

**RECREATION DISTRICT NO. 14
OF ST. TAMMANY PARISH**

Annual Financial Statements

December 31, 2019



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Independent Auditor's Report

To the Board of Commissioners
Recreation District No. 14 of St. Tammany Parish
Madisonville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Recreation District No. 14 of St. Tammany Parish (the District), a component unit of St. Tammany Parish, Louisiana, as of and for the year ended December 31, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Recreation District No. 14 of St. Tammany Parish, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis 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 (GASB) 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of governing board and compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (LRS) 24:513 A(3), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Recreation District No. 14 of St. Tammany Parish's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA
June 29, 2020

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH
Statement of Net Position
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 9,330,273	\$ 280,954	\$ 9,611,227
Receivables - Ad Valorem Taxes, Net of Allowance	2,899,882	-	2,899,882
Receivables - State Revenue Sharing	15,801	-	15,801
Other Assets	13,839	-	13,839
Capital Assets Being Depreciated, Net of Accumulated Depreciation	10,008,851	2,501	10,011,352
Capital Assets Not Being Depreciated	6,118,780	-	6,118,780
Total Assets	28,387,426	283,455	28,670,881
Deferred Outflows of Resources			
Loss on Refunding	282,208	-	282,208
Liabilities			
Accounts Payable	818,603	3,491	822,094
Accrued Interest	172,188	-	172,188
Capital Lease Payable			
Due Within One Year	57,539	-	57,539
Due in More than One Year	409,943	-	409,943
Certificates of Indebtedness			
Due Within One Year	125,000	-	125,000
Due in More than One Year	1,290,000	-	1,290,000
Bonds Payable			
Due Within One Year	790,000	-	790,000
Due in More than One Year	16,180,284	-	16,180,284
Total Liabilities	19,843,557	3,491	19,847,048
Net Position			
Net Investment in Capital Assets	4,814,263	2,501	4,816,764
Restricted - Debt Service	1,734,995	-	1,734,995
Unrestricted	2,276,819	277,463	2,554,282
Total Net Position	\$ 8,826,077	\$ 279,964	\$ 9,106,041

The accompanying notes are an integral part of these financial statements.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH
Statement of Activities
For the Year Ended December 31, 2019

Functional Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Recreation	\$ 2,258,183	\$ -	\$ 130,000	\$ (2,128,183)	\$ -	\$ (2,128,183)
Interest on Long-Term Debt	569,149	-	-	(569,149)	-	(569,149)
Total Governmental Activities	2,827,332	-	130,000	(2,697,332)	-	(2,697,332)
Business-Type Activities						
Recreation	630,654	671,718	-	-	41,064	41,064
Total Business-Type Activities	630,654	671,718	-	-	41,064	41,064
Total	\$ 3,457,986	\$ 671,718	\$ 130,000	(2,697,332)	41,064	(2,656,268)
General Revenues						
Taxes						
Ad Valorem Taxes				3,104,751	-	3,104,751
State Revenue Sharing				23,701	-	23,701
Interest and Investment Earnings				144,423	4,410	148,833
Miscellaneous				133,827	-	133,827
Total General Revenues				3,406,702	4,410	3,411,112
Change in Net Position				709,370	45,474	754,844
Net Position, Beginning of Year				8,116,707	234,490	8,351,197
Net Position, End of Year				\$ 8,826,077	\$ 279,964	\$ 9,106,041

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS**

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH
Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 597,165	\$ 391,808	\$ 8,341,300	\$ 9,330,273
Receivables - Ad Valorem Taxes, Net	1,471,759	1,428,123	-	2,899,882
Receivables - State Revenue Sharing	15,801	-	-	15,801
Due from Other Funds	366,103	-	-	366,103
Other Assets	13,839	-	-	13,839
Total Assets	\$ 2,464,667	\$ 1,819,931	\$ 8,341,300	\$ 12,625,898
Liabilities				
Accounts Payable	\$ 15,660	\$ -	\$ 802,943	\$ 818,603
Due to Other Funds	-	84,936	281,167	366,103
Total Liabilities	15,660	84,936	1,084,110	1,184,706
Fund Balances				
Restricted for:				
Debt Service	-	1,734,995	-	1,734,995
Construction	-	-	7,257,190	7,257,190
Unassigned	2,449,007	-	-	2,449,007
Total Fund Balances	2,449,007	1,734,995	7,257,190	11,441,192
Total Liabilities and Fund Balances	\$ 2,464,667	\$ 1,819,931	\$ 8,341,300	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	16,127,631
Long-term liabilities, including bonds and capital lease payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(18,852,766)
Losses on refunding are not available to pay for current period expenses and, therefore, are not reported in the funds.	282,208
Accrued interest and expenses associated with long-term liabilities are not reported in the governmental funds.	(172,188)
Net Position of Governmental Activities	\$ 8,826,077

