

Bienville Parish Recreation District No. 1
Arcadia, Louisiana

Annual Financial Statements
For the Year Ended December 31, 2020

Bienville Parish Recreation District No. 1
Annual Financial Statements
As of and for the Year Ended December 31, 2020
With Supplemental Information Schedules

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Bienville Parish Recreation District No. 1
Management's Discussion and Analysis
For the Year Ended December 31, 2020

As Management of the Bienville Parish Recreation District No. 1 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District as of and for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* ("GASB No. 34") issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

The assets of the District exceeded its liabilities at December 31, 2020, by \$1,375,611 (net position).

The District's net position increased by \$50,441 as a result of this year's operations.

Total net position are comprised of the following:

Capital assets of \$847,975 which includes property and equipment, net of accumulated depreciation and related debt.

Unrestricted net position of \$527,636 represent the portion available to maintain the District's continuing obligations to citizens and creditors.

At December 31, 2020, the District's governmental funds consist solely of the District's general fund. The District's governmental funds reported a total ending fund balance of \$527,636, an increase of \$19,536 including expenditures for capital assets. The entire fund balance is unreserved available for spending at the District's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. In accordance with GASB No. 34, the District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements of the District report information about the District using accounting methods similar to those used by private sector companies. They present the financial picture of the District from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets) as well as all liabilities (including long-term obligations).

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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The *Statement of Activities* presents the current year's revenues and expenses and other information showing how the District's net position changed during the year. The change in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements are presented on pages 8 and 10 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one individual governmental fund - the general fund. The District adopts an annual appropriated budget for the general fund, and a budgetary comparison schedule is provided for the general fund to demonstrate compliance with this budget.

The governmental fund financial statements are presented on pages 8 and 10 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget presentation. The general fund's budgetary comparison schedule is included as "required supplementary information." Required supplementary information is information that the accounting rules strongly suggest be presented within the District's financial report. This schedule demonstrates compliance with the District's adopted and final revised budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District implemented the new financial reporting model used in this report beginning with the calendar year ended December 31, 2009. Over time, as we accumulate year-to-year financial information on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District as a whole.

Bienville Parish Recreation District No. 1
 Management's Discussion and Analysis
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The District's net position at December 31, 2020, are summarized as follows:

The largest components of the Districts' total assets are: (1) capital assets (e.g., land, building, and improvements and equipments, net of accumulated depreciation) of \$921,610 or 62%; (2); and receivables of \$333,936 or 23%. Of the District's total liabilities, the largest component is capital lease payable of \$73,635 or 69%.

As noted earlier, net position (total assets less total liabilities) may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the District's net position totaled \$1,375,611. A portion of the District's net position reflect its investments in capital assets (e.g., building, land, and equipment). Capital assets are non-liquid assets and cannot be utilized to satisfy the District's obligations. The unrestricted net position of the District are available for future use. The unrestricted net position is more than the total operating expenses for the fiscal year ended December 31, 2020, which indicate that the District should be able to operate for at least 12 months using its unrestricted net position.

The following is a condensed statement of the District's governmental-type activities net position as of December 31, 2020:

	<u>2020</u>	<u>2019</u>
Assets		
Current & Other Assets	\$560,758	\$529,717
Capital Assets (net)	<u>921,610</u>	<u>844,810</u>
Total Assets	<u>\$1,482,368</u>	<u>\$1,374,527</u>
Liabilities		
Other Liabilities	\$33,122	\$21,617
Capital lease payable	<u>73,635</u>	<u>27,740</u>
Total Liabilities	<u>106,757</u>	<u>49,357</u>
Net Position		
Invested in capital assets, net	847,975	817,070
Unrestricted	<u>527,636</u>	<u>508,100</u>
Total Net Position	<u>\$1,375,611</u>	<u>\$1,325,170</u>

Governmental activities increased net position by \$50,441 for the year ended December 31, 2020.

Key elements of the analysis of government-wide revenues and expenses reflect the following:

The District is heavily dependent on property taxes to support its operations. Property taxes provided 43% of the District's total revenues. The District's operations are heavily staff oriented. As a result, employee salaries and benefits make up approximately 19% of the total expenses. Operating Services expenses comprise 73% of total expenses.

