxing area. Taxes are due and payable by December 31 and an enforceable lien attaches to the property on January 1. The taxes are collected on behalf of the District by the St. Mary Parish Sheriff and then remitted to the District. The District receives most of the ad valorem taxes in January and February.

For the year ended September 30, 2020, taxes of 3.0 mills were levied on property with assessed valuations totaling \$69,609,692 and were dedicated as follows:

Maintenance and operations	3.00
----------------------------	------

Total taxes levied were \$203,209.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

(5) Receivables/Due from Other Governmental Units

The following is a summary of amounts due from other governmental units at September 30, 2020:

	Governmental Activities
Due from -	
St. Mary Parish Sales and Use Tax Department	\$ 26,938

(6) Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

	Balance 10/1/2019	Additions	Deletions	Balance 9/30/2020
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 80,000	\$ -	\$ -	\$ 80,000
Capital assets being depreciated:				
Buildings and improvements	3,527,850	-	-	3,527,850
Equipment	328,019	4,145	-	332,164
Vehicles	27,672	-	-	27,672
Total	3,883,541	4,145	-	3,887,686
Less: accumulated depreciation				
Buildings and improvements	1,748,708	96,165	-	1,844,873
Equipment	247,675	19,611	-	267,286
Vehicles	24,200	1,302	-	25,502
Total	2,020,583	117,078	-	2,137,661
Net capital assets	\$ 1,942,958	\$(112,933)	\$ -	\$ 1,830,025

Depreciation expense in the amount of \$117,078 was charged to culture and recreation.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Notes to Financial Statements (continued)

(7) Retirement System

All employees of the District participate in the Social Security System. The District and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the District). In addition, effective March 2014, qualified employees also belong to a SEP/IRA Retirement Plan. The District contributed 3% of the gross wages of each qualified employee to their individual SEP/IRA Retirement Plan account for the year ended September 30, 2020. The District's contributions to the above plans totaled approximately \$2,692; \$2,669; and \$2,626 for the years ended September 30, 2020, 2019, and 2018, respectively. There were no unfunded contributions at year-end.

(8) Compensation Paid to Board Members

The schedule of compensation paid to the board of Commissioners for the period ended September 30, 2020 in compliance with Louisiana Revised Statute 33:4572(B):

	<u>Per Diem Received</u>
Steve Patureau	\$ 130
Timothy J. Aucoin	10
Leander Gaudet	110
Anthony Scully	130
Janice Aucoin	100
Randy Bijoux	<u>90</u>
Total	<u>\$ 570</u>

Act 706 of the 2014 Legislative Session amended RS 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. With the exception of per diem, no other payments which would require disclosure were made to the District's chief officer. For the year ended September 30, 2020 the District's chief officer, Steve Patureau, received \$130 in per diem payments.

(9) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss.

The District is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended September 30, 2020. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
 Amelia, Louisiana
 Budgetary Comparison Schedule
 General Fund
 Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Sales tax	\$ 200,000	\$ 200,000	\$ 173,459	\$ (26,541)
Ad valorem taxes	175,000	175,000	195,335	20,335
Rental income	9,000	9,000	4,870	(4,130)
Concessions income	7,500	7,500	93	(7,407)
Interest income	1,000	1,000	5,379	4,379
Other	5,500	5,500	577	(4,923)
Total revenues	<u>398,000</u>	<u>398,000</u>	<u>379,713</u>	<u>(18,287)</u>
Expenditures:				
Current -				
Culture and recreation				
Advertising	1,200	1,200	711	489
Concessions	5,000	5,000	1,152	3,848
Gas and diesel	7,500	7,500	4,406	3,094
Insurance	60,000	60,000	35,629	24,371
Lawn care labor	2,000	2,000	755	1,245
Miscellaneous	5,965	5,965	531	5,434
Office supplies	3,500	3,500	2,813	687
Operating supplies	16,000	16,000	11,867	4,133
Pension deduction from taxes	-	-	6,561	(6,561)
Professional services	30,000	30,000	21,320	8,680
Recreation	5,000	5,000	20	4,980
Repairs and maintenance	22,000	22,000	16,822	5,178
Retirement plan	2,500	2,500	2,692	(192)
Salaries, wages, and benefits	147,500	147,500	171,594	(24,094)
Utilities and telephone	61,500	61,500	58,918	2,582
Capital outlay	300,000	300,000	4,145	295,855
Total expenditures	<u>669,665</u>	<u>669,665</u>	<u>339,936</u>	<u>329,729</u>
Net change in fund balance	(271,665)	(271,665)	39,777	311,442
Fund balance, beginning	<u>970,015</u>	<u>970,015</u>	<u>970,015</u>	<u>-</u>
Fund balance, ending	<u>\$ 698,350</u>	<u>\$ 698,350</u>	<u>\$ 1,009,792</u>	<u>\$ (348,016)</u>

See accompanying note to budgetary comparison schedule.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Note to Budgetary Comparison Schedule

(1) Budgetary Practices

The District prepares and adopts a budget in accordance with LSA-RS 39:1301 et seq. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted and as amended by the District.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made.

