

*Financial Report*

*Terrebonne Parish Recreation District No. 10*  
*Theriot, Louisiana*

*December 31, 2020*

***Financial Report***

***Terrebonne Parish Recreation District No. 10***  
***Theriot, Louisiana***

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December 31, 2020

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## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 10,  
Theriot, Louisiana.

We have audited the accompanying financial statements of the governmental activities and the General Fund of Terrebonne Parish Recreation District No. 10, State of Louisiana (the "District"), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, 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 of 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 District'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 District'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 financial position of the governmental activities and the General Fund of Terrebonne Parish Recreation District No. 10 as of December 31, 2020, and the respective changes in financial position and the budgetary comparison for the General Fund 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 Management's Discussion and Analysis on pages 4 through 10, the Schedule of Changes in the District's Total OPEB Liability and Related Ratios on page 44, the Schedule of the District's Proportionate Share of Net Pension Liability (Asset) on page 45 and the Schedule of the District's Contributions on page 46 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 accompanying supplementary information on page 47 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 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2021 on our consideration of Terrebonne Parish Recreation District No. 10's internal control over financial reporting and 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 that testing and not to provide an opinion on the 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.

*Bougesin Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
May 27, 2021.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Terrebonne Parish Recreation District No. 10**

December 31, 2020

Management's Discussion and Analysis of the Terrebonne Parish Recreation District No. 10's (the "District") financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2020 by \$2,031,907 (net position), which represents a 1.82% decrease from last fiscal year's net position.

The District's revenue decreased by \$111,678 (or 18.01%) primarily due to the decreases in program, tax and intergovernmental revenues.

The District's expenses decreased \$100,023 (or 15.48%) primarily due to decreases in culture and recreation expenses.

The District did not have a deficit total fund balance.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's annual report consists of three parts: (1) management's discussion and analysis; (this section) (2) financial statements; and (3) various governmental compliance reports and schedules by certified public accountants and management.

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

The financial statements include two kinds of statements that present different views of the District:

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Activities presents information showing how the District's net position changed during each fiscal year. All changes in net position are 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 governmental activity of the District is culture and recreation.

### **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. All of the funds of the District are 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. 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. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one individual governmental fund. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 11 through 15 of this report.

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)****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. The notes to the financial statements can be found in Exhibit F of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2020, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,031,907. A large portion of the District's net position (71.55%) reflects its investment in capital assets (e.g., land; buildings; improvements; office furniture, fixtures and equipment; vehicles, machinery and equipment). Consequently, these assets are not available for future spending.

**Condensed Statements of Net Position**

	<u>December 31,</u>		<u>Dollar</u>
	<u>2020</u>	<u>2019</u>	<u>Change</u>
Current and other assets	\$ 1,122,097	\$ 1,133,097	\$(11,000)
Capital assets	1,453,876	1,488,590	(34,714)
Deferred outflows of resources	<u>21,514</u>	<u>34,886</u>	<u>(13,372)</u>
Total assets and deferred outflows of resources	<u>2,597,487</u>	<u>2,656,573</u>	<u>(59,086)</u>
Current and other liabilities	10,272	4,348	5,924
Long-term liabilities	66,142	90,098	(23,956)
Deferred inflows of resources	<u>489,166</u>	<u>492,598</u>	<u>(3,432)</u>
Total liabilities and deferred inflows of resources	<u>565,580</u>	<u>587,044</u>	<u>(21,464)</u>
Net position:			
Net invested in capital assets	1,453,876	1,488,590	(34,714)
Unrestricted	<u>578,031</u>	<u>580,939</u>	<u>(2,908)</u>
Total net position	<u>\$2,031,907</u>	<u>\$2,069,529</u>	<u>\$(37,622)</u>

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)****Governmental Activities**

Governmental activities decreased the District's net position by \$37,622. Key elements of this decrease are as follows:

**Condensed Statements of Activities**

	For the Years Ended December 31,		Dollar Change	Total Percent Change
	2020	2019		
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 1,845	\$ 57,295	\$(55,450)	-96.78%
General revenues:				
Taxes	495,218	521,521	(26,303)	-5.04%
Intergovernmental	7,917	37,909	(29,992)	-79.12%
Miscellaneous	3,569	3,502	67	1.91%
Total revenues	<u>508,549</u>	<u>620,227</u>	<u>(111,678)</u>	-18.01%
<b>Expenses:</b>				
General government	23,783	20,522	3,261	15.89%
Culture and recreation	522,388	625,672	(103,284)	-16.51%
Total expenses	<u>546,171</u>	<u>646,194</u>	<u>(100,023)</u>	-15.48%
Increase (decrease) in net position	(37,622)	(25,967)	(11,655)	44.88%
<b>Net Position:</b>				
Beginning of year	<u>2,069,529</u>	<u>2,095,496</u>	<u>(25,967)</u>	-1.24%
End of year	<u>\$2,031,907</u>	<u>\$2,069,529</u>	<u>\$(37,622)</u>	-1.82%