The accompanying notes are an integral part of these financial statements.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Ad Valorem Taxes	\$ 1,653,670	\$ 1,451,081	\$ -	\$ 3,104,751
State Revenue Sharing	23,701	-	-	23,701
Rental Income	75,997	-	-	75,997
Advertising Income	34,400	-	-	34,400
Capital Grant	-	-	130,000	130,000
Miscellaneous	23,430	-	-	23,430
Interest and Investment Earnings	14,039	6,963	123,421	144,423
Total Revenues	1,825,237	1,458,044	253,421	3,536,702
Expenditures				
Administration	1,422,534	2,201	6,375	1,431,110
Capital Outlay	109,827	-	3,068,712	3,178,539
Debt Service - Principal	178,686	838,000	-	1,016,686
Debt Service - Interest	81,991	510,582	-	592,573
Total Expenditures	1,793,038	1,350,783	3,075,087	6,218,908
Net Change in Fund Balances	32,199	107,261	(2,821,666)	(2,682,206)
Fund Balances, Beginning of Year	2,416,808	1,627,734	10,078,856	14,123,398
Fund Balances, End of Year	\$ 2,449,007	\$ 1,734,995	\$ 7,257,190	\$ 11,441,192

The accompanying notes are an integral part of these financial statements.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH
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, 2019

Net Change in Fund Balances - Total Governmental Funds **\$ (2,682,206)**

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

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. This is the amount by which capital outlay exceeded depreciation expense in the current period. 2,351,466

The issuance of long-term debt (e.g., certificates of indebtedness, bonds, capital leases) 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. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,016,686

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 23,424

Change in Net Position of Governmental Activities **\$ 709,370**

The accompanying notes are an integral part of these financial statements.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH
Statement of Net Position
Proprietary Fund
December 31, 2019

	Programs Fund
Assets	
Current Assets	
Cash and Cash Equivalents	<u>\$ 280,954</u>
Total Current Assets	<u>280,954</u>
Non-Current Assets	
Capital Assets, Net of Accumulated Depreciation	<u>2,501</u>
Total Non-Current Assets	<u>2,501</u>
Total Assets	<u>283,455</u>
Liabilities	
Accounts Payable	<u>3,491</u>
Total Liabilities	<u>3,491</u>
Net Position	
Net Investment in Capital Assets	2,501
Unrestricted	<u>277,463</u>
Total Net Position	<u><u>\$ 279,964</u></u>

The accompanying notes are an integral part of these financial statements.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2019

	Programs Fund
Operating Revenues	
Registration Fees	\$ 458,614
Concessions	169,758
Other	43,346
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Total Operating Revenues	671,718
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Operating Expenses	
Sports Program Expenses	234,441
Officials, Coaches, and Scorers	129,030
Concessions	110,741
Uniforms	89,855
Sports Equipment	52,885
Awards	9,273
Payroll and Benefits	3,883
Depreciation	546
	<hr/>
Total Operating Expenses	630,654
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Net Operating Income	41,064
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Other Revenues (Expenses)	
Interest Income	4,410
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Total Other Revenues (Expenses)	4,410
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Change in Net Position	45,474
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Net Position, Beginning of Year	234,490
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Net Position, End of Year	\$ 279,964
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The accompanying notes are an integral part of these financial statements.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2019

	Programs Fund
Cash Flows from Operating Activities	
Receipts from Customers	\$ 676,853
Payments for Goods and Services	<u>(627,010)</u>
Net Cash Provided by Operating Activities	<u>49,843</u>
Cash Flows from Investing Activities	
Interest Received	<u>4,410</u>
Net Cash Provided by Investing Activities	<u>4,410</u>
Net Increase in Cash and Cash Equivalents	54,253
Cash and Cash Equivalents, Beginning of Year	<u>226,701</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 280,954</u></u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities	
Net Operating Income	\$ 41,064
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities	
Depreciation	546
Changes in Assets and Liabilities	
Decrease in Accounts Receivable	5,135
Increase in Accounts Payable	<u>3,098</u>
Net Cash Provided by Operating Activities	<u><u>\$ 49,843</u></u>

The accompanying notes are an integral part of these financial statements.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The mission of Recreation District No. 14 of St. Tammany Parish (the District) is to acquire, construct, operate, and maintain recreation facilities in the area of St. Tammany Parish which includes Madisonville, Louisiana. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America applicable to government entities. The following is a summary of significant accounting policies.

