

Recreation District No. 6 of Allen Parish
Reeves, Louisiana

ANNUAL FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANTS' REPORTS

YEAR ENDED SEPTEMBER 30, 2019

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, 2019**

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

**Management's Discussion and Analysis
For the Year Ended September 30, 2019**

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, 2019. 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 \$1,807,227 (net position) for the fiscal year reported, as compared to its net position of \$1,750,568 at the end of the prior fiscal year.
- For the current fiscal year, total revenues of \$227,958 exceeded total expenses of \$171,299 which resulted in a current year surplus of \$56,659. For the prior fiscal year, total revenues of \$171,547 exceeded total expenses of \$158,237, resulting in a prior year surplus of \$13,310.
- As of September 30, 2019, total net position is comprised of the following:
 - (1) Invested in capital assets, net of related debt, of \$1,300,427 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets. At the end of the prior fiscal year, the net position invested in capital asset, net of related debt was \$1,296,543.
 - (2) Restricted net position of \$61,278, being restricted for debt service by constraints imposed from outside the District such as debt covenants, grantors, laws, or regulations. At the end of the prior fiscal year, restricted net position amounted to \$21,120.
 - (3) Unrestricted net position, representing the portion of net position available to maintain the District's continuing obligations to citizens and creditors, amounted to \$445,522 for the fiscal year ended September 30, 2019. This compares to \$432,905, the unrestricted net position as of September 30, 2018.
- The District's governmental funds reported a total ending fund balance of \$925,798 as of the end of this fiscal year. This compares to the prior year ending fund balance of \$1,709,183, reflecting a decrease of \$783,385 during the current year. For the prior year ended September 30, 2018, an increase of \$1,251,983 was reported in the total ending fund balance. These fund balance fluctuations are principally attributed to the receipt of \$1.25 million in bond proceeds in the prior fiscal year and the resulting capital outlay expenditures of over \$800,000 in the current fiscal year.

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- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$236,835, or 275% of total General Fund expenditures (including other financing uses) and 240% of total General Fund revenues (including other financing sources). In comparison, for the fiscal year ended September 30, 2018, 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).
- 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 the 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.

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**Management's Discussion and Analysis
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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 and charges. Governmental activities principally include general government and recreation. In this case, the District has no business-type activities.

The government-wide financial statements are presented on pages 14 and 15 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 18 through 21 of this report.

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

**Management's Discussion and Analysis
For the Year Ended September 30, 2019**

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 22 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 demonstrates compliance with the District's adopted and final revised budget. The required supplementary information and the notes to the required supplementary information can be found on pages 1 - 9 and pages 35 - 36 of this report.

As other supplementary information, the report includes the schedule of compensation paid to board commissioners (page 38) and the schedule of compensation, benefits and other payments to the chief executive officer (page 39). These schedules are required by Louisiana law.

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

**Management's Discussion and Analysis
For the Year Ended September 30, 2019**

Financial Analysis of the District as a Whole

The District's net position at September 30, 2019 was \$1,807,227, in comparison to its net position as of September 30, 2018 of \$1,755,926. The following table provides a summary of the District's net position:

	<u>Summary of Net Position</u>			
	<u>9/30/2018</u>		<u>9/30/2019</u>	
Assets:				
Current assets	\$ 1,713,732	52%	\$ 1,075,082	31%
Capital assets	<u>1,577,359</u>	<u>48</u>	<u>2,349,839</u>	<u>69</u>
Total assets	<u>3,291,091</u>	<u>100%</u>	<u>3,424,921</u>	<u>100%</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities:				
Current liabilities	75,523	5%	222,694	14%
Long-term liabilities	<u>1,465,000</u>	<u>95</u>	<u>1,395,000</u>	<u>86</u>
Total liabilities	<u>1,540,523</u>	<u>100%</u>	<u>1,617,694</u>	<u>100%</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position:				
Invested in capital assets, net	1,296,743	74%	1,300,427	72%
Restricted	21,120	1	61,278	3
Unrestricted	<u>432,905</u>	<u>25</u>	<u>445,522</u>	<u>25</u>
Total net position	<u>\$ 1,750,568</u>	<u>100%</u>	<u>\$ 1,807,227</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 4.83 to 1 for current year governmental activities, as compared to 22.7 to 1 at the end of the prior fiscal year. The decline in the current ratio between the two years is principally attributed to the increased accounts payable at the end of the current year related to the ongoing capital improvements project.

