

**RECREATION DISTRICT NO. 1
OF THE PARISH OF ST. MARTIN**
Stephensville, Louisiana

Financial Report

Year Ended December 31, 2018

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

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

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

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

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

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

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

* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

To the Board of Commissioners
Recreation District No. 1 of the Parish of St. Martin
Stephensville, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities and the major funds of Recreation District No. 1 of the Parish of St. Martin (hereinafter "District"), a component unit of the Parish of St. Martin, as of and for the year ended December 31, 2018, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The District has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

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

Supplementary Information

The supplementary information on page 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was subject to our compilation engagement. However, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to the Recreation District No. 1 of the Parish of St. Martin.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
June 26, 2019

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Statement of Net Position
December 31, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 747,491
Ad valorem taxes receivable	145,723
Deposits	365
Capital assets:	
Not being depreciated	416,191
Net of accumulated depreciation	<u>2,206,623</u>
Total assets	<u>3,516,393</u>
LIABILITIES	
Accounts, salaries, and other payables	8,682
Long term liabilities:	
Due within one year	59,000
Due in more than one year	<u>890,000</u>
Total liabilities	<u>957,682</u>
NET POSITION	
Net investment in capital assets	1,673,814
Restricted for debt service	87,889
Unrestricted	<u>797,008</u>
Total net position	<u>\$ 2,558,711</u>

See accountant's compilation report.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Statement of Activities
Year Ended December 31, 2018

Functions/Programs	Governmental Activities
Expenses:	
Culture and recreation	\$ 133,875
Interest and fiscal charges on debt	25,381
Total expenses	159,256
Program revenues:	
Charges for services	
Facility rental	450
Net program revenue (expense)	(158,806)
General revenues:	
Taxes:	
Property taxes, levied for maintenance and debt service	143,548
State revenue sharing	848
Appropriations from St. Martin Parish Government	3,000
Interest and investment earnings	502
Miscellaneous	1,550
Total general revenues	149,448
Change in net position	(9,358)
Net position - January 1, 2018	2,568,069
Net position - December 31, 2018	\$ 2,558,711

See accountant's compilation report.

FUND FINANCIAL STATEMENTS

MAJOR FUND DESCRIPTION

General Fund

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

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general obligation bond principal, interest, and related costs.

Capital Projects Fund

The Capital Projects Fund is used to account for the financial resources used for the construction of park improvements within the District.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Balance Sheet
Governmental Funds
December 31, 2018

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Assets:				
Cash and interest-bearing deposits	\$ 486,742	\$ 25,256	\$ 235,493	\$ 747,491
Ad valorem tax receivable	65,026	80,697	-	145,723
Due from/(to) other funds	765	-	15,886	16,651
Deposits	365	-	-	365
Total assets	\$ 552,898	\$ 105,953	\$ 251,379	\$ 910,230
LIABILITIES, DEFERRED INFLOWS RESOURCES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 678	\$ -	\$ -	\$ 678
Due to other funds	15,886	765	-	16,651
Total liabilities	16,564	765	-	17,329
Deferred inflows of resources:				
Unavailable ad valorem tax revenues	14,162	17,299	-	31,461
Fund balance:				
Restricted	-	87,889	-	87,889
Unassigned	522,172	-	251,379	773,551
Total fund balances	522,172	87,889	251,379	861,440
Total liabilities, deferred inflows of resources and fund balances	\$ 552,898	\$ 105,953	\$ 251,379	\$ 910,230

(continued)

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Balance Sheet (continued)
Governmental Funds
December 31, 2018

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

Total fund balances for governmental funds at December 31, 2018		\$ 861,440
Total net position reported for governmental activities in the statement of position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of		
Land	\$ 345,650	
Construction in progress	70,541	
Buildings and improvements, net of \$507,363 accumulated	2,206,162	
Equipment, net of \$248 accumulated depreciation	<u>461</u>	2,622,814
Deferred inflows of resources are not considered current financial resources and are reported as a liability in the funds		
		31,461
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:		
Bonds payable	(949,000)	
Accrued interest payable	<u>(8,004)</u>	<u>(957,004)</u>
Net position at December 31, 2018		<u>\$ 2,558,711</u>

See accountant's compilation report.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