Reporting Entity

The District was created in 1999, by Ordinance 3017 of St. Tammany Parish (the Parish). The District is governed by a Board of Commissioners, which is appointed by the Parish. The District consists of seven Commissioners who serve staggered terms.

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.

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, established criteria for determining which component units should be considered part of St. Tammany Parish for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability.

The District is a component unit of the Parish because the Parish appoints all members of the District's Board and, as such, is financially accountable for the District. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish, the general government services provided by that governmental unit, or the governmental units that comprise the financial reporting entity.

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 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 No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999, as amended by GASB Statement No. 63 in June 2011.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds and for the proprietary funds.

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 various funds of the District are classified as governmental and proprietary. The emphasis on 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 or its total assets, liabilities, revenues, or expenditures are at least 10 percent of the corresponding total for all governmental and proprietary funds and at least 5 percent of the aggregate amount for all governmental and proprietary funds.

The District reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the District. It accounts for all the financial resources except those that are required to be accounted for in other funds.

Debt Service Fund - The Debt Service Fund accounts for proceeds of ad valorem taxes of 4.47 mills restricted for periodic payments of principal and interest on general long-term debt.

Capital Projects Fund - The Capital Projects Fund accounts for the proceeds of the 2011 certificates of indebtedness and the 2004, 2006, 2008, 2010, 2014, and 2016 general obligation bonds, which will be used for the purchase of land and construction of facilities.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports one major proprietary fund - the Programs Fund. The fund accounts for registration fees for youth and adult sports and the related expenses of providing sports activities including uniforms, officials and scorers, and equipment. The fund also accounts for sale of concessions, goods, admissions, and their related costs from all facilities' concession stands.

Measurement Focus / Basis of Accounting

The amounts reflected in the governmental fund financial statements 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 the government-wide financial statements.

The amounts reflected in the governmental fund financial statements 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 are recognized when payment is 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 government-wide financial statements are accounted for using an economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements.

Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Ad valorem taxes and state revenue sharing associated with the current fiscal period are all considered to be susceptible to accrual and, so, have been recognized as revenues of the current fiscal period.

Cash and Cash Equivalents and Investments

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents and Investments (Continued)

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at market value. At December 31, 2019, the District has no investments.

Receivables

All receivables are reported net of estimated uncollectible amounts. The allowance for uncollectibles is \$160,245, which represents 5% of the total ad valorem tax receivable at December 31, 2019. This estimate is based on the District's history of collections within this revenue stream.

Capital Assets

All capital assets of the District are recorded at historical cost in the government-wide and proprietary fund financial statements. Depreciation of all exhaustible capital assets is charged as an expense against their operations. In the governmental fund financial statements, capital assets used in the governmental fund operations are accounted for as capital outlay expenditures upon acquisition.

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. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. The District capitalizes equipment and furniture in excess of \$2,500. The following estimated useful lives and methods are used to compute depreciation:

Park, Fields, and Grounds	15 - 40 Years	Straight-Line
Furniture, Fixtures, and Equipment	5 - 15 Years	Straight-Line

Depreciation expense for the year ended December 31, 2019 amounted to \$827,073 for the governmental activities and \$545 for the business-type activities.

Internal Transactions

Outstanding balances between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The District has only one item that qualifies for reporting in this category, a deferred amount on bond refunding.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as other financing uses.

Defining Operating Revenues and Expenses

The District's proprietary fund distinguishes between operating and non-operating revenues and expenses. Operating revenues and expenses consist of charges for sports league registration, concessions, and admissions, and the costs of providing those services, including depreciation. All other revenues and expenses are reported as non-operating.

Equity Classifications

In accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended, net position is classified into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of the historical cost of capital assets, including any 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, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.