The District reported a positive balance in net position for its governmental activities. Net position attributed to governmental activities increased by \$56,659 and \$13,310 respectively, during the fiscal years ended September 30, 2019 and 2018. The District's overall financial position improved during the fiscal year ended in 2019.

Note that approximately 72% of the governmental activities' net position are tied up in capital assets as of September 30, 2019, as compared to 74% at the end of the prior fiscal year. The District uses these capital assets to provide services to its citizens.

**Recreation District No. 6 of Allen Parish
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**Management's Discussion and Analysis
For the Year Ended September 30, 2019**

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

	<u>9/30/2018</u>		<u>9/30/2019</u>	
<u>Summary of Changes in Net Position</u>				
Revenues:				
Program revenues	\$	-	-	\$ -
General revenues:				
Ad valorem taxes	169,766	99%	225,849	99
Interest income	913	1	1,766	1
Miscellaneous income	688	-	343	-
Rent income	<u>180</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>171,547</u>	<u>100%</u>	<u>227,958</u>	<u>100%</u>
Expenses:				
Program expenses:				
Recreation activities	141,994	84%	127,691	75%
Interest on long-term debt	<u>16,243</u>	<u>16</u>	<u>43,608</u>	<u>25</u>
Total expenses	<u>158,237</u>	<u>100%</u>	<u>171,299</u>	<u>100%</u>
Change in net position	13,310		56,659	
Beginning net position	<u>1,737,258</u>		<u>1,750,568</u>	
Ending net position	<u>\$ 1,750,568</u>		<u>\$ 1,807,227</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.

Governmental Functional Expenses

The total function of the District is to provide recreational facilities for the citizens of Ward Three of Allen Parish. The only non-functional cost is interest expense related to the outstanding general obligation bonds. Of the total expenses incurred in the current fiscal year, depreciation on the capital assets was \$49,906 or 29% of total expenses. In the prior fiscal year, depreciation amounted to \$50,367 or 32% of total expenses.

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

**Management's Discussion and Analysis
For the Year Ended September 30, 2019**

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 \$925,798 and \$1,709,183, for the fiscal years ended September 30, 2019 and 2018, respectively. Of these year-end totals, \$236,835 and \$224,114 were unassigned for the respective years, indicating availability for continuing District service requirements.

The total ending fund balances of governmental funds show a decrease of \$783,385. This compares with an increase of \$1,251,983 experienced in the prior fiscal year ended September 30, 2018. The difference between the years is mainly attributed to \$1,250,000 in bond proceeds received in the prior year and the substantial capital outlays incurred in the current year when much of the bond proceeds were expended in the Capital Projects Fund.

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 \$12,626 in the current fiscal year, while in the fiscal year ended September 30, 2018, the fund balance increased by \$26,912. However, the reader needs to remember that the District controls these differences by the amount of resources it transfers to and from the District's other funds.

Current year revenues decreased \$8,104 or 8% from the prior year, while in the fiscal year ended September 30, 2018, revenues decreased \$1,494 or 1.5% from the preceding year. This reduction is primarily due to a slight decrease in the maintenance millage and assessment valuation for property taxes. Expenditures decreased \$1,044 or 1.3% from the prior year. In comparison, the prior year expenditures decreased by \$6,408, which was 8% less than the preceding fiscal year. The General Fund's ending fund balance increased by \$12,626 over the prior year balance representing the equivalent of 15% of its annual expenditures (and operating transfers out) and 13% of its annual revenues (and operating transfers in).

