

**Recreation District No. 6 of Allen Parish
Reeves, Louisiana**

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORT

YEAR ENDED SEPTEMBER 30, 2018

Royce T. Scimemi, CPA, APAC
Oberlin, LA

**Recreation District No. 6 of Allen Parish
Reeves, Louisiana**

**Annual Financial Report and Independent Auditors' Reports
For the Year Ended September 30, 2018**

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**Recreation District No. 6 of Allen Parish
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**Management's Discussion and Analysis
For the Year Ended September 30, 2018**

Within this section of the Recreation District No. 6 of Allen Parish's annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2018. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities by \$1,750,568 (net position) for the fiscal year reported.
- Total revenues of \$171,547 exceeded total expenses of \$158,237 which resulted in a current year surplus of \$13,310.
- Total net position is comprised of the following:
 - (1) Invested in capital assets, net of related debt, of \$1,296,543 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets. In the prior fiscal year, the net position invested in capital asset was \$1,280,059.
 - (2) Restricted net position of \$21,120, being restricted for debt service by constraints imposed from outside the District such as debt covenants, grantors, laws, or regulations. In the prior fiscal year, restricted net position amounted to \$51,216.
 - (3) Unrestricted net position, representing the portion of net position available to maintain the District's continuing obligations to citizens and creditors, amounted to deficits of \$432,905 for the fiscal year ended September 30, 2018. This compares to \$419,293, the unrestricted net position as of September 30, 2017.
- The District's governmental funds reported a total ending fund balance of \$1,709,183 this year. This compares to the prior year ending fund balance of \$457,200, reflecting an increase of \$1,251,983 during the current year. For the prior year ended September 30, 2017, an increase of \$15,659 was reported in the total ending fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$224,114, or 280% of total General Fund expenditures (including other financing uses) and 210% of total General Fund revenues (including other financing sources). In comparison, for the fiscal year ended September 30, 2017, unassigned fund balance for the General Fund was \$197,405, or 233% of total General Fund expenditures (including other financing uses) and 182% of total General Fund revenues (including other financing sources).

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- Overall, the District's financial position improved in the current year and the District continues to maintain a strong financial position and is continuing to work to improve on this financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the District's basic financial statements, which include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the District's assets and deferred outflows of resources minus liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors such as diversification of the taxpayer base and the condition of District infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements are intended to distinguish governmental activities of the District that are principally supported by sales and ad valorem taxes from business-type activities that are intended to recover all or a significant portion of their costs through user fees

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and charges. Governmental activities principally include general government, public safety and streets. In this case, the District has no business-type activities.

The government-wide financial statements are presented on pages 16 and 17 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole.

The District uses governmental funds as follows:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 20 through 23 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 24 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the management's discussion and analysis, and budgetary comparison schedule for the general fund. The budgetary comparison schedule

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**Management's Discussion and Analysis
For the Year Ended September 30, 2018**

demonstrates compliance with the District's adopted and final revised budgets. The required supplementary information and the notes to the required supplementary information can be found on pages 4 through 10 and pages 37 through 38 of this report.

Other supplementary information including the schedule of compensation paid to board commissioners and the schedule of compensation, benefits and other payments to the chief executive officer is presented on pages 40 through 41 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net position at fiscal year-end was \$1,755,926. The following table provides a summary of the District's net position:

Summary of Net Position

	<u>Governmental Activities</u>	<u>Percentage Total</u>
Assets:		
Current assets	\$ 1,713,732	52%
Capital assets	<u>1,577,359</u>	<u>48%</u>
Total assets	3,291,091	<u>100%</u>
Deferred outflows of resources	<u> -</u>	<u>100%</u>
Liabilities:		
Current liabilities	75,523	5%
Long-term liabilities	<u>1,465,000</u>	<u>95%</u>
Total liabilities	1,540,523	<u>100%</u>
Deferred inflows of resources	<u> -</u>	<u>100%</u>
Net Position:		
Investment in capital assets, net	1,296,743	74%
Restricted	21,120	1
Unrestricted	<u>432,905</u>	<u>25</u>
Total net position	<u>\$1,750,568</u>	<u>100%</u>

The District continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio is 22.7 to 1 for current year governmental activities.

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The District reported a positive balance in net position for its governmental activities. For the fiscal years ended September 30, 2018 and 2017, respectively, net position increased (decreased) by \$13,310 for governmental activities. The District's overall financial position improved during the fiscal year ended in 2018.

Note that approximately 74% of the governmental activities' net position are tied up in capital assets as of September 30, 2018. The District uses these capital assets to provide services to its citizens.

The following table provides a summary of the District's changes in net position:

	Governmental <u>Activities</u>	Percentage <u>Total</u>
Revenues:		
Program Revenues	\$ -	-
General Revenues:	-	-
Ad Valorem Taxes	169,766	99%
Interest Income	913	1
Miscellaneous	688	-
Rent Income	<u>180</u>	<u>-</u>
Total Revenues	171,547	<u>100%</u>
 Program Expenses:		
General Government	141,994	84%
Interest on Long-Term Debt	<u>16,243</u>	<u>16</u>
Total Expenses	<u>158,237</u>	<u>100%</u>
 Excess (deficiency)	<u>13,310</u>	
 Change in net position	13,310	
Beginning net position	<u>1,737,258</u>	
Ending net position	<u>\$ 1,750,568</u>	

GOVERNMENTAL REVENUES

The District is heavily reliant on ad valorem taxes to support governmental operations. These taxes equal 99% of the revenues for governmental activities, as compared with 99% in the prior year.