The following is a summary of the governmental-type statement of activities:

	<u>2020</u>	<u>2019</u>
Revenue		
Program Revenue	\$347,770	\$344,434
General Revenue & Transfers	<u>403,707</u>	<u>315,789</u>
Total Revenue	<u>751,477</u>	<u>660,223</u>

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	<u>2020</u>	<u>2019</u>
Expenses		
Program Expenses	714,710	698,459
Total Expenses	<u>714,710</u>	<u>698,459</u>
Other financing sources	13,674	0
Increase (Decrease) in Net Position	50,441	(38,236)
Net Position, Beginning	<u>1,325,170</u>	<u>1,363,406</u>
Net Position, Ending	<u>\$1,375,611</u>	<u>\$1,325,170</u>

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial statements of the District present its General Fund. The General Fund is the District's operating fund and the source of day-to-day service delivery. As discussed, the General Fund is useful in assessing the resources available at the end of the year in comparison with upcoming requirements.

At December 31, 2020, the District's General Fund balance (total assets less total liabilities) totaled \$527,636. The District's unassigned fund balance increased by \$19,536 in 2020.

Total operating revenues reflect an 1% or \$6,571 increase in 2020 as compared to 2019.

Total operating expenses, including capital outlay, increased by 13% or \$95,603 from 2019 to 2020. The most significant increases in expenditures occurred in operating services which increased by \$35,397 and capital outlay by \$79,386.

GENERAL BUDGETARY ANALYSIS

The District employs formal budgetary integration as a management control device during the year. Budgeted amounts included in the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual (Budgetary Basis) include the original adopted budget amounts and the final amended budget amounts. Original budgets for each year are adopted on or before December 31 of the year preceding the budget year. The original budget is based on estimated revenues, estimated expenses, and other financial information known to the District at the time of the adoption of the budget. Amendments to the original budget are made throughout the year as changes in operations, in expected funding levels, and in estimated expenditures occur. The final amended budget is prepared at the time the District anticipates no additional significant increases or decreases in revenues and expenses for the year and no expected changes in operations.

The difference between the final amended budgeted revenues and actual revenues for the year ended December 31, 2020, totaled \$197,484, a positive variance. The actual expenditures were more than the final amended budgeted expenditures for the year ended December 31, 2020, by \$163,589, a 25% negative variance.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

At the end of December 31, 2020, the District had invested in various capital assets, including equipment, buildings, improvements, and land. The capital assets are summarized below:

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Depreciable Assets:	
Buildings	\$157,452
Equipment	400,317
Improvements	943,204
Land	<u>400,000</u>
Totals	1,900,973
Less Accumulated Depreciation	<u>979,363</u>
Book-Value of Depreciable Assets	<u>\$921,610</u>

ECONOMIC FACTORS AND FUTURE OUTLOOK

The District's budgeted revenues and expenditures for 2021 are comparable to 2020's actual revenues and expenditures. The District does not anticipate any changes in its day-to-day operations that will have a material effect on its 2021 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show its accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jonathan Harris, at the District's office, 400 Trails End Road, Arcadia, Louisiana 71001 or call at (318) 263-7420.

WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

Independent Auditor's Report

Board of Commissioners
Bienville Parish Recreation District No. 1
Arcadia, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of Bienville Parish Recreation District No. 1 ("District"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 5 and 20 through 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

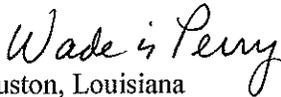
Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 28, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Ruston, Louisiana

June 28, 2021

Bienville Parish Recreation District No. 1
 Governmental Funds Balance Sheet/Statement of Net Position
 December 31, 2020

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and equivalents	\$199,981		\$199,981
Receivables	333,936		333,936
Inventory	26,841		26,841
Capital assets (net)		\$921,610	921,610
TOTAL ASSETS	<u>\$560,758</u>	<u>\$921,610</u>	<u>\$1,482,368</u>
Deferred outflows of resources	0		0
LIABILITIES			
Accounts, salaries, and other payables	\$33,122		\$33,122
Capital lease payable:			
Due in one year		\$18,837	18,837
Due in more than one year		54,798	54,798
Total Liabilities	<u>33,122</u>	<u>73,635</u>	<u>106,757</u>
Deferred inflows of resources	0		0
FUND BALANCES			
Unassigned, reported in General fund	527,636	(527,636)	0
Total Fund Balances	<u>527,636</u>	<u>(527,636)</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$560,758</u>		
NET POSITION			
Net investment in capital assets		847,975	847,975
Unrestricted		527,636	527,636
TOTAL NET POSITION		<u>\$1,375,611</u>	<u>\$1,375,611</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Recreation District No. 1
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 December 31, 2020