The Debt Service Fund continues to maintain a stable fund balance. As of September 30, 2019, the fund balance was \$61,278, which increased by \$34,991 from the prior year ending balance of \$26,287. Revenues and expenditures in the fiscal year ended September 30, 2019 were 98% and 22% more than those in the fiscal year ended September 30, 2018, respectively, which had experienced a 0.5% decrease and 25% increase from the preceding year, respectively. This was due to the increased bond millage assessment and debt service payments under the 2018 series bonds.

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**Management's Discussion and Analysis
For the Year Ended September 30, 2019**

The Capital Projects Fund maintained a strong fund balance of \$418,998 representing the remaining bond proceeds from the 2018 bond issue less outstanding construction accounts payable. In the prior year, the fund had no activity other than the receipt of \$1,250,000 in bond proceeds.

Budgetary Highlights

The General Fund – Budgeted revenue and budgeted expenditure of the current year final budget for the General Fund were left unrevised in relation to the prior year's final budget. No revenues were budgeted and the actual expenditures exceeded budgeted expenditures by \$356 or 0.5%.

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, 2019, was \$2,349,839 while that figure as of September 30, 2018, was \$1,577,359. The overall increase was 49% for the District as a whole. See Note E for additional information about changes in capital assets during the fiscal year and year-end balances as of September 30, 2019. The following table provides a summary of capital asset activity.

	<u>9/30/2018</u>	<u>9/30/2019</u>
Non-Depreciable Assets:		
Land	\$ 58,367	\$ 59,117
Construction-in-Progress	-	821,636
Depreciable Capital Assets:		
Buildings	1,619,388	1,619,388
Machinery and Equipment	86,780	86,780
Recreation Improvements	<u>263,043</u>	<u>263,043</u>
Total Depreciable Assets	1,969,211	1,969,211
Less accumulated depreciation	<u>450,219</u>	<u>500,125</u>
Book value-depreciable assets	<u>\$ 1,518,992</u>	<u>\$ 1,469,086</u>
Percentage depreciated	<u>23%</u>	<u>25%</u>
 Book value-all assets	 <u>\$ 1,577,359</u>	 <u>\$ 2,349,839</u>

The depreciable capital assets for governmental activities were 25% and 23% depreciated for the fiscal years ended September 30, 2019 and September 30, 2018, respectively.

The additions to capital assets during the current year related to construction-in-progress of \$821,636 and land survey costs of \$750, all pertaining to the ongoing recreational facilities capital project. There were no retirements of capital assets during the current year.

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

**Management's Discussion and Analysis
For the Year Ended September 30, 2019**

Long-Term Debt

At the end of the fiscal year, the District had total long-term debt outstanding of \$1,465,000. 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 no new long-term debt and retired \$65,000 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.

ROYCE T. SCIMEMI, CPA, APAC



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

March 23, 2020

Board of Commissioners
Recreation District No. 6 of Allen Parish
Reeves, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and each major fund of Recreation District No. 6 of Allen Parish (District), a component unit of the Allen Parish Police Jury, as of and for the year ended September 30, 2019, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements. Management of the District 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 the financial statements that are free from material misstatement whether due to error or fraud.

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

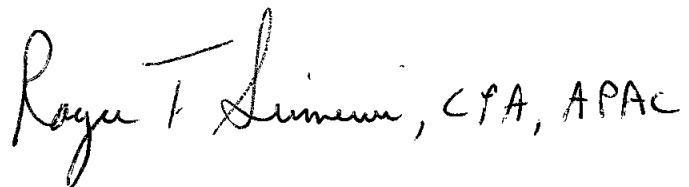
Independent Accountants' Report
Waylin Bertrand and the Board of Commissioners
Recreation District No. 6 of Allen Parish
March 23, 2020

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

Required Supplementary Information. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 1-9) and the General Fund budgetary comparison schedule (on pages 35-36) be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have reviewed the required supplementary information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the required supplementary information and do not express an opinion on such information.