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For the Year Ended September 30, 2018**

GOVERNMENTAL FUNCTIONAL EXPENSES

The total function of the District is to provide recreational facilities for the citizens of Ward Three of Allen Parish. Of the total cost, depreciation on the capital assets was \$50,367 or 32% of the total expenses.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$1,709,183 and \$457,200, for the fiscal years ended September 30, 2018 and 2017, respectively. Of these year-end totals, \$432,896 and \$197,405 were unassigned for the respective years, indicating availability for continuing District service requirements.

The total ending fund balances of governmental funds show an increase of \$1,251,983. This compares with an increase of \$15,659 experienced in the prior fiscal year ended September 30, 2017. The difference in increase is mainly attributed to \$1,250,000 in bond proceeds received in the current year.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the District's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$26,912 in the current fiscal year, while in the fiscal year ended September 30, 2017, the fund balance increased by \$232,009, primarily because of an operating transfer of \$208,579 from the capital project fund. However, the reader needs to remember that the District controls these differences by the amount of resources it transfers in from the District's other funds.

The revenues show a decrease of \$1,494 or 1.5% less than the prior year, while in the fiscal year ended September 30, 2017, such revenues decreased \$24,508 or 18% less than the preceding year. The expenditures side shows a decrease of \$6,408 or 8% less than the prior year. In comparison, the prior year expenditures decreased by \$80,135, which was 49% less than the preceding fiscal year. The General Fund's ending fund balance was more than the prior year by \$26,912 representing the equivalent of 4% of its annual expenditures (and operating transfers out) and 25% of its annual revenues including operating transfers in.

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For the Year Ended September 30, 2018**

The Debt Service Fund continues to maintain a stable fund balance. As of September 30, 2018, the fund balance was \$26,287, which decreased by \$24,929 from the prior year ending balance of \$51,216. Revenues and expenditures in the fiscal year ended September 30, 2018 were 0.5% less than and 25% more than those in the fiscal year ended September 30, 2017, respectively, which had experienced a 19% decrease and 7% decrease from the preceding year, respectively.

The Capital Projects Fund maintained a strong fund balance of \$1,250,000 representing bond proceeds from the 2018 bond issue. Since such proceeds were received near year-end, there were no revenues or expenses in the capital project for the current year other than the \$1,250,000 in other financing sources. In the prior year, the fund had no activity other than \$208 in interest income, before the balance was transferred to the general fund.

BUDGETARY HIGHLIGHTS

The General Fund - Both the revenue and expenditure sides of the current year final budget for the General Fund were left unrevised in relation to the prior year's final budget. The actual revenues were not budgeted and the actual expenditures were more than the final budget by \$1,400 or 2%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of September 30, 2018, were \$1,577,359 while those figures as of September 30, 2017, were \$1,620,802. The overall decrease was 3% for the District as a whole. See Note E for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	2018	2017
Non-Depreciable Assets:		
Land	\$ 58,367	\$ 55,367
Depreciable Capital Assets:		
Buildings	1,619,388	1,619,388
Machinery and Equipment	86,780	82,856
Recreation Improvements	<u>263,043</u>	<u>263,043</u>
Total Depreciable Assets	1,969,211	1,965,287
Less accumulated depreciation	<u>450,219</u>	<u>399,852</u>
Book value-depreciable assets	\$ <u>1,518,992</u>	\$ <u>1,565,435</u>
Percentage depreciated	<u>23%</u>	<u>20%</u>
Book value-all assets	\$ <u>1,577,359</u>	\$ <u>1,620,802</u>

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The depreciable capital assets for governmental activities were 23% and 20% depreciated for the fiscal years ended September 30, 2018 and September 30, 2017, respectively.

There were two additions to capital assets during the current year, one of which is non-depreciable. There were no retirements of capital assets during the current year.

LONG-TERM DEBT

At the end of the fiscal year, the District had total long-term debt outstanding of \$1,530,000. All of this amount is backed by the full faith and credit of the District with debt service funded by ad valorem tax revenues.

During the year, the District issued \$1,250,000 and retired \$60,000 in long-term debt. See Note G for additional information regarding long-term debt.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the board chairman, Waylin Bertrand, P.O. Box 207, Reeves, LA 70548.

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INDEPENDENT AUDITORS' REPORT

March 15, 2019

Waylin Bertrand and the Board of Commissioners
Recreation District No. 6 of Allen Parish
Reeves, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Recreation District No. 6 of Allen Parish, Louisiana as of and for the years ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Recreation District No. 6 of Allen Parish, Louisiana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Recreation District No. 6 of Allen Parish as of September 30, 2018, and the respective changes in financial position, for the years 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 and the budgetary comparison information on pages 4 through 10 and 37 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

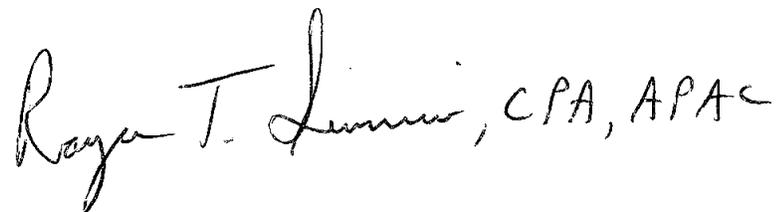
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Recreation District No. 6 of Allen Parish's basic financial statements. The Schedule of Compensation Paid to the Chairman and Commissioners, and Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer ("Other Supplementary Information") are presented on pages 40 and 41 for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2019, on our consideration of the Recreation District No. 6 of Allen Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Recreation District No. 6 of Allen Parish's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Recreation District No. 6 of Allen Parish's internal control over financial reporting and compliance.