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances, Total governmental funds (Statement A)		\$527,636
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	\$1,900,973	
Less accumulated depreciation	<u>(979,363)</u>	921,610
Less Capital lease obligation, net		<u>(73,635)</u>
Net Position of Governmental Activities (Statement A)		<u>\$1,375,611</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Recreation District No. 1
Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balances/
Statement of Activities
For the Year Ended December 31, 2020

	General Fund	Adjustments	Statement of Activities
Expenditures/Expenses			
General government - culture and recreation:			
Personnel services	\$136,999		\$136,999
Operating services	520,857		520,857
Materials and supplies	13,513		13,513
Travel and other charges			0
Depreciation		\$43,171	43,171
Debt service	8,275	(8,105)	170
Capital outlay	139,349	(139,349)	0
Total Expenditures/Expenses	<u>818,993</u>	<u>(104,283)</u>	<u>714,710</u>
Program Revenues			
Fees, charges, and commissions	277,772		277,772
Concessions	69,998		69,998
Net Program Expense			<u>(366,940)</u>
General Revenues			
Property taxes	319,823		319,823
Use of money and property	978		978
Other revenues	4,324		4,324
Sale of capital assets/gain (loss) in disposal		78,582	78,582
Total General Revenues	<u>325,125</u>	<u>78,582</u>	<u>403,707</u>
Excess (Deficiency) of Revenues over Expenditures	(146,098)		
Other Financing Sources (Uses)			
Other financing source	54,000	(54,000)	0
Insurance proceeds	111,634	(97,960)	13,674
Total Other Financing Sources (Uses)	<u>165,634</u>	<u>(151,960)</u>	<u>13,674</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	19,536	(19,536)	
CHANGE IN NET POSITION		104,441	50,441
FUND BALANCE/NET POSITION:			
Beginning of Year	<u>508,100</u>		<u>1,325,170</u>
End of Year	<u>\$527,636</u>		<u>\$1,375,611</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Recreation District No. 1
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2020

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental funds (Statement C)	\$19,536
The fund financial statements show the capital lease as expenditure and other financing source, but capital lease is recorded as fixed asset and depreciated and a corresponding liability in the government-wide statements	(54,000)
Governmental funds are not required to report gain or loss on sale of assets.	(19,378)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$139,349) exceed depreciation (\$43,171) in the current period.	96,178
Debt service payments for principal is an expenditure in the governmental funds, but principal payments reduce long-term liabilities in the Statement of Net Position.	<u>8,105</u>
Change in Net Position of Governmental Activities (Statement C)	<u>\$50,441</u>

The accompanying notes are an integral part of this statement.

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bienville Parish Recreation District No. 1 (the District) was created by the Bienville Parish Police Jury as authorized by Louisiana Revised Statute 33:4562. The District is governed by a five member board appointed by the police jury. The District owns and operates recreational facilities and engages in activities designed to encourage recreation and promote the general health and well being of the community's youth.

A. BASIS OF PRESENTATION

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

- * A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations;
- * Financial statements prepared using full accrual accounting for all of the District's activities; and
- * A change in the fund financial statements to focus on the major funds.

B. REPORTING ENTITY

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

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

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints all board members of the District and can impose its will on the District, the District was determined to be a component unit of the Bienville Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

Governmental Funds

Governmental funds account for all or most of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District. The following are the District's governmental funds:

General Fund - The primary operating fund of the District, it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policy.

D. CAPITAL ASSETS

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. Approximately 9% of fixed assets are valued at estimated historical costs based on actual costs of like items while the remaining 91% are based on actual historical costs. The district maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets and related expenses are recorded in the Statement of Net Position and Statement of Activities, respectively, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements	20-40 years
Buildings	25 years
Equipment	5-15 years

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
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E. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations.