In 2020, the District's total revenues decreased by \$111,678 because of decreases in program, tax, and intergovernmental revenues, due to closures related to the Coronavirus (COVID-19). Also, during the year ended December 31, 2020, expenses decreased by \$100,023 primarily due to decreases in culture and recreation expenses, resulting from canceling day camp and limited pool activities during the COVID-19 pandemic.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$619,010, a decrease of \$627 compared to the prior year. The fund balance is reported as unassigned and is available for spending at the District's discretion.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the District's total fund balance is within the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. The fund balance of the District's General Fund decreased by \$627 during the current fiscal year.

### **General Fund Budgetary Highlights**

The budget was amended once during the year. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

#### **Revenues**

- Other revenues were increased \$7,560 to appropriately reflect actual revenue due to sale of land.

#### **Expenditures**

- Personal services was decreased by \$16,730 primarily due to limited pool and day camp closures caused by COVID-19.
- Repairs and maintenance was increased by \$40,000 to account for more than anticipated expenditures in the current year.

During the year, actual revenues were greater than budgetary estimates and expenditures were less than budgetary estimates. See Exhibit E for a comparison of budgeted and actual revenue and expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION****Capital Assets**

The District's net investment in capital assets for its governmental activities as of December 31, 2020, amounts to \$1,453,876 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, office furniture, fixtures and equipment as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 53,440	\$ 59,657
Construction in progress	-	23,615
Buildings	2,420,086	2,420,086
Improvements other than buildings	1,080,768	964,970
Vehicles, machinery, and equipment	621,991	613,236
Office furniture, fixtures, and equipment	<u>23,003</u>	<u>23,003</u>
Totals	<u>\$4,199,288</u>	<u>\$4,104,567</u>

Major capital asset events during the current fiscal year included the following:

- The District completed drainage improvements for Dularge ballfields.

Additional information on the District's capital assets can be found in the Note 5, Exhibit F of this report.

**Long-term Obligations**

The District reported a net pension asset of \$3,904 as of December 31, 2020 related to GASB No. 68. In 2019, the District recognized a net pension liability related to GASB No. 68 of \$15,030. Other post-employment benefit obligations decreased \$10,113 to \$55,313 as of December 31, 2020 due to changes in assumptions and other inputs. Obligations for unpaid annual leave increased \$1,187. Unpaid annual leave obligations totaled \$10,829 as of December 31, 2020.

More detailed information about the District's long-term obligations is presented in Note 7, Exhibit F of this report. This includes liabilities for compensated absences, other postemployment benefits and net pension liabilities. More detailed information about the District's other postemployment benefits is presented in Note 8, Exhibit F of this report. More detailed information about the District's net pension asset is presented in Note 9, Exhibit F of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The ad valorem tax revenue is budgeted to be consistent with past collections.
- Interest income is budgeted to be consistent with prior year.
- Continuing repairs to the District's aging properties and facilities continues to be a source of concern.
- The District purchased, in 2016, property located at the Dularge Middle School ball fields for additional parking. The additional property will require additional funds for maintenance and improvements.
- The Board is continuing the process of obtaining the property which incorporates the Crozier playground by negotiated sale or expropriation, the cost should be around \$125,000 plus legal fees.
- Air conditioning and heating equipment may need replacement in 2021. The replacement of that system will be in excess of \$50,000.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Parish Recreation District No. 10, 1657 Dr. Beatrous Road, Theriot, LA 70397.

**STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET**

**Terrebonne Parish Recreation District No. 10**

December 31, 2020

	General Fund	Adjustments (Exhibit B)	Statement of Net Position
<b>Assets</b>			
Cash	\$ 638,034	\$ -	\$ 638,034
Receivables:			
Taxes	104,835	-	104,835
Other	300	-	300
Due from other governmental units	351,922	-	351,922
Net pension asset	-	3,904	3,904
Prepaid insurance	-	23,102	23,102
Capital assets:			
Non-depreciable	-	53,440	53,440
Depreciable, net of accumulated depreciation	-	1,400,436	1,400,436
Total assets	1,095,091	1,480,882	2,575,973
<b>Deferred Outflows of Resources</b>			
Other postemployment benefits	-	14,395	14,395
Pensions	-	7,119	7,119
Total deferred outflows of resources	-	21,514	21,514
Total assets and deferred outflows of resources	1,095,091	1,502,396	2,597,487
<b>Liabilities</b>			
Accounts payables and accrued expenditures	10,272	-	10,272
Long-term liabilities:			
Due after one year	-	66,142	66,142
Total liabilities	10,272	66,142	76,414
<b>Deferred Inflows of Resources</b>			
Ad valorem taxes	465,809	-	465,809
Other postemployment benefits	-	13,356	13,356
Pensions	-	10,001	10,001
Total deferred inflows	465,809	23,357	489,166
Total liabilities and deferred inflows of resources	476,081	89,499	565,580
<b>Fund Balances/Net Position</b>			
Fund balances:			
Unassigned	619,010	(619,010)	-
Total liabilities and fund balances	\$ 1,095,091		
Net position:			
Net investment in capital assets		1,453,876	1,453,876
Unrestricted		578,031	578,031
Total net position		\$ 2,031,907	\$ 2,031,907

See notes to financial statements.



**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**Terrebonne Parish Recreation District No. 10**

December 31, 2020

<b>Fund Balances - Governmental Fund</b>		<b>\$ 619,010</b>
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 governmental funds.		
Governmental capital assets	\$ 4,199,288	
Less accumulated depreciation	<u>(2,745,412)</u>	1,453,876
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Pensions	7,119	
Other postemployment benefit obligation	<u>14,395</u>	21,514
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Prepaid insurance	23,102	
Net pension asset	<u>3,904</u>	27,006
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Other postemployment benefit obligation	(55,313)	
Compensated absences payable	<u>(10,829)</u>	(66,142)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Pensions	(10,001)	
Other postemployment benefit obligation	<u>(13,356)</u>	<u>(23,357)</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 2,031,907</u></b>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF  
GOVERNMENTAL FUND REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE**

**Terrebonne Parish Recreation District No. 10**

For the year ended December 31, 2020

	General Fund	Adjustments (Exhibit D)	Statement of Activities
<b>Revenues</b>			
Taxes	\$495,218	\$ -	\$ 495,218
Intergovernmental:			
State of Louisiana:			
State revenue sharing	7,917	-	7,917
Charges for services	1,845	-	1,845
Miscellaneous:			
Interest	1,969	-	1,969
Other	7,817	(6,217)	1,600
Total revenues	<u>514,766</u>	<u>(6,217)</u>	<u>508,549</u>
<b>Expenditures/Expenses</b>			
Current:			
General government:			
Ad valorem tax adjustment	7,254	-	7,254
Ad valorem tax deductions	16,529	-	16,529
Total general government	<u>23,783</u>	<u>-</u>	<u>23,783</u>
Culture and recreation:			
Personal services	176,581	2,691	179,272
Supplies and materials	35,926	-	35,926
Other services and charges	83,792	(410)	83,382
Repairs and maintenance	84,373	10,000	94,373
Depreciation	-	129,435	129,435
Total culture and recreation	<u>380,672</u>	<u>141,716</u>	<u>522,388</u>
Capital outlay	110,938	(110,938)	-
Total expenditures/expenses	<u>515,393</u>	<u>30,778</u>	<u>546,171</u>
<b>Net Change Fund Balance</b>	(627)	627	-
<b>Change in Net Position</b>	-	(37,622)	(37,622)
<b>Fund Balances/Net Position</b>			
Beginning of year	619,637	1,449,892	2,069,529
End of year	<u>\$619,010</u>	<u>\$1,412,897</u>	<u>\$2,031,907</u>
See notes to financial statements.			

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL  
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE TO THE STATEMENT OF ACTIVITIES**

**Terrebonne Parish Recreation District No. 10**

For the year ended December 31, 2020

**Net Change in Fund Balances - Governmental Funds** \$ (627)

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.

Capital outlay	\$ 110,938	
Depreciation expense	(129,435)	
Excess of depreciation expense over capital outlay		(18,497)

The net effect of miscellaneous transactions involving  
capital assets, such as, dispositions, trade-ins, and  
donations, is to decrease capital assets.

Disposal of capital assets		(16,217)
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Prepaid expenses reported in governmental activities are  
not financial resources and therefore are not reported  
in the governmental funds.

Prepaid insurance		410
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Long-term liabilities are not due and payable in the  
current period and therefore are not reported in the  
governmental funds.