Royce T. Scimemi, CPA, APAC

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive style with a large initial 'R'.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
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Statement of Net Position
September 30, 2018

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash and Interest-Bearing Deposits	\$ 435,340
Ad Valorem Tax Receivable	2,114
Cash and Interest-Bearing deposits-Restricted	1,274,987
Ad Valorem Tax Receivable-Restricted	1,291
Land	58,367
Capital assets, net	1,518,992
<i>Total Assets</i>	<u>3,291,091</u>
DEFERRED OUTFLOWS OF RESOURCES	
Aggregated deferred outflows	-
<i>Total Deferred Outflows of Resources</i>	<u>-</u>
LIABILITIES	
Accounts Payable	4,549
Accrued Interest Payable	5,974
Bonds Payable:	
Due Within One Year	65,000
Due After One Year	1,465,000
<i>Total Liabilities</i>	<u>1,540,523</u>
DEFERRED INFLOWS OF RESOURCES	
Aggregated deferred inflows	-
<i>Total Deferred Inflows of Resources</i>	<u>-</u>
NET POSITION	
<i>Invested in Capital Assets, net</i>	1,296,543
<i>Restricted for Debt Service</i>	21,120
<i>Unrestricted</i>	432,905
<i>Total Net Position</i>	<u>\$ 1,750,568</u>

See accompanying notes.

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
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Statement of Activities
For the Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenues			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Governmental Activities:					
General Government - Recreation	\$ 141,994	\$ -	\$ -	\$ -	\$ (141,994)
Interest on Long-Term Debt	16,243	-	-	-	(16,243)
Total Governmental Activities	158,237	-	-	-	(158,237)
 General Revenues:					
					169,766
					913
					688
					180
					171,547
					13,310
					1,737,258
					\$ 1,750,568

See accompanying notes.

FUND FINANCIAL STATEMENTS (FFS)

**Recreation District No. 6 of Allen Parish
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MAJOR FUND DESCRIPTIONS

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.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of bond principal, interest, and related costs. It is funded by ad valorem tax revenues.

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the construction of capital facilities and other capital assets.

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
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Balance Sheet
Governmental Funds
September 30, 2018

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Interest-Bearing Deposits	\$ 435,340	\$ -	\$ -	\$ 435,340
Ad Valorem Tax Receivable	2,114	1,291	-	3,405
Cash & Interest-Bearing Deposits-Restricted	-	1,274,987	-	1,274,987
Due From Other Funds	-	9	1,250,000	1,250,009
<i>Total Assets</i>	<u>437,454</u>	<u>1,276,287</u>	<u>1,250,000</u>	<u>2,963,741</u>
DEFERRED OUTFLOWS OF RESOURCES				
Aggregated deferred outflows	-	-	-	-
<i>Total Assets and Deferred Outflows of Resources</i>	<u>\$ 437,454</u>	<u>\$ 1,276,287</u>	<u>\$ 1,250,000</u>	<u>\$ 2,963,741</u>
LIABILITIES				
Accounts Payable	\$ 4,549	\$ -	\$ -	\$ 4,549
Due To Other Funds	9	1,250,000	-	1,250,009
<i>Total Liabilities</i>	<u>4,558</u>	<u>1,250,000</u>	<u>-</u>	<u>1,254,558</u>
DEFERRED INFLOWS OF RESOURCES				
Aggregated deferred inflows	-	-	-	-
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>4,558</u>	<u>1,250,000</u>	<u>-</u>	<u>1,254,558</u>
FUND BALANCES				
Restricted for:				
Capital Projects	-	-	1,250,000	1,250,000
Debt Service	-	26,287	-	26,287
Committed for:				
Capital Projects	208,782	-	-	208,782
Unassigned	224,114	-	-	224,114
<i>Total Fund Balances</i>	<u>432,896</u>	<u>26,287</u>	<u>1,250,000</u>	<u>1,709,183</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 437,454</u>	<u>\$ 1,276,287</u>	<u>\$ 1,250,000</u>	<u>\$ 2,963,741</u>

See accompanying notes.

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
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Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2018

Total Fund Balances - Governmental Funds	\$ 1,709,183
Accrued interest payable is accrued on Statement of Net Position and expensed on the Statement of Activities. Interest is expensed on a cash basis on the Statement of Revenues, Expenditures, and Changes in Fund Balances.	(5,974)
Fixed assets are capitalized in the Statement of Net Position and depreciated in the Statement of Activities. These are expensed as capital outlays when acquired in the Statement of Revenues, Expenditures, and Changes in Fund Balance: -- Capital Assets (\$2,027,578), net of Accumulated Depreciation (\$450,219)	1,577,359
Long-term debt is reflected on the Statement of Net Position but not on the governmental funds balance sheet.	(1,530,000)
Total Net Position - Governmental Funds	\$ <u>1,750,568</u>

See accompanying notes.