Restricted - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - All other net position is reported in this category.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Equity Classifications (Continued)

In the governmental fund financial statements, fund balances are classified as follows:

1. Restricted Fund Balance - Amounts that can be spent only for specific purposes because of enabling legislation or externally imposed conditions by grantors, creditors, or citizens.
2. Unassigned Fund Balance - All amounts not included in other spendable classifications.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position/fund balance first.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2019 consisted of demand deposits with a carrying value of \$9,611,227 and a bank balance of \$9,790,050. These deposits are stated at cost which approximates market.

Custodial Credit Risk - Deposits

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 bank. 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, 2019, the District had \$9,788,153 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and \$9,434,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 3. Ad Valorem Taxes

Ad valorem taxes to fund the operations and bond debt service of the District are levied each November 1st on the assessed value listed as of the prior January 1st for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the St. Tammany Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A re-evaluation of all property is required to be completed no less than every four years. The last re-evaluation was completed in 2016. Taxes are due and payable December 31st of the year levied.

The following is a summary of authorized and levied ad valorem taxes:

	Authorized	Levied
Construction, Operation, and Maintenance of Facilities	5.00	4.93
Payment of General Obligation Bonds	7.65	4.47

Note 4. Capital Assets

Capital assets activity for the year ended December 31, 2019 was as follows for the governmental activities:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 2,775,119	\$ -	\$ -	\$ 2,775,119
Construction in Progress	2,926,883	3,068,712	(2,651,934)	3,343,661
Total Capital Assets Not Being Depreciated	5,702,002	3,068,712	(2,651,934)	6,118,780
Capital Assets Being Depreciated				
Recreational Facilities	12,530,919	2,651,934	-	15,182,853
Equipment	1,337,462	109,827	-	1,447,289
Total Capital Assets Being Depreciated	13,868,381	2,761,761	-	16,630,142
Less Accumulated Depreciation for:				
Recreational Facilities	(5,254,891)	(719,321)	-	(5,974,212)
Equipment	(539,327)	(107,752)	-	(647,079)
Total Accumulated Depreciation	(5,794,218)	(827,073)	-	(6,621,291)
Total Capital Assets Being Depreciated - Net	8,074,163	1,934,688	-	10,008,851
Capital Assets - Net	\$ 13,776,165	\$ 5,003,400	\$ (2,651,934)	\$ 16,127,631

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 4. Capital Assets (Continued)

Capital assets activity for the year ended December 31, 2019 was as follows for the business-type activities:

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated				
Equipment	\$ 8,185	\$ -	\$ -	\$ 8,185
Less Accumulated Depreciation for:				
Equipment	(5,138)	(546)	-	(5,684)
Total Capital Assets Being Depreciated - Net	\$ 3,047	\$ (546)	\$ -	\$ 2,501

Note 5. Long-Term Debt

The following is a summary of long-term debt of the District for the year ended December 31, 2019:

<p>\$3,300,000 General Obligation Bonds dated January 1, 2010; balance due in annual principal installments, starting March 1, 2011, of \$100,000 - \$275,000, plus semi-annual interest payments through March 1, 2020, with interest at 2% to 4%.</p>	<p>\$ 165,000</p>
<p>\$4,150,000 General Obligation Bonds dated March 11, 2014; balance due in annual principal installments, starting April 1, 2017, of \$90,000 - \$325,000, plus semi-annual interest payments through April 1, 2034, with interest at 1.5% to 3.75%.</p>	<p>3,885,000</p>
<p>\$5,517,000 General Obligation Refunding Bonds dated December 2016; balance due in annual principal installments, starting April 1, 2017, of \$92,000 - \$590,000, plus semi-annual interest payments through April 1, 2029, with interest at 1.7%.</p>	<p>4,536,000</p>

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 5. Long-Term Debt (Continued)

\$7,800,000 General Obligation Bonds dated January 23, 2018; balance due in annual principal installments, starting March 1, 2020, of \$55,000 - \$1,075,000, plus semi-annual interest payments through March 1, 2038, with interest at 3% to 4%.	7,800,000
\$1,425,000 Limited Tax Certificates of Indebtedness dated September 2018; balance due in annual principal installments, starting March 1, 2019, of \$10,000 - \$160,000, plus semi-annual interest payments through March 1, 2029, with interest at 3%.	<u>1,415,000</u>
Total	17,801,000
Premium	<u>584,284</u>
Total Long-Term Debt	<u>\$ 18,385,284</u>

The following is a summary of debt transactions of the District for the year ended December 31, 2019:

	General Obligation Bonds	Certificates of Indebtedness	Total
Payable at January 1, 2019	\$ 17,224,000	\$ 1,530,000	\$ 18,754,000
Issued	-	-	-
Retired	<u>(838,000)</u>	<u>(115,000)</u>	<u>(953,000)</u>
Payable at December 31, 2019	<u>\$ 16,386,000</u>	<u>\$ 1,415,000</u>	<u>\$ 17,801,000</u>
Due Within One Year	<u>\$ 790,000</u>	<u>\$ 125,000</u>	<u>\$ 915,000</u>

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 5. Long-Term Debt (Continued)

General obligation bonds are secured by an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 39:562, the District is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property in the District. At December 31, 2019, the District had not exceeded this statutory limit.