Increase in other postemployment benefit obligations	(1,942)	
Increase in compensated absences payable	(1,187)	
Pension expense	438	
		(2,691)

**Change in Net Position of Governmental Activities** \$ (37,622)

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND**

**Terrebonne Parish Recreation District No. 10**

For the year ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<b>Revenues</b>				
Taxes	\$ 500,000	\$ 495,383	\$ 495,218	\$ (165)
Intergovernmental:				
State of Louisiana:				
State revenue sharing	7,900	7,900	7,917	17
Charges for services	1,500	1,845	1,845	-
Miscellaneous:				
Interest	2,500	2,000	1,969	(31)
Other	-	7,560	7,817	257
Total revenues	<u>511,900</u>	<u>514,688</u>	<u>514,766</u>	<u>78</u>
<b>Expenditures</b>				
Current:				
General government:				
Ad valorem tax adjustments	-	7,254	7,254	-
Ad valorem tax deductions	-	16,529	16,529	-
Total general government	<u>-</u>	<u>23,783</u>	<u>23,783</u>	<u>-</u>
Culture and recreation:				
Personal services	193,900	177,170	176,581	589
Supplies and materials	41,000	35,000	35,926	(926)
Other services and charges	91,500	94,380	83,792	10,588
Repairs and maintenance	150,000	190,000	84,373	105,627
Total culture and recreation	<u>476,400</u>	<u>496,550</u>	<u>380,672</u>	<u>115,878</u>
Capital outlay	<u>20,000</u>	<u>8,800</u>	<u>110,938</u>	<u>(102,138)</u>
Total expenditures	<u>496,400</u>	<u>529,133</u>	<u>515,393</u>	<u>13,740</u>
<b>Net Change in Fund Balance</b>	15,500	(14,445)	(627)	13,818
<b>Fund Balance</b>				
Beginning of year	<u>546,693</u>	<u>619,637</u>	<u>619,637</u>	<u>-</u>
End of year	<u>\$ 562,193</u>	<u>\$ 605,192</u>	<u>\$ 619,010</u>	<u>\$ 13,818</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Terrebonne Parish Recreation District No. 10**

December 31, 2020

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Terrebonne Parish Recreation District No. 10 (the "District") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

**a. Reporting Entity**

The District is a component unit of the Terrebonne Parish Consolidated Government (the "Parish") and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2020.

GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34* established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the District and the potential component unit.
4. Imposition of will by the District on the potential component unit.
5. Financial benefit/burden relationship between the District and the potential component unit.

The District has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b. Basis of Presentation**

The District's financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements.

**Government-wide Financial Statements:**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the District. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

**Fund Financial Statements:**

Emphasis in the fund financial statements is on the major funds in governmental categories. The daily accounts and operations of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental fund of the District:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund is always a major fund.

**c. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Government-wide Financial Statements:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Measurement Focus and Basis of Accounting (Continued)**

**Fund Financial Statements:**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current position. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2020 property taxes which are being levied to finance the 2021 budget will be recognized as revenue in 2021. The 2020 tax levy is recorded as deferred inflows of resources in the District's 2020 financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

**d. Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e. Operating Budgetary Data**

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the "Board") adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and a public hearing on the budget prior to adoption.

Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. In order to remain in compliance with State budgeting laws, the District amended its budget once during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the financial statements.

**f. Accounts Receivable**

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

**g. Prepaid Insurance**

The District has recorded prepaid insurance in its government-wide financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**h. Capital Assets**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h. Capital Assets (Continued)**

**Government-wide Financial Statements:**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more, are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	5 - 40 years
Improvements other than buildings	7 - 30 years
Autos and trucks	6 years
Machinery and equipment	5 - 20 years
Office furniture, fixtures, and equipment	5 - 12 years

**Fund Financial Statements:**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**i. Long-Term Debt**

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or governmental fund financial statements.

**Government-wide Financial Statements:**

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of compensated absences, other net postemployment benefit (OPEB) obligations and the net pension liability.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i. Long-term Debt (Continued)**

**Fund Financial Statements:**

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest reported as expenditures.

**j. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has deferred outflows of resources related to pensions.

The District reports deferred inflows of resources in the governmental fund financial statements and government-wide financial statements when resources associated with imposed non-exchange revenue transactions are received or reported as a receivable before (a) the period for which property taxes are levied; or (b) the period when resources are required to be used or when use is first permitted for all other imposed non-exchange revenues in which the enabling legislation includes time requirements. The District has deferred inflows of resources related to ad valorem taxes, pensions, and other postemployment benefits.

