

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

Financial Report

Year Ended December 31, 2021

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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 each major fund 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, 2021, 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. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The District has elected to omit substantially all 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, the 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. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any 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
May 25, 2022

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, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 61,528
Ad valorem taxes receivable	134,882
Deposits	365
Capital assets:	
Not being depreciated	345,650
Net of accumulated depreciation	<u>3,039,894</u>
Total assets	<u>3,582,319</u>
LIABILITIES	
Accounts, salaries, and other payables	8,344
Long term liabilities:	
Due within one year	65,000
Due in more than one year	<u>701,000</u>
Total liabilities	<u>774,344</u>
NET POSITION	
Net investment in capital assets	2,619,544
Restricted for debt service	87,036
Unrestricted	<u>101,395</u>
Total net position	<u>\$ 2,807,975</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, 2021

Functions/Programs	Governmental Activities
Expenses:	
Culture and recreation	\$ 181,593
Interest and fiscal charges on debt	<u>21,579</u>
Total expenses	<u>203,172</u>
Program revenues:	
Charges for services	
Facility rental	<u>1,200</u>
Net program revenue (expense)	<u>(201,972)</u>
General revenues:	
Taxes:	
Property taxes, levied for maintenance and debt service	146,317
State revenue sharing	832
Interest and investment earnings	<u>628</u>
Total general revenues	<u>147,777</u>
Change in net position	(54,195)
Net position - January 1, 2021	<u>2,862,170</u>
Net position - December 31, 2021	<u>\$ 2,807,975</u>

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.

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

Balance Sheet
Governmental Funds
December 31, 2021

	General	Debt Service	Total Governmental Funds
ASSETS			
Assets:			
Cash and interest-bearing deposits	\$ 50,805	\$ 10,723	\$ 61,528
Ad valorem tax receivable	51,621	83,261	134,882
Due from/(to) other funds	1,553	-	1,553
Deposits	365	-	365
Total assets	<u>\$ 104,344</u>	<u>\$ 93,984</u>	<u>\$ 198,328</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 1,207	\$ -	\$ 1,207
Due to other funds	-	1,553	1,553
Total liabilities	1,207	1,553	2,760
Deferred inflows of resources:			
Unavailable ad valorem tax revenues	3,344	5,395	8,739
Fund balance:			
Restricted	-	87,036	87,036
Unassigned	99,793	-	99,793
Total fund balances	99,793	87,036	186,829
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 104,344</u>	<u>\$ 93,984</u>	<u>\$ 198,328</u>

(continued)

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

Balance Sheet (continued)
Governmental Funds
December 31, 2021

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

Total fund balances for governmental funds at December 31, 2021		\$	186,829
Total net position reported for governmental activities in the statement of net 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	
Buildings and improvements, net of \$874,956 accumulated depreciation		3,039,859	
Equipment, net of \$674 accumulated depreciation		<u>35</u>	3,385,544
Deferred inflows of resources are not considered current financial resources and are reported as a liability in the funds			8,739
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	(766,000)		
Accrued interest payable	<u>(7,137)</u>		<u>(773,137)</u>
Net position at December 31, 2021		\$	<u>2,807,975</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, 2021

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Ad valorem taxes	\$ 60,827	\$ 99,059	\$ -	\$ 159,886
State revenue sharing	832	-	-	832
Rental income	1,200	-	-	1,200
Interest income	223	405	-	628
Total revenues	63,082	99,464	-	162,546
Expenditures:				
Current -				
Culture and recreation				
Insurance	6,384	-	-	6,384
Office supplies	2,354	-	-	2,354
Professional services	11,585	-	-	11,585
Repairs and maintenance	4,121	-	-	4,121
Utilities and telephone	7,706	-	-	7,706
Debt service -				
Interest and fees	-	21,915	-	21,915
Principal	-	63,000	-	63,000
Total expenditures	32,150	84,915	-	117,065
Excess of revenues over expenditures	30,932	14,549	-	45,481
Other financing sources (uses):				
Transfers in	4,178	-	-	4,178
Transfers out	-	-	(4,178)	(4,178)
Total other financing sources (uses)	4,178	-	(4,178)	-
Net change in fund balances	35,110	14,549	(4,178)	45,481
Fund balances, beginning	64,683	72,487	4,178	141,348
Fund balances, ending	\$ 99,793	\$ 87,036	\$ -	\$ 186,829

(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, 2021

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, 2021 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 45,481
The change in net position reported for governmental activities in the statement of activities is different because:		
Difference between prior year and current year revenues that were not considered available		(13,569)
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 activities.		
Principal payment	63,000	
Change in accrued interest	<u>336</u>	63,336
Depreciation expense for the year ended December 31, 2021		<u>(149,443)</u>
Total changes in net position for the year ended December 31, 2021 per Statement of Activities		<u>\$ (54,195)</u>

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, 2021

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, 2021 are as follows:

Reimbursements-Telephone	\$ 1,165
Reimbursements-Internet	<u>994</u>
	<u>\$ 2,159</u>

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, 2021

2020-001 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 2021-001.

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

Schedule of Findings
Year Ended December 31, 2021

The following finding is related to the compilation of the District's December 31, 2021 financial statements.

2021-001 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, 2021

2021-001 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.