The following is a schedule of future principal debt service requirements:

Year Ending December 31,	General Obligation Bonds		Certificates of Indebtedness		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 790,000	\$ 492,863	\$ 125,000	\$ 40,575	\$ 915,000	\$ 533,438
2021	807,000	476,258	125,000	36,825	932,000	513,083
2022	823,000	460,693	130,000	33,000	953,000	493,693
2023	838,000	444,658	135,000	29,025	973,000	473,683
2024	856,000	427,748	140,000	24,900	996,000	452,648
2025 - 2029	3,987,000	1,865,033	760,000	58,050	4,747,000	1,923,083
2030 - 2034	4,240,000	1,229,738	-	-	4,240,000	1,229,738
2035 - 2038	4,045,000	331,900	-	-	4,045,000	331,900
Total	\$ 16,386,000	\$ 5,728,891	\$ 1,415,000	\$ 222,375	\$ 17,801,000	\$ 5,951,266

Note 6. Capital Lease

The District has entered into an agreement to lease lighting for the soccer fields. The original lease was executed in February 2014, and subsequently amended in July 2015 when the District leased two additional soccer field lights. The lease was amended again in 2017 to include additional lights at the great lawn and tennis courts. The amended lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The lease, as amended, requires annual payments of \$62,200.

In 2017, the District entered into an agreement to lease golf carts. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The lease requires annual payments of \$4,715 through 2020.

In 2018, the District entered into an agreement to lease a skid loader. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The lease requires monthly payments of \$1,501 through December 2023.

The total cost of the assets recorded under capital lease was \$661,579, with accumulated depreciation of \$138,364, at December 31, 2019. Amortization expense of the leased assets for the year ended December 31, 2019 was \$58,186 and has been included in depreciation expense.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 6. Capital Lease (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019 were as follows:

Year Ending December 31,	Amount
2020	\$ 80,219
2021	80,219
2022	80,219
2023	80,219
2024	62,200
Thereafter	<u>186,603</u>
Total Minimum Lease Payments	569,679
Less: Amount Representing Interest	<u>102,197</u>
Present Value of Minimum Lease Payments	<u><u>\$ 467,482</u></u>
Due Within One Year	<u><u>\$ 57,539</u></u>

Note 7. Operating Lease

The District entered into a lease agreement to lease mowing and maintenance equipment. The lease was executed in January 2018. Annual payments are \$16,372, with the final payment due January 2020. The District made the final payment in December 2019 and purchased the leased equipment at fair market value. Total rental expense recognized under this agreement during the year ended December 31, 2019 was \$32,744.

Note 8. 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. During the year ended December 31, 2019, the District carried insurance through various commercial carriers to cover all risks of loss. The District had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 9. Interfund Receivables/Payables

The primary purpose of interfund receivables/payables is to loan monies between funds to cover current expenditures. All interfund receivables/payables are considered short-term, as they are expected to be repaid within the next fiscal year.

Note 10. Recently Issued Accounting Principles

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Management is still evaluating the potential impact of adoption on the District's financial statements. Implementation of the requirements of this statement have been delayed, and the guidance will be effective for reporting periods beginning after June 15, 2021.

Note 11. Excess Expenditures Over Appropriations

During the year ended December 31, 2019, the General Fund's actual expenditures of \$1,793,038 exceeded the budgeted expenditures of \$1,745,275, resulting in an unfavorable variance of \$47,763.

Note 12. Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the District operates. The District is currently evaluating the impact on the financial statements.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near-term as a result of these conditions.