**k. Vacation and Sick Leave**

The District's policies regarding vacation and sick leave permits employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Employees of the District can earn 96 hours or 136 hours of vacation leave, depending on their length of employment. Accumulated vacation leave is due to the employee at the time of termination or death. The vacation policy provides that any annual leave, in excess of one year's earnings, remaining on the employee's anniversary date will be transferred to sick leave. Hours forfeited are transferred to retirement for participants of the Parochial Employees' Retirement System.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k. Vacation and Sick Leave (Continued)**

Employees of the District earn 56 hours sick leave per year and are permitted to accumulate a maximum of 480 hours. Upon retirement, sick leave is paid to employees at one half of their accumulated sick leave to a maximum of 240 hours.

**l. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana (the "System") and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**m. Other Postemployment Benefits**

In the government-wide financial statements the other postemployment benefits liability is recorded as long-term obligations.

In the governmental fund type fund financial statements other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

**n. Equity**

**Government-wide Statements:**

Equity is classified as net position and 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 that are attributable to the acquisition, construction or improvement of those assets, if any.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**n. Equity (Continued)**

**Government-wide Statements: (Continued)**

- b. Restricted net position - Consists of assets and deferred outflows of resources less liabilities and deferred inflows of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2020 and for the year then ended the District did not have or receive restricted resources.

**Fund Financial Statements:**

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the District's Board of Commissioners. Commitments may be established, modified, or rescinded only through resolutions approved by the District's Board of Commissioners.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Assigned amounts may be established, modified or rescinded by a majority vote of the District's Board of Commissioners.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**n. Equity (Continued)**

**Fund Financial Statements: (Continued)**

- e. Unassigned - all other spendable amounts.

For the classification of government fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available. The District's fund balance was classified as unassigned as of December 31, 2020.

**o. New GASB Statements**

Statement No. 95, "*Postponement for the Effective Dates of Certain Authoritative Guidance*" provides temporary relief to governments and other stockholders in light of COVID-19. That objective is accomplished by postponing the effective dates of certain statements and implementation guides to those dates reported below.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", which are superseded by this Statement. This Statement requires that interest cost incurred

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o. New GASB Statements (Continued)**

before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 90, "*Majority Equity Interest*" the primary objectives of this Statement are to improve the consistency and comparability of reporting government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. It specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as component unit. The requirements of this Statement are effective for reporting period beginning after December 15, 2020. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o. New GASB Statements (Continued)**

related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 93, "*Replacement of Interbank Offered Rates*" some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o. New GASB Statements (Continued)**

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*" provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the years beginning after June 15, 2021. Management has yet to determine the effect of this Statement on the financial statements.

**p. Subsequent Events**

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through May 27, 2021, which is the date the financial statements were available to be issued.



**Note 2 - DEPOSITS AND INVESTMENTS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

**Bank Deposits**

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Reported Amounts</u>
Cash	<u>\$653,601</u>	<u>\$638,034</u>

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District follows state law but does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. As of December 31, 2020, \$403,601 of the District's bank balance of \$653,601 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, and are deemed to be held in the District's name by state statutes.

As of December 31, 2020, cash in excess of FDIC insurance was collateralized by securities held by an unaffiliated bank for the account of the District. The GASB considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39: 1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Note 3 - PROPERTY TAXES**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A statewide reevaluation of all property is required to be completed no less than every four years. The last statewide reevaluation was completed for the list of January 1, 2020. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2020 was \$11.45 per \$1,000 of assessed valuation on property within Recreation District No. 10 for the purpose of maintaining and operating recreational facilities within the District. As indicated in Note 1c, taxes levied November 1, 2020 are for budgeted expenditures in 2021 and will be recognized as revenues in 2021. The 2020 tax assessment, less deductions for the assessor's retirement, has been reported as deferred inflows of resources as of December 31, 2020.

**Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units as of December 31, 2020 consisted of the following:

State of Louisiana:	
State revenue sharing	\$ 5,800
Terrebonne Parish Tax Collector:	
December 2020 collections remitted to the District in January, 2021:	
Ad valorem taxes	343,222
State revenue sharing	<u>2,900</u>
Total	<u><u>\$351,922</u></u>