The amounts reflected in the General Fund of Statements A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January through the tax sale of the ensuing year. Interest income on interest bearing demand deposits is recorded at the end of the month when credited by the bank. Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Based on the above criteria, ad valorem taxes and state revenue sharing have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for compensated absences, which are recognized when paid.

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

F. CASH AND CASH EQUIVALENTS

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2020, the District has cash and cash equivalents (book balances) totaling \$199,981, as follows:

Petty cash	\$300
Demand deposits	13,230
Time deposits	<u>186,451</u>
Total	<u>\$199,981</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2020, the District has \$209,039 in deposits (collected bank balances). These deposits are secured from risk by \$209,039 of federal deposit insurance and \$0 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

G. INVENTORY

Inventory in the General Fund consists of expendable supplies held for consumption. Inventories are valued at the lower of cost (first-in, first-out) or market.

H. RISK MANAGEMENT

The District is exposed to various risk of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the District maintains commercial insurance policies covering: property and commercial general liability insurance, crime, and inland marine. Also, the District maintains director and officer liability, worker's compensation, a mobile home policy, and employers liability insurance. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amount.

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

I. FUND EQUITY

In the government wide statements, net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Proprietary fund equity is classified in the same manner as in the government-wide statements. In the fund financial statements, governmental fund equity is classified as fund balance.

The Town adopted GASB 54 in the year ended December 31, 2011. As such, fund balances of the governmental funds are classified as follow:

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.

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 laws or regulations of other governments.

Committed - amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

Assigned - amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned - all other spendable amounts.

As of December 31, 2020, fund balances are composed of the following:

	<u>General Fund</u>
Nonspendable:	
Prepaid items	\$0
Restricted:	
Other purposes	0
Unassigned	<u>527,636</u>
Total fund balances	<u>\$527,636</u>

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

J. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

2. LEVIED TAXES

The District has an authorized tax millage of 3.52 mills which is restricted by tax proposition, to operation and maintenance of the recreational facilities of the District. The tax is due to expire with the 2020 tax roll. For the year ended December 31, 2020, the District levied 3.37 mills as a result of reassessments of taxable property as required by Article 7, Section 18 of the Louisiana Constitution of 1974.

The following are the principal taxpayers for the parish and their 2020 assessed valuation (amounts expressed in thousands):

Taxpayer	Assessed Valuation	% of Total Assessed Valuation
Regency Intrastate	15,508,383	16.34%
Bear Creek Storage Co	12,068,860	12.72%
Arcadia Gas Storage LLC	7,649,004	8.06%
Haynes International Inc	5,957,099	6.28%
Tanos Exploration	5,164,720	5.44%
Total	<u>46,348,066</u>	<u>48.84%</u>

3. RECEIVABLES

The receivables of \$333,936 at December 31, 2020 consist solely of ad valorem taxes.

4. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in capital assets for the year ended December 31, 2020:

	12/31/2019 Balance	Additions	Deletions	12/31/2020 Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$400,000			\$400,000
Total capital assets not being depreciated	<u>400,000</u>	<u>0</u>	<u>0</u>	<u>400,000</u>
Capital assets being depreciated:				
Buildings	111,830	\$58,122	(\$12,500)	157,452
Improvements	956,676		(13,473)	943,203
Equipment	330,261	81,227	(11,170)	400,318
Total capital assets being depreciated	<u>1,398,767</u>	<u>139,349</u>	<u>(37,143)</u>	<u>1,500,973</u>

Bienville Parish Recreation District No. 1
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

	12/31/2018 Balance	Additions	Deletions	12/31/2019 Balance
Less:				
accumulated depreciation	953,957	43,171	(17,765)	979,363
Total capital assets being depreciated, net	\$844,810	\$96,178	(\$19,378)	\$921,610

5. LEASES

In July, 2016, the District entered into a 48-month lease for 40 golf carts. The lease requires 48 monthly payments of \$2,888 each beginning in August, 2016. In April, 2017, the District entered into a 48-month lease for 3 John Deere pieces of equipment. The lease requires 48 monthly payments of \$1,569 each beginning in April, 2017. In May, 2020, the District entered into a 48-month lease for 40 golf carts. The lease requires 48 monthly payments of \$4,088 each beginning in May, 2020. Rental expenses were \$65,853 for the year ended December 31, 2020. At December 31, 2020, the future minimum lease payments are summarized as follows:

Fiscal year ending December 31:	
2021	\$63,177
2022	49,056
2023	49,056
2024	16,352
Total minimum lease payments	\$177,641

Equipment under capital leases consists of a 2012 Dakota pull behind topdresser and a 2012 TD65 mower with a combined capitalized cost of \$32,625. Equipment under capital leases consists of a 2017 New Holland tractor and loader with a combined capitalized cost of \$30,262. Equipment under capital leases consists of 2 John Deere fairway mowers with a combined capitalized cost of \$54,000. Accumulated depreciation in the statement of financial position included \$25,035 relating to equipment under capital lease. Depreciation expense reported in the statement of activities includes \$7,792 for the equipment under capital lease.

6. LITIGATION AND CLAIMS

The District is not involved in any litigation at December 31, 2020, nor is it aware of any unasserted claims.

7. RETIREMENT PLAN

All employees of the District are eligible to be members of the eligible deferred compensation plan. This retirement plan is managed by Nationwide Retirement Solutions. The employee contribution amount for 2020 was \$8,353. The District matches the employee contribution.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 28, 2021. This date represents the date the financial statements were available to be issued. As a result of COVID-19 coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The District is closely monitoring its financial statements for 2021 impacts.

REQUIRED SUPPLEMENTAL INFORMATION

Bienville Parish Recreation District No. 1
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balances - Budget and Actual (Non-GAAP)
 For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts Cash Basis	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Program revenues:				
Fees, charges, and commissions	\$277,000	\$277,000	\$277,772	\$772
Concessions	65,000	65,000	69,998	4,998
General revenues:				
Ad valorem taxes	300,000	300,000	322,341	22,341
Use of money and property	500	500	978	478
Other revenues	1,500	1,500	4,324	2,824
Total Revenues	<u>644,000</u>	<u>644,000</u>	<u>675,413</u>	<u>31,413</u>
EXPENDITURES				
General government - culture and recreation:				
Personnel services	174,000	174,000	136,999	37,001
Operating services	428,900	428,900	509,353	(80,453)
Materials and supplies	10,000	10,000	13,513	(3,513)
Travel and other charges	3,000	3,000		3,000
Debt service			8,275	(8,275)
Capital outlay	28,000	28,000	139,349	(111,349)
Total Expenditures	<u>643,900</u>	<u>643,900</u>	<u>807,489</u>	<u>(163,589)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	100	100	(132,076)	(132,176)
Other Financing Sources (Uses)				
Other financing sources			166,071	166,071
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>166,071</u>	<u>166,071</u>
Excess (deficiency) of Revenues and other sources over expenditures and other financing uses	100	100	33,995	33,895
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>508,100</u>	<u>508,100</u>
Fund Balance (Deficit) at End of Year	<u>\$100</u>	<u>\$100</u>	<u>\$542,095</u>	<u>\$541,995</u>

Notes to the Schedule

(1) method of budgetary accounting - non-GAAP

(2) explanation of material variances - underbudgeted for capital outlay

Bienville Recreation District No. 1
Notes to the Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Non-GAAP)
For the Year Ended December 31, 2020

NOTE A - BUDGETARY POLICIES

The proposed budget for the General Fund, prepared on the cash basis of accounting, is published in the official journal at least ten days prior to the public hearing and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. A public hearing is held at the District's office for comments from taxpayers. The budget is then legally adopted by the District and amended during the year, as necessary. The budget is established and controlled by the District at the object level of expenditure. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended. All changes in the budget must be approved by the District.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the budget comparison accompanying the financial statements include the original adopted budget amount and all subsequent amendments. Encumbrance accounting is not used by the District.

NOTE B – EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

Source/inflows of resources

Actual amounts (budgetary basis) "Total Revenues" from Schedule 1.	\$675,413
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Differences - budget to GAAP:

The District budgets for property tax revenue only to the extent expected to be received, rather than on the modified accrual basis.	<u>(2,518)</u>
--	----------------

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$672,895</u>
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Uses/outflows of resources

Actual amounts (budgetary basis) "Total Expenditures" from the Schedule 1.	\$807,489
--	-----------

Differences - budget to GAAP:

The District budgets for operating expenditures only to the extent expected to be paid, rather than on the modified accrual basis.	<u>(11,504)</u>
--	-----------------