REQUIRED SUPPLEMENTARY INFORMATION

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund
For the Year Ended December 31, 2019

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Ad Valorem Taxes	\$ 1,381,737	\$ 1,381,737	\$ 1,653,670	\$ 271,933
State Revenue Sharing	17,978	17,978	23,701	5,723
Rental Income	70,000	70,000	75,997	5,997
Advertising Income	40,000	40,000	34,400	(5,600)
Miscellaneous	235,160	235,160	23,430	(211,730)
Interest and Investment Earnings	400	400	14,039	13,639
Total Revenues	1,745,275	1,745,275	1,825,237	79,962
Expenditures				
Administration	1,572,712	1,572,712	1,422,534	150,178
Capital Outlay	74,515	74,515	109,827	(35,312)
Debt Service - Principal	52,717	52,717	178,686	(125,969)
Debt Service - Interest	45,331	45,331	81,991	(36,660)
Total Expenditures	1,745,275	1,745,275	1,793,038	(47,763)
Net Change in Fund Balance	\$ -	\$ -	32,199	\$ 32,199
Fund Balance, Beginning of Year			2,416,808	
Fund Balance, End of Year			\$ 2,449,007	

OTHER SUPPLEMENTARY INFORMATION

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH
Schedule of Governing Board
For the Year Ended December 31, 2019

<u>Board of Commissioners</u>	<u>Compensation</u>
Lloyd Ostendorf, Jr. 213 Highway 21 Madisonville, LA 70447	\$ -0-
Kenneth Dutruch 76397 Highway 1077 Folsom, LA 70437	-0-
Arthur J. Davis 800 Signet Court Covington, LA 70435	-0-
Joseph Prisco, Jr. 512 Tyler Street Covington, LA 70433	-0-
Chuck Daniel 15100 Dendinger Lane Covington, LA 70433	-0-
David Pittman 106 Post Oak Madisonville, LA 70447	-0-
David Stein 510 Joe Stein Road Madisonville, LA 70447	-0-

See independent auditor's report.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2019

Agency Head
Richard Bentley-Smith, Executive Director

Purpose	Amount
Salary	\$80,008
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$1,560
Travel	\$988
Registration Fees	\$225
Conference Travel	\$0
Continuing Professional Education Fees	\$125
Housing - Relocation Expense	\$0
Miscellaneous Expenses	\$0
Special Meals	\$0

See independent auditor's report.

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

Independent Auditor's Report

To the Board of Commissioners
Recreation District No. 14 of St. Tammany Parish
Madisonville, 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, the business-type activities, and each major fund of Recreation District No. 14 of St. Tammany Parish (the District), as of and for the year ended December 31, 2019, 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 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
June 29, 2020

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH
Schedule of Findings and Responses
For the Year Ended December 31, 2019

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None reported |
| c. Noncompliance material to the financial statements? | No |
| d. Other matter identified? | No |
| 3. Management letter comment provided? | No |

Federal Awards

Not applicable.

Part II - Findings Related to the Financial Statements

None.

Part III - Compliance and Other Matters

None.

RECREATION DISTRICT NO. 14 OF ST. TAMMANY PARISH
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2019

None.

AGREED-UPON PROCEDURES REPORT

St. Tammany Parish Recreation District No. 14

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period of January 1, 2019 through December 31, 2019

To the Board of Commissioners
St. Tammany Parish Recreation District No. 14
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable."

Management of St. Tammany Parish Recreation District No. 14 is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of St. Tammany Parish Recreation District No. 14 and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about St. Tammany Parish Recreation District No. 14's compliance with certain laws and regulations during the period of January 1, 2019 through December 31, 2019 in accordance with Act 774 of the 2014 Regular Legislative Session. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Bank Reconciliations

1. Obtain and inspect the entity's written policies and procedures over bank reconciliations and observe that they address process for addressing items outstanding for more than 12 months from the statement closing date, if applicable.

Results: The District's policy did not address process for addressing items outstanding for more than 12 months from the statement closing date.

2. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: We obtained the listing of client bank accounts for the fiscal period and managements representation that the listing is complete. No exceptions were found as a result of this procedure.

Public Bid Law

1. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: We obtained the listing of locations that process payments for the for the fiscal period and managements representation that the listing is complete. We selected the one location on the list.

2. For each location selected under #1 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete.

Results: We obtained the District's non-payroll disbursement transaction population for the location selected and managements representation that the population is complete.

3. Aggregate the disbursements by vendor and select the five vendors that were paid the most money during the fiscal period (exclude vendor payments for professional service contracts and purchases on state contract).

Results: We selected the five vendors that were paid the most money during the fiscal period.