**Note 5 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Capital assets not being depreciated:				
Land	\$ 59,657	\$ -	\$ 6,217	\$ 53,440
Construction in progress	23,615	102,183	125,798	-
Total capital assets not being depreciated	83,272	102,183	132,015	53,440
Capital assets being depreciated:				
Buildings	2,420,086	-	-	2,420,086
Improvements other than buildings	964,970	115,798	-	1,080,768
Autos and trucks	18,196	-	-	18,196
Machinery and equipment	595,040	8,755	-	603,795
Office furniture, fixtures, and equipment	23,003	-	-	23,003
Total capital assets being depreciated	4,021,295	124,553	-	4,145,848
Less accumulated depreciation for:				
Buildings	(1,679,644)	(59,163)	-	(1,738,807)
Improvements other than buildings	(526,612)	(38,856)	-	(565,468)
Autos and trucks	(18,196)	-	-	(18,196)
Machinery and equipment	(371,008)	(30,972)	-	(401,980)
Office furniture, fixtures, and equipment	(20,517)	(444)	-	(20,961)
Total accumulated depreciation	(2,615,977)	(129,435)	-	(2,745,412)
Total capital assets being depreciated, net	1,405,318	(4,882)	-	1,400,436
Total capital assets, net	\$ 1,488,590	\$ 97,301	\$ 132,015	\$ 1,453,876

In 2020, the District completed the construction project for the drainage improvement project at Dularge ballfields.

The District also purchased exercise equipment, pressure washer and ice maker during the year.

District depreciation amounting to \$129,435 was recorded as cultural and recreational expenses for 2020.

**Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenditures amounted to \$10,272 as of December 31, 2020 and consisted of invoices payable to vendors.

**Note 7 - LONG-TERM OBLIGATIONS**

The following is a summary of changes of long-term obligations of the District for the year ended December 31, 2020:

	Payable January 1, 2020	Increase/ Earned	Decrease/ Used	Payable December 31, 2020
Compensated absences	\$ 9,642	\$ 5,699	\$ (4,512)	\$ 10,829
Other postemployment benefits	65,426	-	(10,113)	55,313
Net pension liability	15,030	(15,030)	-	-
	<u>\$90,098</u>	<u>\$(9,331)</u>	<u>\$(14,625)</u>	<u>\$66,142</u>

Compensated absences are described in Note 1. Other postemployment healthcare benefits are described in Note 8.

**Note 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS**

**Plan Description**

The District administers a single employer defined benefit healthcare plan (the "Plan"). The Plan provides for the payment of medical, dental and life insurance premiums for eligible employees, retirees and their dependents as approved by the Board of Commissioners. Louisiana Revised Statute 33:5161 grants the authority to establish and amend the benefit terms and financing requirements to the Board of Commissioners. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Eligible retirees can continue their health coverage by an election at retirement. Retirees are not eligible to rejoin at any other time. For employees retiring before January 1, 2005 the District funds the entire premium for all benefits on employees retiring with at least ten years of service upon retiring from the formal retirement systems.

**Note 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Plan Description (Continued)**

District employees retiring on or after January 1, 2005 and before January 1, 2014, with at least ten years of permanent full-time creditable service with the District shall be eligible to participate in the Plan approved by the Board of Commissioners under the following vesting schedule: 11 to 15 years of service, 27.50% plus 2.75% per year; 16 to 20 years of service, 41.25% plus 3.75% per year; 21 years or more of service, 60% plus 5.00% per year of service, limited to 85% of the premium. Employees hired after December 31, 2013 with at least 30 years of permanent full-time creditable service, age 55 and 5 years of participation in the District's group health insurance plan immediately prior to retirement shall be eligible to participate in the Plan with benefits limited to 80% of premiums. A retired employee may provide dependent hospitalization coverage at applicable dependent rates. To be eligible for coverage after retirement, retired employees must be eligible for retirement under the Parochial Employees' Retirement System, see Note 9. The District currently has one active employee and no retirees in the Plan. The District does not issue a publicly available financial report on the Plan.

The District's total OPEB liability of \$55,313 was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2020.

**Funding Policy**

The District fully funds required premiums based on pay-as-you-go financing requirements. For the fiscal year 2020 the District did not pay any premiums for the retirees.

**Total OPEB Liability**

**Actuarial Assumptions and Other Inputs**

The total OPEB liability as of December 31, 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless, otherwise specified:

**Note 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Total OPEB Liability (Continued)**

**Actuarial Assumptions and Other Inputs (Continued)**

<b>Measurement Date</b>	December 31, 2020
<b>Actuarial Valuation Date</b>	January 1, 2020
<b>Inflation</b>	2.50%
<b>Salary Increases, Including Inflation</b>	3.00%
<b>Discount Rate</b>	2.00%
<b>Healthcare Cost Trend Rates</b>	Medical - 6.00% in year one decreasing in decrements of 0.50% per year until 5.00% through year five.  Dental - 3.50% in year one decreasing in decrements of 0.25% per year until 2.50% through year five.