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
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Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2018

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Ad Valorem Taxes, net	\$ 105,397	\$ 64,369	\$ -	\$ 169,766
Interest Income	559	354	-	913
Miscellaneous	688	-	-	688
Rental Income	180	-	-	180
Total Revenues	106,824	64,723	-	171,547
Expenditures				
Current:				
Advertising	790	1,455	-	2,245
Bank Service Charges	15	40	-	55
Bond Issuance Costs	-	18,496	-	18,496
Bookkeeping	2,100	-	-	2,100
Insurance	10,309	-	-	10,309
Office Supplies	110	80	-	190
Professional Fees	3,565	-	-	3,565
Promotion	9,230	-	-	9,230
Repairs and Maintenance	34,127	-	-	34,127
Safety Deposit Box Rental	60	-	-	60
Utilities	11,250	-	-	11,250
Capital Outlays	6,924	-	-	6,924
Debt Service:				
Interest Expense	-	11,013	-	11,013
Principal Payments	-	60,000	-	60,000
Total Expenditures	78,480	91,084	-	169,564
Excess (Deficiency of Revenues Over (Under) Expenditures	28,344	(26,361)	-	1,983
Other Financing Sources (Uses)				
Bond Proceeds	-	-	1,250,000	1,250,000
Operating Transfers	(1,432)	1,432	-	-
Net Other Financing Sources (Uses)	(1,432)	1,432	1,250,000	1,250,000
Net Change in Fund Balances	26,912	(24,929)	1,250,000	1,251,983
<i>Fund Balances at Beginning of Period</i>	405,984	51,216	-	457,200
Fund Balances at End of Period	\$ 432,896	\$ 26,287	\$ 1,250,000	\$ 1,709,183

See accompanying notes.

**RECREATION DISTRICT NO. 6 OF ALLEN PARISH
Reeves, Louisiana**

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances with the Statement of Activities
For the Year Ended September 30, 2018**

Total Net Change in Fund Balances - Governmental Funds	\$ 1,251,983
Fixed assets are expensed as capital outlays in governmental fund statements, but capitalized in the Statement of Net Position.	6,924
Principal payments on long-term debt are expensed in governmental fund statements, but treated as reductions of outstanding debt in entity-wide statements.	60,000
Depreciation expense is reflected in the entity-wide statements, but not deducted in the governmental fund statements.	(50,367)
Accrued interest expense is included in Statement of Activities, but interest expense is only expensed when actually paid in governmental fund statements.	(5,230)
Proceeds of long-term debt are considered as revenues in the fund financial statements, but are classified as increases in long-term debt liabilities in the entity-wide statements.	(1,250,000)
Changes in Net Position - Governmental Funds	\$ <u>13,310</u>

See accompanying notes.

**Recreation District No. 6 of Allen Parish
Reeves, Louisiana**

**Notes to Basic Financial Statements
For the Year Ended September 30, 2018**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recreation District No. 6 of Allen Parish (the “District”) was created by the Allen Parish Police Jury on September 18, 2000 under the authority conferred by Article VI, Section 19 of the 1974 Louisiana Constitution and Louisiana Revised Statutes 33:4562-33:4566. The purpose of the District is to provide recreational facilities for the citizens of Ward Three of Allen Parish. The District has a board of five appointed commissioners who serve without pay or per diem, although the board could authorize a per diem of up to \$10 per meeting attended, not to exceed twelve meetings per year. The District had no employees for the fiscal year ended September 30, 2018.

The District’s accounting and reporting policies conform to generally accepted accounting principles as applied to governments and to the requirements of the industry audit guide, *Audits of State and Local Governments*. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1. Reporting Entity

As the governing authority, for reporting purposes, the Allen Parish Police Jury is considered the financial reporting entity for Allen 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 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.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 14 established criteria for determining which component units should be considered part of the primary 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. These criteria include:

- a. Appointing a voting majority of an organization's governing body, and
 - (1) The ability of the primary government to impose its will on that organization, and/or

**Recreation District No. 6 of Allen Parish
Reeves, Louisiana**

**Notes to Basic Financial Statements
For the Year Ended September 30, 2018**

- (2) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
 - b. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
 - c. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, the District is a component unit of the Allen Parish Police Jury's reporting entity. The District itself has no component units. The District is the reporting entity for this financial report which presents financial data of the District itself, and not the Allen Parish Policy Jury or any other entity.

2. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America and 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. They include all funds of the reporting entity. All of the financial activities of the District are considered governmental activities, which are 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 of the functions of 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 requirements 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

**Recreation District No. 6 of Allen Parish
Reeves, Louisiana**

**Notes to Basic Financial Statements
For the Year Ended September 30, 2018**

accounting entity with a self-balancing set of accounts. The emphasis of 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; if the total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 10 percent of the corresponding total for all governmental funds of that category or type; or if the total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. The District has no enterprise funds.

The District reports the following major funds, all of which are governmental funds:

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

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of bonds principal, interest, and related costs. It is funded by ad valorem tax revenues.

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the construction of capital facilities and other capital assets.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash

**Recreation District No. 6 of Allen Parish
Reeves, Louisiana**

**Notes to Basic Financial Statements
For the Year Ended September 30, 2018**

flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Government-wide equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlays) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are generally recorded only when payment is due.

4. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. On or before the last meeting of each year, the budget is prepared by function and activity, with consideration being given to information on the past year and current year estimates. All annual appropriations lapse at fiscal year-end.

5. Cash and Interest-Bearing Deposits

Deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. Such deposits are stated at cost, which approximates market.

6. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

7. Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

**Recreation District No. 6 of Allen Parish
Reeves, Louisiana**

**Notes to Basic Financial Statements
For the Year Ended September 30, 2018**

8. Capital Assets

Capital assets, which include property, plant and equipment, are reported 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 District maintains a threshold level of \$1,000 or more for capitalization of asset purchases.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated 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 estimated useful lives by asset type is as follows:

Buildings and Recreation Improvements	15-50 years
Equipment and Furniture	5-25 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.

9. Long-Term Debt

The accounting treatment of long-term debt depends on whether the financed assets are used in governmental fund operations and whether the long-term debt is reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

10. Equity Classification

In the government-wide statements, equity is classified as net position and displayed in the following components:

- a. Invested in capital assets, net of related debt – 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.

**Recreation District No. 6 of Allen Parish
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**Notes to Basic Financial Statements
For the Year Ended September 30, 2018**

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Consists of all other net position that does not meet either of the above definitions.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

In the fund statements, governmental fund equity is classified as fund balance and is further classified as follows:

- a. 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.
- b. 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.
- c. Committed – amounts that can be used for specific purposes determined by a formal action of the Board of Commissioners, the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the board.
- d. 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 members may assign amounts for specific purposes.
- e. Unassigned -- includes positive fund balance within the general fund which has not been classified within the above-mentioned categories and when applicable, negative fund balances in other governmental funds.

The District typically uses restricted fund balances first unless prohibited by legal or contractual provisions and then less restrictive classifications -- committed, assigned, and lastly unassigned amounts of fund balance -- in that order when expenditures are made.

11. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made

**Recreation District No. 6 of Allen Parish
Reeves, Louisiana**

**Notes to Basic Financial Statements
For the Year Ended September 30, 2018**

from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

12. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

13. Revenues, Expenditures, and Expenses

Program Revenues. Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

General Revenues. Ad valorem taxes are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent after December 31. The taxes are generally collected in December, January and February of the fiscal year. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures/expenses. The District's primary expenditures include repairs and maintenance and insurance, which are recorded when the liabilities are incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources. Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfers are authorized by the District.

14. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Recreation District No. 6 of Allen Parish
Reeves, Louisiana**

**Notes to Basic Financial Statements
For the Year Ended September 30, 2018**

15. Environmental Remediation Costs

The District accrues for losses associated with environmental remediation obligations when such losses are probable and reasonably estimable. Accruals for estimated losses from environmental remediation obligations generally are recognized no later than completion of the remedial feasibility study. Such accruals are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value.

16. Subsequent Events

Management has evaluated subsequent events through March 15, 2019, the date the financial statements were issued.

NOTE B – CASH AND CASH EQUIVALENTS

State statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. government agencies, or time certificates of deposit of any bank domiciled or having a branch in the State of Louisiana, as stipulated in La. R.S. 33:2955, or any other federally insured investment. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana. LAMP maintains a local government investment pool.

As of September 30, 2018, the District had deposits (book balances) totaling \$1,710,328. These deposits are stated at cost, which approximates market. Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As an alternative to being collateralized by pledged securities, Louisiana Revised Statutes 6:748.1 allows for the custodial bank to obtain a letter of credit from the Federal Home Loan Bank (FHLB) as collateral for public fund deposits.

At September 30, 2018, the District has \$1,710,638 in deposits (collected bank balances). These deposits are fully secured from custodial credit risk by federal deposit insurance and a FHLB letter of credit.

**Recreation District No. 6 of Allen Parish
Reeves, Louisiana**

**Notes to Basic Financial Statements
For the Year Ended September 30, 2018**

NOTE C - PROPERTY TAXES

For the year ended September 30, 2018, taxes of 14.11 mills were levied on property with assessed valuations totaling \$12,421,236 and were dedicated as follows:

<u>Millage Purpose</u>	<u>Tax Millage</u>	<u>Expires</u>
General obligation bonds	5.35	12/31/22
Maintenance and operations	5.38	12/31/22
Maintenance and operations	<u>3.38</u>	12/31/17
Total mills	14.11 mills	

Total property taxes levied were \$175,264.

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31. Property taxes not paid by the end of February are subject to lien.

On October 14, 2017, the millage that was expiring on December 31, 2017, was renewed by election of the voters in the amount of 3.00 mills for 10 years. On April 29, 2018, a bond millage was passed by election of the voters in the amount of 5.65 mills for 15 mills to service the 2018 series bonds.