4. Compare total payments for each vendor to the thresholds set in the Louisiana Public Bid Law (R.S. 38:2211-2296) or Procurement Code (R.S. 39:1551-39:1755), if adopted.

Results: We compared the total payments for each vendor to the thresholds.

5. For each vendor that met the legal thresholds in #4 above, obtain supporting vendor and entity documentation, and observe that purchases were bid in accordance with the Louisiana Public Bid Law or Procurement Code, if adopted.

Results: No exceptions were found as a result of this procedure.

Capital Assets

1. Obtain and inspect the entity's written policies and procedures over capital assets and observe that they address the process for tagging assets, performing an annual inventory, and disposing of assets.

Results: The District's policy did not address the criteria listed above.

2. Obtain documentation from management for the most recent capital asset inventory count in which all assets were inventoried. Observe that the inventory count was performed no more than one year ago.

Results: No exceptions were found as a result of this procedure.

3. Obtain a listing of capital assets and obtain management's representation that the listing is complete. Randomly select 25 assets from the listing, physically locate each asset, and observe that each asset is tagged and agrees to the information on the listing as to the location, description, manufacturer, model, and serial number.

Results: We obtained the listing of capital assets and managements representation that the listing is complete. All 25 items randomly selected were physically located. The District does not tag items. In addition, the listing provided only included the location and description of the item.

4. Select 10 capital assets in two physical locations (if entity has at least two physical locations) that meet the asset capitalization threshold (e.g., vehicles, office furniture, lawn mowers). Observe that each asset is tagged and trace to the listing from #3 above. Observe that each asset is included on the listing and agree the information on the listing to the location, description, manufacturer, model, and serial number of the asset.

Results: The 10 assets selected were traced to the listing from #3 above. The District does not tag items. The listing only included the location and description of the item.

Information Technology Disaster Recovery/Business Continuity

1. Obtain and inspect the entity's written policies and procedures over information technology disaster recovery/business continuity (or the equivalent contractual terms if IT services are outsourced) and observe that they address (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: No exceptions were found as a result of this procedure.

2. Perform the following sub-procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have active antivirus software and that the antivirus, operating system, and accounting system software are the most recent versions available (i.e., up-to-date).

Results: We performed the procedure and discussed the results with management. No exceptions were found as a result of this procedure.

Sexual Harassment

1. Obtain and inspect the entity's written sexual harassment policies and procedures and observe that they address all requirements of Louisiana Revised Statutes (R.S.) 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

Results: The District's policy did not address all requirements of the Statutes listed above.

2. Obtain a listing of employees/elected officials/board members employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/elected officials/board members, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/elected official/board member completed at least one hour of sexual harassment training during the calendar year.

Results: We obtained the listing of employees/elected officials/board members employed during the fiscal year and managements representation that the listing is complete. No exceptions were found as a result of this procedure.

3. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: No exceptions were found as a result of this procedure.

4. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

Results: No report was prepared for the current fiscal period.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to perform, and did not perform, an examination or review, the objective of which would be the expression of an opinion or conclusion. 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.

This report is intended solely for the use of management of St. Tammany Parish Recreation District No. 14 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
July 29, 2020



COQUILLE
PARKS & RECREATION

AUP Report Response

Bank Reconciliation

- 1) The District has researched and developed a policy. It is being presented to the Recreation District #14 Board once we resume having face-to-face meetings. Due to current restrictions from the state we are still having Virtual meetings and have been advised by the Parish to limit items on the agenda. Proposed policy is available upon request from LLA.

Capital Assets

- 1) Currently we conduct inventory on an annual basis from November to December. (Policy is below)
 - Annual inventory is done by the staff on equipment / capital assets on property
 - If equipment is replaced / upgraded the old equipment is advertised in the St Tammany Farmer for 30 days and Park accepts highest bid
 - Assets are only disposed of if deemed unrepairable
- 2)
- 3) We have already ordered tags to tag items and update our current inventory. We have created a binder on property that will maintain the inventory year-to-year physically. We have digital inventories from year's past. Inventory moving forward will reflect recommendations that are on LLA website. (Tag number; item; item description; date of purchase; cost at purchase; estimated useful life; location on property; depreciated value; date inventoried; dates disposed)

Sexual Harassment

- 1) Policy was provided to Laporte and can be provided to LLA upon request. Files are maintained on property to ensure training is done on their start date by all employees and annually by all existing employees. If any claims are made during the year they are maintained by Human Resource Department and in the employees file. No claims were made during 2019.