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$818,993</u>
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Bienville Parish Recreation District #1
Schedule of Compensation, Benefits and Other Payments
to Agency Head
For the Year Ended December 31, 2020

Schedule 2

Agency Head Name: Jonathan Harris

Purpose	Amount
Salary	\$57,460
Benefits-retirement	5,171
Car allowance	2,500

WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

Report on Compliance and Other Matters and on Internal Control
over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Commissioners
Bienville Recreation District No. 1
Arcadia, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities of Bienville Recreation District No. 1 ("District") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 28, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we

identified certain deficiencies in internal control that we consider to be significant deficiencies. 2020-001, 2020-002 and 2020-003.

Compliance and Other Matters

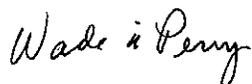
As part of obtaining reasonable assurance about whether District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2020-004.

District's Response to Findings

District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Ruston, Louisiana
June 28, 2021

Bienville Recreation District No. 1
Schedule of Findings and Responses
For the Year Ended December 31, 2020

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the general purpose financial statements of the Bienville Parish Recreation District No. 1.
2. One instance of noncompliance material to the financial statements of the Bienville Parish Recreation District No. 1 was disclosed during the audit.
3. Three significant deficiencies relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

B. Financial Statements Findings2020-001. Lack of segregation of duties

Condition: The District does not have an adequate segregation of duties regarding its accounting and reporting system to maintain a complete system of internal control. This is a repeat finding.

Criteria: Considered good business practice to have segregation of duties wherever possible.

Cause: Small district with limited personnel available

Effect: Potential misstatements in financial statements may not be detected and is at risk for fraud.

Recommendation: We recommend the District implement a system of checks and balances. Segregation of duties should include collection of monies, recording deposits in general ledger, taking deposits to the bank, preparing checks and disbursements, signing checks, mailing checks, and reconciling the bank account.

Response: Management is aware of the problem of segregation of duties and will continue to develop and implement internal control procedures to offset this inherent problem associated with being a small entity.

2020-002. Inadequate internal controls for disbursements and payroll

Condition: From the forty selected disbursements, 3 disbursements did not have supporting documentation. One disbursement was paid for a different amount than the invoice supplied for support. Twenty-four of 36 missing checks not listed in the general ledger could not be located for examination. This is a repeat finding.

Criteria: Internal controls should be set up for all areas.

Cause: All supporting documentation is not maintained in a central location.

Effect: Internal control violation and potential errors in non-payroll disbursements.

Recommendation: Maintain adequate support for all disbursements in central location.

Response: Management concurs with the recommendation and will implement as soon as possible.

2020-003. Significant deficiency in internal control over financial reporting

Condition: Management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare their annual financial statements. This condition is intentional by management based upon the District's cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. In relation to this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Some retirement and AFLAC liabilities were not paid timely. This is a repeat finding.

Criteria: Considered material weakness if entity cannot apply generally accepting accounting principles.

Cause: The District does not have staff capable of preparing report and notes and applying generally accepting accounting principles.

Effect: Potential misstatements in financial statements may not be detected

Recommendation: No recommendation is made for this deficiency. Management must determine whether the benefit from an internal control exceeds its cost, and therefore it may be impractical to correct all deficiencies.

Response: Management concurs with the recommendation and will pay all liabilities when they are due.

2020-004. Failing to comply with local budget act pursuant to R.S. 39:1310

Condition: For the year ended December 31, 2020, actual expenditures and other uses exceeded budgeted expenditures and other uses by \$163,589, or 25%.

Criteria: According to LRS 39:1310, failing to amend the budget when necessary is a violation of the local government budget act.

Cause: Management underbudgeted capital outlay.

Effect: Noncompliance with local budget law.

Recommendation: Management should monitor budget and actual figures and amend as necessary.

Response: Management concurs with the recommendation and will monitor the budget versus actual and amend as necessary.

Bienville Recreation District No. 1
Summary of Prior Year Findings
For the Year Ended December 31, 2020

2019-001. Lack of segregation of duties

Status: Unresolved - see 2020-001

2019-002. Inadequate internal controls over disbursements and payroll

Status: Partially resolved - see 2020-002

2019-003. Significant deficiency in internal control over financial reporting

Status: Unresolved - see 2020-003