NOTE D - RECEIVABLES

The following is a summary of receivables for September 30, 2018:

<u>Class of Receivable:</u>	<u>Governmental Activities</u>
Ad Valorem Taxes	\$ 2,114
Ad Valorem Taxes – Restricted	<u>1,291</u>
Total	\$ <u>3,405</u>

**Recreation District No. 6 of Allen Parish
Reeves, Louisiana**

**Notes to Basic Financial Statements
For the Year Ended September 30, 2018**

NOTE E – CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2018 follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental Activities:				
Land	\$ 55,367	\$ 3,000	\$ -	\$ 58,367
Buildings	1,619,388	-	-	1,619,388
Machinery and Equipment	82,856	3,924	-	86,780
Recreational Improvements	<u>263,043</u>	<u>-</u>	<u>-</u>	<u>263,043</u>
Totals at historical cost	2,020,654	6,924	-	2,027,578
Less accumulated depreciation for:				
Buildings	315,920	32,388	-	348,308
Machinery and Equipment	41,008	7,795	-	48,803
Recreational Improvements	<u>42,924</u>	<u>10,184</u>	<u>-</u>	<u>53,108</u>
Total accumulated depreciation	<u>399,852</u>	<u>,367</u>	<u>-</u>	<u>450,219</u>
Governmental Activities Capital Assets, net	<u>\$1,620,802</u>	<u>\$(43,443)</u>	<u>\$ -</u>	<u>\$ 1,577,359</u>

Depreciation expense for the year ended September 30, 2018 was \$50,367 for governmental activities.

NOTE F - ACCOUNTS PAYABLES

The following is a summary of payables at September 30, 2018:

<u>Class of Payable:</u>	<u>Governmental Activities</u>
Trade accounts	\$ 4,549

NOTE G - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended September 30, 2018 follows:

	<u>Beginning of Year</u>	<u>Issued</u>	<u>Retired</u>	<u>End of Year</u>
Bonds payable	<u>\$ 340,000</u>	<u>\$ 1,250,000</u>	<u>\$ 60,000</u>	<u>\$ 1,530,000</u>
Total Long-Term Liabilities	<u>\$ 340,000</u>	<u>\$ 1,250,000</u>	<u>\$ 60,000</u>	<u>\$ 1,530,000</u>

**Recreation District No. 6 of Allen Parish
Reeves, Louisiana**

**Notes to Basic Financial Statements
For the Year Ended September 30, 2018**

Bond payments are and will be paid out of the Debt Service Fund. The long-term debt is comprised of the following individual issues:

<u>2003 Series Bonds Payable-Governmental:</u>	
\$1,015,000 revenue bonds date 2003 due in annual principal installments ranging from \$60,000 in 2018 to \$75,000 in 2022 with interest averaging 2.75%	\$ 280,000
<u>2018 Series Bonds Payable-Governmental:</u>	
\$1,250,000 revenue bonds dated 8/7/2018 due in annual principal installments ranging from \$25,000 in 2021 to \$126,000 in 2033 with interest averaging 2.96%	<u>1,250,000</u>
Total Bonds Payable	<u>\$ 1,530,000</u>

The annual requirements to amortize all revenue bonds and capital leases outstanding at September 30, 2018 are as follows:

<u>Fiscal Year Ending</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Totals</u>
2019	\$ 65,000	\$ 46,172	\$ 111,172
2020	70,000	41,576	111,576
2021	95,000	38,751	133,751
2022	100,000	35,354	135,354
2023	96,000	32,579	128,579
2024-2028	513,000	129,963	642,963
2029-2033	<u>591,000</u>	<u>51,409</u>	<u>642,409</u>
Totals	<u>\$ 1,530,000</u>	<u>\$ 375,804</u>	<u>\$ 1,905,804</u>

In accordance with La. R.S. 39:562, the District is legally restricted from incurring long-term bonded debt (payable solely from ad valorem taxes) in excess of 35% of the assessed value of taxable property in the District. At September 30, 2018 the statutory limit is \$4,347,433.

NOTE H - 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 maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**Recreation District No. 6 of Allen Parish
Reeves, Louisiana**

**Notes to Basic Financial Statements
For the Year Ended September 30, 2018**

NOTE I – OPERATING TRANSFERS

Operating transfers consisted of the following at September 30, 2018:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General Fund	\$ -	\$ 1,432
Debt Service Fund	<u>1,432</u>	<u>-</u>
	<u>\$ 1,432</u>	<u>\$ 1,432</u>

Operating transfers are used to move revenues from the fund that is required by statute or budget to collect them to the fund that is required by statute or budget to expend them. Typically, any operating transfers are from the general fund into the debt service fund. The general fund transfers in the amount of \$1,432 were used to cover part of the bond issuance costs for the 2018 series bonds.

REQUIRED SUPPLEMENTARY INFORMATION

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
Reeves, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Ad Valorem Taxes, net	\$ -	\$ -	\$ 105,397	\$ 105,397
Interest Income	-	-	559	559
Miscellaneous	-	-	688	688
Rental Income	-	-	180	180
Total Revenues	-	-	106,824	106,824
Expenditures				
Current:				
Advertising	700	700	790	(90)
Bank Service Charges	-	-	15	(15)
Bookkeeping	2,100	2,100	2,100	-
Insurance	11,000	11,000	10,309	691
Office Supplies	150	150	110	40
Professional Fees	3,900	3,900	3,565	335
Promotion/Miscellaneous	900	900	9,230	(8,330)
Repairs and Maintenance	47,500	47,500	34,127	13,373
Safety Deposit Rental	30	30	60	(30)
Utilities	10,800	10,800	11,250	(450)
Capital Outlays	-	-	6,924	(6,924)
Total Expenditures	77,080	77,080	78,480	(1,400)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(77,080)	(77,080)	28,344	105,424
Other Financing Sources (Uses)				
Operating Transfers	-	-	(1,432)	(1,432)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(77,080)	(77,080)	26,912	103,992
Net Change in Fund Balance	(77,080)	(77,080)	26,912	103,992
<i>Fund Balance at Beginning of Period</i>	405,984	405,984	405,984	-
Fund Balance at End of Period	\$ 328,904	\$ 328,904	\$ 432,896	\$ 103,992

See accompanying notes.