Other Supplementary Information. The accompanying schedule of compensation paid to board members (on page 38) and the schedule of compensation, benefits and other payments to chief executive officer (on page 39) are presented as other supplementary information 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. We have reviewed the other supplementary information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the other supplementary information and do not express an opinion on such information.

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 horizontal line above the first name.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

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

**Statement of Net Position
September 30, 2019**

		<u>Primary Government Governmental Activities</u>
ASSETS		
Cash and Interest-Bearing Deposits	\$	448,420
Ad Valorem Tax Receivable		1,458
Cash and Interest-Bearing Deposits-Restricted		623,236
Ad Valorem Tax Receivable-Restricted		1,968
Land		59,117
Construction In Progress		821,636
Capital assets, net		1,469,086
Total Assets		<u>3,424,921</u>
DEFERRED OUTFLOWS OF RESOURCES		
Aggregated Deferred Outflows		-
Total Deferred Outflows of Resources		<u>-</u>
LIABILITIES		
Accounts Payable		149,284
Accrued Interest Payable		3,410
Bonds Payable:		
Due Within One Year		70,000
Due After One Year		1,395,000
Total Liabilities		<u>1,617,694</u>
DEFERRED INFLOWS OF RESOURCES		
Aggregated deferred inflows		-
Total Deferred Inflows of Resources		<u>-</u>
NET POSITION		
<i>Invested in Capital Assets, net</i>		1,300,427
<i>Restricted for:</i>		
Debt Service		61,278
<i>Unrestricted</i>		445,522
Total Net Position	\$	<u>1,807,227</u>

See Independent Accountant's Review Report and Accompanying Notes.

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

**Statement of Activities
For the Year Ended September 30, 2019**

Functions/Programs	Expenses	Program Revenues			Governmental
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Activities
					Net (Expense)
					Change in Net Position
Primary Government					
Governmental Activities:					
General Government - Recreation	\$ 127,691	\$ -	\$ -	\$ -	\$ (127,691)
Interest on Long-Term Debt	43,608	-	-	-	(43,608)
Total Governmental Activities	171,299	-	-	-	(171,299)
General Revenues:					
Ad Valorem Taxes, net					225,849
Interest Income					1,766
Miscellaneous Income					343
Total General Revenues					227,958
Change in Net Position					56,659
Net Position at Beginning of Period					1,750,568
Net Position at End of Period					\$ 1,807,227

See Independent Accountant's Review Report and Accompanying Notes.

FUND FINANCIAL STATEMENTS (FFS)

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

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
Reeves, Louisiana**

**Balance Sheet
Governmental Funds
September 30, 2019**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Interest-Bearing Deposits	\$ 448,420	\$ -	\$ -	\$ 448,420
Ad Valorem Tax Receivable	1,458	-	-	1,458
Cash and Interest-Bearing Deposits-Restricted	-	59,301	563,935	623,236
Ad Valorem Tax Receivable-Restricted	-	1,968	-	1,968
Due From Other Funds	-	9	-	9
Total Assets	449,878	61,278	563,935	1,075,091
DEFERRED OUTFLOWS OF RESOURCES				
Aggregated Deferred Outflows	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 449,878	\$ 61,278	\$ 563,935	\$ 1,075,091
LIABILITIES				
Accounts Payable	\$ 4,347	\$ -	\$ 144,937	\$ 149,284
Due to Other Funds	9	-	-	9
Total Liabilities	4,356	-	144,937	149,293
DEFERRED INFLOWS OF RESOURCES				
Aggregated deferred inflows	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	4,356	-	144,937	149,293
FUND BALANCES				
Restricted for:				
Capital Projects	-	-	418,998	418,998
Debt Service	-	61,278	-	61,278
Committed for:				
Capital Projects	208,687	-	-	208,687
Unassigned	236,835	-	-	236,835
Total Fund Balances	445,522	61,278	418,998	925,798
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 449,878	\$ 61,278	\$ 563,935	\$ 1,075,091

See Independent Accountant's Review Report and Accompanying Notes.