REQUIREMENTS OF THE *LOUISIANA GOVERNMENTAL AUDIT GUIDE*

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

WWW.KCSRCPAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners, Recreation District No. 1 of the Parish of St. Mary and Louisiana Legislative Auditor

We have performed the procedures enumerated below which were agreed to by Recreation District No. 1 of the Parish of St. Mary (hereinafter "District") and the Louisiana Legislative Auditor (LLA), on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire (Exhibit A) during the year ended September 30, 2020, as required by the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the provisions of *Government Auditing Standards*, issued by the Comptroller General of the United States, applicable to attestation engagements. The sufficiency of these procedures is solely the responsibility of the District and LLA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding the public works threshold (\$157,700 prior to July 1, 2020 and \$250,000 after June 30, 2020). Compare the documentation for these expenditures to RS 38:2211-2296 (the public bid law) or RS 39:1551-1755 (the state procurement code), whichever is applicable, and report whether the expenditures were made in accordance with the applicable statutes.

No expenditures were made during the year that exceeded \$30,000 for material and supplies, nor were there any expenditures for public works made during the year that exceeded the public works threshold.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of immediate family members of each board member as defined by RS 42:1101-1124 (the ethics law).

We requested a listing of immediate family members from each board member.

3. Obtain a list of all employees paid during the period under examination.

Management provided us with the required list.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list of employees [agreed-upon procedure (3)] appeared on the list provided in agreed-upon procedure (2).

5. Obtain a listing of all disbursements made during the year; and a list of outside business interests of the board members, employees, and the board members' and employees' immediate families. Report whether any vendors appear on both lists.

Obtained a listing of all disbursements made during the year and a listing of outside business interest of the board members, employees, and the board members' and employees' families. No vendors appeared on both lists.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original and amended budgets.

7. Trace the budget adoption to adoption instruments.

Traced budget adoption for the 2019-2020 fiscal year to the minutes of the regular monthly meeting conducted on August 27, 2019. There are no indications of any budgetary amendments.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by five percent (5%) or more and whether actual expenditures exceed budgeted amounts by five percent (5%) or more.

Actual revenues failed to meet budgeted revenues but by less than five percent. Actual expenditures did not exceed budgeted amounts by more than five percent.

Accounting and Reporting

9. Obtain a listing of all disbursements made during the fiscal year. Randomly select six (6) disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and: (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are properly coded to the correct fund and general ledger account, and (c) report whether the six disbursements were approved in accordance with management's policies and procedures.

We obtained a listing of all disbursements, and randomly selected six disbursements. We examined supporting documentation for each of the six selected disbursements and found that payments agreed in amounts and payees to support, were properly coded to the correct funds and general ledger accounts, and appropriately approved in accordance with management's policies.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

The District provided agendas and minutes to monthly meetings. No evidence other than management's assertion was available to determine whether the District was in compliance with RS 42:11 through RS 42:28.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of banks loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We obtained and scanned copies of all bank deposit slips for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain a list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We obtained a list of payroll disbursements and meeting minutes from management. We scanned payroll disbursements and minutes and noted no payments or approvals indicative of bonuses, advances, or gifts.

State Audit Law

13. Report whether the District provided for a timely report in accordance with RS 24:513.

The District has provided for a timely report in accordance with RS 24:513.

14. Inquire of management and report whether the District entered into any contracts that utilized state funds as defined in RS 39:72.1A.(2); and that were subject to public bid law (RS 38:2211, et seq.), while the District was not in compliance with RS 24:513 (the audit law).

Management represented the District entered into no contracts that utilized state funds as defined in RS 39:72.1A.(2); and that were subject to public bid law (RS 38:2211, et seq.), while the District was not in compliance with RS 24:513 (the audit law).

Prior Comments and Recommendations

15. Obtain and report management's representation as to whether any prior year suggestions, recommendations and/or comments have been resolved.

Our prior year report dated May 5, 2020 included two findings, one of which was in relation to segregation of duties and the other in relation to inadequate knowledge and experience possessed by management in the preparation of governmental financial statements. Full segregation of duties and additions to the District's management with the knowledge and experience necessary to prepare governmental financial statements may not be feasible or cost-beneficial for an entity of the District's size.

We were not engaged to, and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Compliance Questionnaire (Exhibit A), and the results of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by the management of the District and the LLA and should not be used by anyone other than these specified parties. Accordingly, this report should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. In accordance with RS 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
March 25, 2021

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Schedule of Findings
Year Ended September 30, 2020

A. Internal Control

2020-001 – Segregation of Duties

Year Initially Occurring: Unknown

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The District’s internal control over financial reporting includes those policies and procedures that pertain to the District’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in either financial statements or interim financial statements, or both.

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

2020-002 - Financial Reporting

Year Initially Occurring: Unknown

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities, in the financial statement preparation process.

CRITERIA: The District’s internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The condition results from a reliance on the external auditor as part of the internal control process.

EFFECT: Financial statements and related notes may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Schedule of Findings (continued)
Year Ended September 30, 2020

B. Compliance

No conditions are reported.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Summary Schedule of Prior Findings
Year Ended September 30, 2020

A. Internal Control

2019-001 Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: Due to the size of the operation and the cost/benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: See schedule of findings, item 2020-001.

2019-002 Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities, in the financial statement preparation process.

MANAGEMENT'S RESPONSE: The additional costs required to achieve the desired benefit may not be economically feasible.

CURRENT STATUS: See schedule of findings, item 2020-002.

B. Compliance

No conditions were reported.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARY
Amelia, Louisiana

Corrective Action Plan for Current Findings
Year Ended September 30, 2020

2020-001 – Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: Not considered necessary.

2020-002 - Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities, in the financial statement preparation process.

MANAGEMENT'S RESPONSE: The financial reporting process will continue to be outsourced to the District's external auditors due to the increased costs necessary to correct the condition.