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
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Notes to Required Supplementary Information
for the Year Ended September 30, 2018

(1) Budget and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Secretary and Chairman prepares a proposed budget and presents it to the Commissioners prior to ninety days before the beginning of each fiscal year.
2. After the proposed budget is presented to the Commissioners, the Chairman schedules a public hearing. If the budgeted expenditures equal or exceed \$500,000, the Secretary publishes the proposed budget and notifies the public that the proposed budget is available for public inspection and that public participation is invited at the public hearing.
3. A public hearing is held on the proposed budget at least ten days after any required publication of the public notice concerning the budget hearing.
4. Any changes in the proposed annual operating budget require a majority vote of the Commissioners.
5. No later than the last regular meeting of the fiscal year, the Commissioners adopts the annual operating budget for the ensuing fiscal year.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Budget appropriations lapse at year-end.
8. For the current fiscal year, the District adopted an original budget that was not amended.

(2) Excess of Expenditures Over Appropriations

Formal budgetary integration is employed as a management control device during the year, and encumbrance accounting is not used by the District. Budgeted amounts included in the accompanying financial statements include the original adopted and final budget amounts.

OTHER SUPPLEMENTARY INFORMATION

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
Reeves, Louisiana

Schedule of Compensation Paid to Chairman and Commissioners
For The Year Ended September 30, 2018

Brandi Croxdale	\$ -0-
Brandon Fontenot	-0-
Emma Young	-0-
Waylin Bertrand - Chairman	-0-
Wm. E. "Rusty" Reeves	<u>-0-</u>
Total Compensation Paid to Chairman and Commissioners	<u>\$ -0-</u>

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
Reeves, Louisiana

Schedule of Compensation, Benefits and Other Payments to
Chief Executive Officer
For The Year Ended September 30, 2018

Chief Executive Officer: Waylin Bertrand, Chairman

<u>Purpose</u>	<u>Amount</u>
Salary	\$-0-
Benefits-insurance	-0-
Benefits-retirement	-0-
Benefits-cell phone	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-



ROYCE T. SCIMEMI, CPA, APAC

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

March 15, 2019

Waylin Bertrand, Chairman
and the Board of Commissioners
Recreation District No. 6 of Allen Parish
Reeves, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Recreation District No. 6 of Allen Parish as of and for the years ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Recreation District No. 6 of Allen Parish's basic financial statements and have issued our report thereon dated March 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Recreation District No. 6 of Allen Parish'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 Recreation District No. 6 of Allen Parish's internal control. Accordingly, we do not express an opinion on the effectiveness of the Recreation District No. 6 of Allen Parish's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or to detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

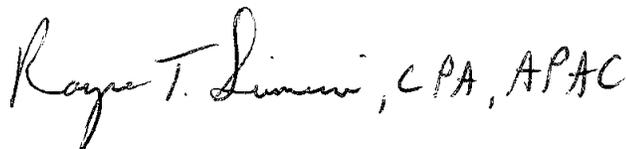
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Recreation District No. 6 of Allen Parish's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings and Responses as Item 2018-1 C.

Purpose of this Report

This 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, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Royce T. Scimemi, CPA, APAC



RECREATION DISTRICT NO. 6 OF ALLEN PARISH
Reeves, Louisiana

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR
CURRENT YEAR AUDIT FINDINGS AND RESPONSES (UNAUDITED)
For The Year Ended September 30, 2018

Finding 2018-1 C:

Local Governmental Budget Act Compliance

As soon as management realized that the budget had not been timely adopted, management took action to adopt the necessary budget. Management will monitor the budget act requirements more closely.

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
Reeves, Louisiana

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For The Year Ended September 30, 2018

There were no prior year findings.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

March 15, 2019

Waylin Bertrand, President
and the Board of Commissioners
Recreation District No. 6 of Allen Parish

We have performed the procedures enumerated below, which were agreed to by the management of the Allen Parish Recreation District No. 6 of Reeves, Louisiana (District) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2017 through September 30, 2018. The District's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. 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.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the District's written policies and procedures and observe that they address each of the following categories and subcategories:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
All addressed without exception.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
All addressed without exception.
 - c) **Disbursements**, including processing, reviewing, and approving.

All addressed without exception.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

All addressed without exception.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

All addressed without exception.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

All addressed without exception.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.

All addressed without exception.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

All addressed without exception.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the District's ethics policy.

None of the above four requirements were included in the policy provided (Exception).

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

All addressed without exception.

Board (or Finance Committee)

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

- a) Observe that the council met with a quorum at least monthly, or on a frequency in accordance with the council's enabling legislation, charter, bylaws, or other equivalent document.

The minutes reflected that the managing council met monthly in accordance with enabling legislation with one exception (missing September minutes).

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements for major proprietary funds.

A budgetary comparison and variance were provided to the board members. However, the minutes did not reflect this provision on two occasions, in December 2017 and April 2018 with one month's minutes missing, in September 2018 (Exception).

- c) Obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

An unrestricted negative fund balance was not recorded in the prior year financial report, so a discussion about the matter was never addressed in the minutes.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts. Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account and observe that:

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged):

The listing was provided by management without exception. All bank accounts were reconciled within two months of the related statement closing date without exception.