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

**Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
September 30, 2019**

Total Fund Balances - Governmental Funds	\$	925,798
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.		(3,410)
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 Balances: -- Capital Assets (\$2,849,964), net of Accumulated Depreciation (\$500,125)		2,349,839
Long-term debt is reflected on the Statement of Net Position but not on the governmental funds balance sheet.		(1,465,000)
Total Net Position - Governmental Activities	\$	<u>1,807,227</u>

See Independent Accountant's Review Report and Accompanying Notes.

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

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2019**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Ad Valorem Taxes, net	\$ 97,817	\$ 128,032	\$ -	\$ 225,849
Interest Income	560	154	1,052	1,766
Miscellaneous Income	343	-	-	343
Total Revenues	98,720	128,186	1,052	227,958
Expenditures				
Current -				
Advertising	1,340	-	-	1,340
Bookkeeping	2,100	-	-	2,100
Insurance	9,958	-	-	9,958
Office Supplies	253	-	-	253
Professional Fees	7,575	349	-	7,924
Promotion/Miscellaneous	7,966	-	-	7,966
Repairs and Maintenance	37,041	-	-	37,041
Safe Deposit Rental	60	-	-	60
Utilities	11,143	-	-	11,143
Capital Outlays	-	-	822,386	822,386
Debt Service -				
Interest Expense	-	46,172	-	46,172
Principal Payments	-	65,000	-	65,000
Total Expenditures	77,436	111,521	822,386	1,011,343
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,284	16,665	(821,334)	(783,385)
Other Financing Sources (Used)				
Operating Transfers (To)/From Other Funds	(8,658)	18,326	(9,668)	-
Net Other Financing Sources (Uses)	(8,658)	18,326	(9,668)	-
Net Change in Fund Balances	12,626	34,991	(831,002)	(783,385)
<i>Fund Balances at Beginning of Period</i>	432,896	26,287	1,250,000	1,709,183
Fund Balances at End of Period	\$ 445,522	\$ 61,278	\$ 418,998	\$ 925,798

See Independent Accountant's Review Report and Accompanying Notes.

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

**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to Statement of Activities
For the Year Ended September 30, 2019**

Total Net Changes in Fund Balances - Governmental Funds	\$ (783,385)
Fixed assets are expensed as capital outlays in governmental fund statements, but capitalized in the Statement of Net Position.	822,386
Principal payments on long-term debt are expensed in governmental fund statements, but treated as reductions of outstanding debt in entity-wide statements.	65,000
Depreciation expense is reflected in the entity-wide statements, but not deducted in the governmental fund statements.	(49,906)
Accrued interest expense is included in Statement of Activities, but interest expense is only expensed when actually paid in governmental fund statements.	2,564
Changes in Net Position - Governmental Activities	\$ <u>56,659</u>

See Independent Accountant's Review Report and Accompanying Notes.

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

**Notes to Basic Financial Statements
For the Year Ended September 30, 2019**

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, 2019.

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, 2019**

- (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 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 would 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. The District had no such program revenues during the current fiscal year. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

**Notes to Basic Financial Statements
For the Year Ended September 30, 2019**

Fund Financial Statements

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The 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.

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

**Notes to Basic Financial Statements
For the Year Ended September 30, 2019**

- 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 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, transactions may 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.

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

**Notes to Basic Financial Statements
For the Year Ended September 30, 2019**

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.

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:

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

**Notes to Basic Financial Statements
For the Year Ended September 30, 2019**

- 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.
- 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 the residual balance within the general fund which has not been classified within the above-mentioned categories and for other funds, any deficit balance resulting from overspending for specific purposes for which amounts had been included within the above-mentioned categories.