Year Ended December 31, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues:				
Ad valorem taxes	\$ 54,727	\$ 66,808	\$ -	\$ 121,535
State revenue sharing	848	-	-	848
Intergovernmental	3,000	-	-	3,000
Rental income	450	-	-	450
Interest income	293	209	-	502
Other	1,550	-	-	1,550
Total revenues	<u>60,868</u>	<u>67,017</u>	<u>-</u>	<u>127,885</u>
Expenditures:				
Current -				
Culture and recreation				
Advertising	240	-	-	240
Office supplies	3,613	-	-	3,613
Professional services	24,910	-	-	24,910
Repairs and maintenance	2,793	-	-	2,793
Utilities and telephone	6,690	-	-	6,690
Capital outlay	94,971	-	68,477	163,448
Debt service -				
Interest and fees	-	25,921	-	25,921
Principal	-	57,000	-	57,000
Total expenditures	<u>133,217</u>	<u>82,921</u>	<u>68,477</u>	<u>284,615</u>
Deficiency of revenues over expenditures	(72,349)	(15,904)	(68,477)	(156,730)
Fund balances, beginning	<u>594,521</u>	<u>103,793</u>	<u>319,856</u>	<u>1,018,170</u>
Fund balances, ending	<u>\$ 522,172</u>	<u>\$ 87,889</u>	<u>\$ 251,379</u>	<u>\$ 861,440</u>

(continued)

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
Governmental Funds
Year Ended December 31, 2018

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

Total net changes in fund balance for the year ended December 31, 2018 per Revenues, Expenditures and Changes in Fund Balances	\$(156,730)
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The change in net position reported for governmental activities in the statement of activities is different because:

Some revenues reported in the governmental fund were reported as revenues in the statement of activities in a prior year	22,013
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of

Principal payment	57,000	
Change in accrued interest	<u>540</u>	57,540

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	163,448	
Depreciation expense for the year ended December 31, 2018	<u>(95,629)</u>	<u>67,819</u>

Total changes in net position for the year ended December 31, 2018 per Statement of Activities	<u>\$ (9,358)</u>
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See accountant's compilation report.

SUPPLEMENTARY INFORMATION

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Compensation Paid to Agency Head
Year Ended December 31, 2018

Act 706 of the 2014 Legislative Session amended R.S. 24:513A requiring additional disclosure of total compensation, benefits, reimbursements, or other payments made to agency head or chief officer. Expenses paid to Chairperson, Charlotte Ratcliff, for the year ended December 31, 2018 are as follows:

REQUIREMENTS OF THE
LOUISIANA GOVERNMENTAL AUDIT GUIDE

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Summary Schedule of Prior Findings
Year Ended December 31, 2018

2017-001 Inadequate segregation of accounting functions

CONDITION: Due to the small number of accounting personnel, the District did not have adequate segregation of functions within its accounting system.

RECOMMENDATION: An analysis of the benefits that would be obtained by adequately segregating functions within the accounting system and the costs to employ additional individuals to achieve adequate segregation should be performed.

CURRENT STATUS: See schedule of findings, item 2018-001.

2017-002 Noncompliance with the Louisiana Local Government Budget Act – Completion and Submission of Budget.

CONDITION: The proposed budget for the year ended December 31, 2017 was completed and submitted to the governing authority later than fifteen days prior to the beginning of the fiscal year.

RECOMMENDATION: Completion of budgets and submission to the governing authority should be completed timely to demonstrate compliance with state statutes.

CURRENT STATUS: This finding has been resolved.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Schedule of Findings
Year Ended December 31, 2018

The following finding is related to the compilation of the District's December 31, 2018 financial statements.

2018-001 Inadequate segregation of accounting functions

CONDITION: Due to the small number of accounting personnel, the District did not have adequate segregation of functions within its accounting system.

CRITERIA: A strong internal control system requires the segregation of responsibilities between different individuals responsible for separate major areas of the accounting system.

CAUSE: The failure to design and implement policies and procedures necessary to achieve adequate internal control led to this condition.

EFFECT: The likelihood that a material misstatement will not be prevented or detected and corrected on a timely basis is increased. The perpetration of fraudulent activity is easier to achieve under this condition.

RECOMMENDATION: An analysis of the benefits that would be obtained by adequately segregating functions within the accounting system and the costs to employ additional individuals to achieve adequate segregation should be performed.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Management's Corrective Action Plan for Current Year Findings
Year Ended December 31, 2018

2018-001 Inadequate segregation of accounting functions

Management's Response and Planned Corrective Action: The District is aware of the condition and has determined that based upon the size of the District and the negative cost-benefit consideration of employing additional personnel, it is not feasible to take the steps necessary to achieve complete segregation of duties.