- b) Bank reconciliations include evidence that a member of management/council member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated, electronically logged); and

The agency does not receive any actual cash. Two members of the board initialed all bank reconciliations. The secretary/treasurer makes deposits, handles cash at collection point (Post Office), and signs checks (Exception). Another authorized member of management is required to sign all checks (Compensating Control).

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

N/A – No checks outstanding for more than 12 months as of September 30, 2018.

Collections

4. Obtain a listing of each deposit site for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete.

The listing was provided by management.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written

policies and procedures relating to employees' job duties at each collection location, and observe that the job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Cash collection is done by one board member who also deposits the checks (Exception).

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

One board member both collects cash and prepares bank deposits, but the bookkeeper is responsible for reconciling collection documentation to the receipts.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No person is responsible for both collecting cash and posting collection entries to the general ledger.

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

There is no person who is responsible for both reconciling cash collections to the general ledger and collecting cash.

6. Inquire of management that all employees who have access to cash are covered by bond or insurance policy for theft.

One board member collects income in the form of checks written to the District and is not bonded (Exception).

7. Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

All receipts are not sequentially pre-numbered (Exception). The Recreation District does not prepare receipts as all revenue is received from other government agencies through the mail (Compensating Control).

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

N/A – See response to Item 7(a) above (Compensating Control).

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

The deposit slip totals on the tested deposits were traced to the bank statement deposit without exception.

- d) Observe that the deposit was made within one business day of receipt at the collection location.

The tested deposits were made within two weeks of receipt as cash is not collected on a daily basis. All deposits were posted before the next bank statement was issued (Exception).

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

The tested deposits were traced to the general ledger without exception.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations.

The listing was provided by management.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Two or more employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

- b) At least two employees are involved in processing and approving payments to vendors.

All addressed without exception. Signatures on checks are considered approval of payments.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The bookkeeper is responsible for processing payments and has the authority to add/modify vendor files. However, the board is responsible for periodically reviewing changes to the vendor files.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The board members responsible for signing checks give the signed checks to the bookkeeper to mail, but the bookkeeper is responsible for preparing payments for signatures (Exception).

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

Management provided the transaction population without exception.

- a) Observe that the disbursement matched the related original invoice/billing statement.

For all 5 disbursements tested, the amounts matched the related original invoice without exception.

- b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

The disbursement documentation included partial evidence of segregation of duties that separates the approval of the disbursements between two different people. The board has two members that initiate and approve all purchases, but in one instance, the board member placing the order also approved the payment (Exception with Compensating Controls).

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

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

No credit cards/debit cards/fuel card/P-cards are issued to the district. Testing not required.

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

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

N/A

- b) Observe that finance charges and late fees were not assessed on the selected statements.

N/A

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

N/A

Travel and Expense Reimbursement

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

No travel or travel-related expenses were reimbursed. Testing not required.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

N/A

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

N/A

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

N/A

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

N/A

Contracts

15. Obtain from management a listing of all contracts/agreements for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete.

Management provided the listing.

Randomly select five contracts from the listing, excluding the practitioner's contract and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g. solicited quotes or bids, advertised), if required by law.

The only contract was not required to be bid because it was for a service and hence, outside the guidelines of the Public Bid Law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law.

The contract was required to be approved by the board and was approved by the board.

- c) If the contract was amended, observe that the original contract terms provided for such an amendment.

The contract tested was not amended in the fiscal year. The original contract terms allowed for a graduated price increase.

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

The supporting invoice on the tested payment was in accordance with the contract terms and agreed in amount with the terms and conditions of the contract.

Payroll and Personnel

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

No person is employed by the district and no elected or appointed official was compensated during the fiscal period. Testing not required.

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

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g. vacation, sick, and compensatory).

N/A

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

N/A

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

N/A

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

N/A

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

N/A

Ethics

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

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

The documentation demonstrated that all 5 commissioners tested had completed their one hour of ethics training during the fiscal period.

b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

No signed verifications were provided reflecting that employee/officials had read the District's ethics policy during the fiscal year (Exception).

Debt Service

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

Management provided the listing. The State Bond Commission approved the bond issued during the year without exception.

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

Management provided the listing. Supporting documentation did not require any reserve balances. Otherwise, the District demonstrated compliance with the associated requirements for funding under the debt covenants without exception.

Other

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

Management informed us that the District did not have any misappropriation of public funds or assets during the fiscal year.

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

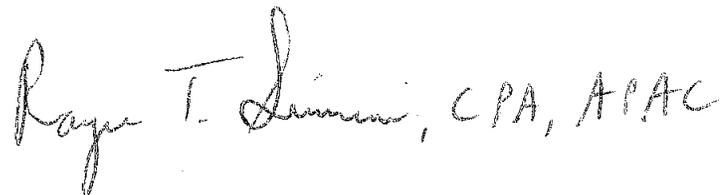
Independent Accountants' Report on Applying Agreed-Upon Procedures-Continued
Waylin Bertrand, President and Board of Commissioners
Recreation District No. 6 of Allen Parish
March 15, 2019
Year Ended September 30, 2018

The District did not have the required notice posted in a conspicuous place upon its premises and does not maintain a website. (Exception).

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Royce T. Scimemi, CPA, APAC

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive style with a large, stylized initial 'R'.