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

**Notes to Basic Financial Statements
For the Year Ended September 30, 2019**

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 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.

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

**Notes to Basic Financial Statements
For the Year Ended September 30, 2019**

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.

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 23, 2020, 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, 2019, the District had deposits (book balances) totaling \$1,071,656. 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

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

**Notes to Basic Financial Statements
For the Year Ended September 30, 2019**

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, 2019, the District has \$1,071,656 in deposits (collected bank balances). These deposits are fully secured from custodial credit risk by federal deposit insurance and a FHLB letter of credit.

NOTE C -- AD VALOREM PROPERTY TAXES

For the year ended September 30, 2019, taxes of 19.50 mills were levied on property with assessed valuations totaling \$12,140,842 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	5.50	12/31/22
Maintenance and operations	3.00	12/31/27
General obligation bonds	<u>5.65</u>	12/31/32
Total millage	19.50 mills	

Total property taxes levied were \$236,750.

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.

NOTE D - RECEIVABLES

The following is a summary of receivables for September 30, 2019:

<u>Class of Receivable:</u>	<u>Governmental Activities</u>
Ad Valorem Taxes	\$ 1,458
Ad Valorem Taxes – Restricted	<u>1,968</u>
Total Receivables	\$ <u>3,426</u>

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

**Notes to Basic Financial Statements
For the Year Ended September 30, 2019**

NOTE E – CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2019 follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
<u>Governmental Activities:</u>				
Non-Depreciable Capital Assets:				
Land	\$ 58,367	\$ 750	\$ -	\$ 59,117
Construction-in-Progress		821,636	-	821,636
Depreciable Capital Assets:				
Buildings	1,619,388	-	-	1,619,388
Machinery and Equipment	86,780	-	-	86,780
Recreational Improvements	<u>263,043</u>	<u>-</u>	<u>-</u>	<u>263,043</u>
Totals	2,027,578	822,386	-	2,849,964
Less Accumulated Depreciation for:				
Buildings	348,308	32,388	-	380,696
Machinery and Equipment	48,803	7,334	-	56,137
Recreational Improvements	<u>53,108</u>	<u>10,184</u>	<u>-</u>	<u>63,292</u>
Total Accumulated Depreciation	<u>450,219</u>	<u>49,906</u>	<u>-</u>	<u>500,125</u>
Governmental Activities				
Capital Assets, net	\$ <u>1,577,359</u>	\$ <u>772,480</u>	\$ <u>-</u>	\$ <u>2,349,839</u>

Depreciation expense for the year ended September 30, 2019 was \$49,906 for governmental activities.

NOTE F - ACCOUNTS PAYABLES

The following is a summary of payables at September 30, 2019:

<u>Class of Payable:</u>	<u>Governmental Activities</u>
Trade accounts – General Fund	\$ 4,347
Trade accounts – Capital Project Fund	<u>144,937</u>
Total Payables	<u>\$149,284</u>

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

**Notes to Basic Financial Statements
For the Year Ended September 30, 2019**

NOTE G - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended September 30, 2019 follows:

	<u>Beginning of Year</u>	<u>Issued</u>	<u>Retired</u>	<u>End of Year.</u>
Bonds payable	\$ <u>1,530,000</u>	\$ _____ -	\$ <u>65,000</u>	\$ <u>1,465,000</u>
Total Long-Term Liabilities	\$ <u>1,530,000</u>	\$ _____ -	\$ <u>65,000</u>	\$ <u>1,465,000</u>

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

2003 Series Bonds Payable-Governmental:

\$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 2.64% \$ 215,000

2018 Series Bonds Payable-Governmental:

\$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% 1,250,000

Total Bonds Payable \$ 1,465,000

The annual requirements to amortize all revenue bonds outstanding at September 30, 2019 are as follows:

<u>Fiscal Year Ending</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Totals</u>
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	98,000	30,563	128,563
2025-2029	526,000	117,413	643,413
2030-2033	<u>480,000</u>	<u>33,395</u>	<u>513,395</u>
Totals	<u>\$ 1,465,000</u>	<u>\$ 329,631</u>	<u>\$ 1,794,631</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, 2019 the statutory limit is \$4,249,295.