The discount rate was based on the December 31, 2020 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Employee Mortality Tables, Generational with Projection Scale MP-2020 for males or females, as appropriate.

Mortality rates for retirees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2020 for males or females, as appropriate.

**Note 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Total OPEB Liability (Continued)**

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance as of December 31, 2019	\$65,426
Changes for the year:	
Service cost	1,626
Interest	1,874
Difference between expected and actual experience	(8,207)
Changes in assumptions and other inputs	(5,904)
Change in proportion	1,536
Benefit payments	<u>(1,038)</u>
Net changes	<u>(10,113)</u>
Balance as of December 31, 2020	<u>\$55,313</u>

**Sensitivity to Total OPEB Liability to Change in the Discount Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

	1.00% Decrease <u>(1.00%)</u>	Current Discount Rate <u>(2.00%)</u>	1.00% Increase <u>(3.00%)</u>
Total OPEB Liability	<u>\$66,566</u>	<u>\$55,313</u>	<u>\$46,656</u>

**Note 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Total OPEB Liability (Continued)**

**Sensitivity to Total OPEB Liability to Change in the Health Cost Trend Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate.

	<u>1.00%</u> <u>Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1.00%</u> <u>Increase</u>
Total OPEB Liability	<u>\$45,722</u>	<u>\$ 55,313</u>	<u>\$68,349</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2020 the District recognized OPEB expense of \$20,584. As of December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 1,260	\$ (6,825)
Change in assumptions	7,513	(6,531)
Change in proportion	<u>5,622</u>	<u>-</u>
Totals	<u>\$14,395</u>	<u>\$(13,356)</u>



**Note 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 614
2022	614
2023	2,631
2024	<u>(2,820)</u>
Total	<u>\$1,039</u>

**Note 9 - DEFINED BENEFIT PENSION PLAN**

**Plan Description.** The District contributes to Plan B of the Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Retirement System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically and other general laws of the State of Louisiana.

**Benefits Provided.** The System provides retirement, deferred retirement, disability and death benefits to employees who work at least 28 hours a week. Retirement benefits are generally equal to 2.0% of the member's final average compensation multiplied by the years of creditable service. For members hired prior to January 1, 2007 they may retire with full benefits at age 55 upon completing 30 years of service, retire at age 60 after completing 10 years of service or retire at age 65 after completing 7 years of service. For members hired after January 1, 2007 they may retire with full benefits at age 55 after completing 30 years of service, retire at age 62 after completing 10 years of service or retire at age 67 after completing 7 years of service.

**Note 9 - DEFINED BENEFIT PENSION PLAN (Continued)**

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years. During the three year period, employer contributions continue but employee contributions cease. The monthly service retirement allowance the employee would have received had the person elected to terminate is paid into the DROP Fund. The election to participate in DROP is irrevocable once participation begins. Upon termination of employment a participant in DROP may receive a lump sum equal to payments into the participant's account, an annuity or a roll over to an Individual Retirement Account. Members hired before January 1, 2007 with 5 or more years of service who become disabled may receive benefits determined in the same manner as retirement benefits. Members hired after January 1, 2007 with 7 or more years of service who become disabled may receive benefits determined in the same manner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's years of creditable service and compensation and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State Legislature.

**Contributions.** According to state statute, contributions for all employers are actuarially determined each year. For the year ending December 31, 2019, the actuarial employer contribution rate was 7.53% of member's compensation. However, the actual rate for the fiscal years ending December 31, 2020 and 2019 was 7.50%.

According to state statute, the system receives  $\frac{1}{4}$  of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Contributions to the System from the District were \$4,631 for the year ended December 31, 2020.

**Net Pension Asset.** As of December 31, 2020, the District reported an asset of \$3,904 for its proportionate share of the System's net pension asset. The net pension asset was measured as of December 31, 2019 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of December 31, 2019, the District's

**Note 9 - DEFINED BENEFIT PENSION PLAN (Continued)**

proportion was 0.053957%, which was a decrease of 0.00168% from its proportion measured as of December 31, 2018.