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

**Notes to Basic Financial Statements
For the Year Ended September 30, 2019**

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.

NOTE I – OPERATING TRANSFERS

Operating transfers consisted of the following at September 30, 2019:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Transfers Net</u>
Governmental funds:			
Capital Projects Fund	\$ 8,658	\$ 18,326	\$ (9,668)
Debt Service Fund	18,326	-	18,326
General Fund	<u>-</u>	<u>8,658</u>	<u>(8,658)</u>
	<u>\$ 26,984</u>	<u>\$ 26,984</u>	<u>\$ -</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.

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, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Ad Valorem Taxes, net	\$ -	\$ -	\$ 97,817	\$ 97,817
Interest Income	-	-	560	560
Miscellaneous Income	-	-	343	343
Total Revenues	-	-	98,720	98,720
Expenditures				
Current -				
Advertising	700	700	1,340	(640)
Bookkeeping	2,100	2,100	2,100	-
Insurance	11,000	11,000	9,958	1,042
Office Supplies	150	150	253	(103)
Professional Fees	3,900	3,900	7,575	(3,675)
Promotion/Miscellaneous	900	900	7,966	(7,066)
Repairs and Maintenance	47,500	47,500	37,041	10,459
Safe Deposit Rental	30	30	60	(30)
Utilities	10,800	10,800	11,143	(343)
Total Expenditures	77,080	77,080	77,436	(356)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(77,080)	(77,080)	21,284	98,364
Other Financing Sources (Uses)				
Operating Transfers (To)/From Other Funds	-	-	(8,658)	(8,658)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(77,080)	(77,080)	12,626	89,706
Net Change in Fund Balance	(77,080)	(77,080)	12,626	89,706
Fund Balance at Beginning of Period	432,896	432,896	432,896	-
Fund Balance at End of Period	\$ 355,816	\$ 355,816	\$ 445,522	\$ 89,706

See Independent Accountant's Review Report.

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

**Notes to Required Supplementary Information
for the Year Ended September 30, 2019**

(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 present 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, 2019**

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><u>\$ -0-</u></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, 2019

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



CERTIFIED PUBLIC ACCOUNTANT

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American Institute of
Certified Public Accountants

Member
Society of Louisiana
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

March 23, 2020

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

We have performed the procedures enumerated below, which were agreed to by Recreation District No. 6 of Allen Parish and the Louisiana Legislative Auditor (the specified parties) on the District's compliance with certain laws and regulations contained in the accompanying *Louisiana Attestation Questionnaire* during the year ended September 30, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Government Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. 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:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$154,450 (effective 1/20/2018) and \$157,700 (effective 1/20/2019). Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures made during the year for materials and supplies exceeding \$30,000, and one group of expenditures made during the year for public works exceeding the applicable contract limits mentioned above. We examined documentation that indicated that the expenditures for public works had been properly advertised, bid, and accepted in accordance with the provisions of R.S. 38:2211-2296.

Code of Ethics for Public Officials and Public Employees

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

Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information and represented to us that the District had no employees during the period under review.

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

As the District had no employees during the year under review, there were no employees included on the list provided by management for agreed-upon procedure (3) that appeared on the list provided by management for agreed-upon procedure (2).

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

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

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

Management provided us with a copy of the original budget. Management represented to us that there were no amendments to the budget during the year.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The general fund budget was not timely adopted by September 30, 2018 for the current fiscal year. According to the minutes of the board meeting held March 15, 2019, the original budget was adopted at that meeting.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted revenues because no revenues were budgeted. Actual expenditures for the fiscal year did not exceed budgeted expenditures by 5% or more.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- (a) Report whether the six disbursements agree to the amount and payee in the supporting documentation,

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

- (b) Report whether the six disbursements are coded to the correct fund and general ledger account, and

Each of the six disbursements were coded to the correct fund and general ledger account.

- (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Each of the six disbursements were approved in accordance with the District's policies and procedures as each invoice was approved by two board members as evidenced by their initials on the invoices. Further approval by the full board was traced to the applicable minutes for the particular meetings.

Meetings

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

The District is only required to post a notice of each meeting and the accompanying agenda at the building where the meeting is to be held with such posting to be at least 24 hours in advance of the meeting. We found no evidence of noncompliance.

Debt

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

We inspected all bank deposits recorded in the District's records for the period under examination and noted no deposits which appear to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

Our review of the District's records and minutes indicated no discussion or authorization for any payments that would constitute bonuses, advances or gifts. Our review of the District's payroll records for the year did not reveal any instances which would indicate payments that would constitute bonuses, advances, or gifts. The District has no employees or payroll.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The District provided for a timely report in accordance with R.S. 24:513.

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

The agency was in compliance with R.S. 24:513 and therefore is in compliance with R.S. 39:72.1 A (2).

Prior Comments and Recommendations

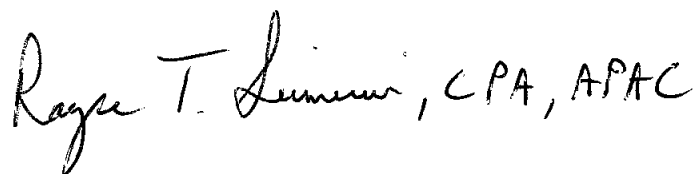
15. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

Our prior year audit report, dated March 15, 2019, did not include any comments or unresolved matters, except for a budget finding similar to that noted in this report. However, as of that date, it was too late for the District to timely adopt a current year budget. The budget for the current year was adopted on that date.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 the District's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying *Louisiana Attestation Questionnaire*, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, 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 Statutes 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Royce T. Scimemi, CPA, APAC
Oberlin, Louisiana



ALLEN PARISH RECREATION DISTRICT NO. 6
Reeves, Allen Parish, Louisiana

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

2/10, 2020
(Date Transmitted)

Royce T. Scimemi, CPA, APAC
Attn: Mr. Royce T. Scimemi
P. O. Box 210
Oberlin, LA 70655

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of September 30, 2019 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No []

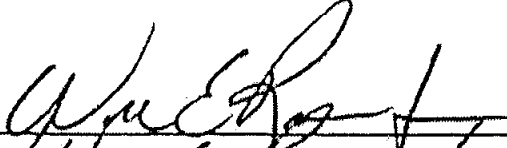

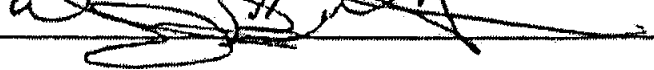
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No []

The previous responses have been made to the best of our belief and knowledge.

	Secretary	2/10/2020	Date
	Treasurer	2/10/2020	Date
	President	2/10/2020	Date

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
Reeves, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended September 30, 2019

1. Summary of Accountants' Results:

- a) Accountants issued a review report on the financial statements.
- b) The attestation procedures yielded evidence of one noncompliance pertaining to the Louisiana local governmental budget act.

2. Findings – Financial Statement Review and Agreed-Upon Procedures:

Finding 2019-1 C:

Louisiana Local Governmental Budget Act Compliance

Criteria: The general fund budget was not timely adopted by September 30, 2018 for the current fiscal year; it was adopted on March 15, 2019.

Cause: Inadvertent oversight.

Effect: Possible violation of the Louisiana Local Governmental Budget Act.

Recommendation: Calendar important budget dates and monitor budget adoption requirements.

Response: As soon as management realized that the budget had not been timely adopted, management took action to adopt the necessary budget. Management now understands that it is necessary to budget revenues as well as expenditures in its operating budget. Management will monitor the local government budget act requirements more closely.