**Pension Expense.** For the year ended December 31, 2020, the District recognized pension expense of \$4,193.

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** As of December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 116	\$ (1,665)
Net difference between projected and actual earnings on pension plan investments	-	(8,151)
Change in proportionate share	69	(185)
Changes in assumptions	2,303	-
Contributions subsequent to the measurement date	<u>4,631</u>	<u>-</u>
	<u>\$7,119</u>	<u>\$(10,001)</u>

The District reported \$4,631 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension asset in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$(2,132)
2022	(2,326)
2023	661
2024	<u>(3,716)</u>
Total	<u>\$(7,513)</u>

**Note 9 - DEFINED BENEFIT PENSION PLAN (Continued)**

**Actuarial Assumptions.** A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2020 are as follows:

<b>Valuation Date</b>	December 31, 2019
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	4 years
<b>Investment Rate of Return</b>	6.50%, net of investment expense, including inflation.
<b>Projected Salary Increases</b>	4.25% (2.40% inflation, 1.85% merit)
<b>Mortality Rates</b>	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
<b>Cost of Living Adjustments</b>	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the Capital Asset Pricing Model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**Note 9 - DEFINED BENEFIT PENSION PLAN (Continued)**

These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% as of December 31, 2019.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2019 are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	35.00%	1.05%
Equity	52.00%	3.41%
Alternatives	11.00%	0.61%
Real assets	<u>2.00%</u>	<u>0.11%</u>
Totals	<u>100.00%</u>	5.18%
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Rate		<u>7.18%</u>

**Discount Rate.** The discount rate used to measure the collective pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Collective Net Pension (Liability) Asset to Changes in the Discount Rate.** The following presents the District's proportionate share of the collective net pension liability using the discount rate of 6.50%, as well as what the District's proportionate share of the net pension (liability) asset would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

**Note 9 - DEFINED BENEFIT PENSION PLAN (Continued)**

	1% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
District's proportionate share of the net pension asset (liability)	<u>\$20,970</u>	<u>\$3,904</u>	<u>\$(24,694)</u>

**Pension Plan Fiduciary Net Position.** The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on their financial statements for the year ended December 31, 2019. Access to the audit report can be found on the System's website, [www.persla.org](http://www.persla.org) or on the Louisiana Legislative Auditor's website, [www.lla.la.gov](http://www.lla.la.gov).

**Note 10 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the District carries commercial insurance and participates in the Parish's risk management program for general and auto liability, workers' compensation and group health. No settlements were made during the year that exceeded the District's insurance coverage. The District's premiums for general liability are based on various factors such as operations and maintenance budget, exposure and claims experience. The premiums for workers' compensation are based on a fixed percentage of payroll. The premiums for group insurance are based on a fixed rate per employee. The premiums for auto liability are based on claims experience, vehicle type, and mileage. The Parish handles all claims filed against the District. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

<u>Coverage Policy</u>	<u>Limits</u>
General Liability	\$10,000,000
Workers' Compensation	Statutory
Auto Liability	\$10,000,000

Coverage for general liability claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, \$2,252,213 as of December 31, 2019, then secondly by the District.

**Note 10 - RISK MANAGEMENT (Continued)**

The Parish is self-insured for the first \$175,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group health insurance for 2019 was \$16,375,093. Insurance contracts cover the excess liability on individual claims. There is no lifetime maximum claims limit for covered employees. Coverage for group health claim liabilities are to be funded by assets of the Parish's group health internal service fund, \$2,290,142 as of December 31, 2019, then secondly by the District.

Workers' compensation claims in excess of \$600,000 are covered under an insurance contract for claims aggregate up to limits are to be funded first by the assets of the Parish's workers' compensation internal service fund. As of December 31, 2020, the District had no claims in excess of the above coverage limits.

Expenditures for premiums paid to the Parish for insurance coverage during the year ended December 31, 2020 totaled \$38,459.

**Note 11 - COMPENSATION OF BOARD MEMBERS**

The following amounts were paid to Board Members for the year ended December 31, 2020:

<u>Board Members</u>	<u>Number of Meetings Attended</u>	<u>Per Diem</u>
Lloyd Poiencot	12	\$ 300
Arthur Bishop	12	300
Brent Rodrigue	12	300
Daniel Constant	6	150
Travis Malbrough	11	275
Lee Molaison	3	75
John Bascle	12	300
Annette Burgo	2	50
Total		<u>\$1,750</u>

**Note 12 - CONTINGENCIES**

During the year ended December 31, 2016, the District was informally notified by FEMA that it may have been over compensated for damages sustained in 2009 as a result of Hurricane Ike. The amount of the overpayment is approximately \$34,000. Through the date of this report no official demand has been received from FEMA and the District has not recognized a liability for repayment or a course of action to contest the request.

**Note 13 - STATE OF LOUISIANA TAX ABATEMENTS**

The District's ad valorem tax revenues were reduced by \$17,436 under agreements entered into by the State of Louisiana.



**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL  
OPEB LIABILITY AND RELATED RATIOS**

**Terrebonne Parish Recreation District No. 10**

For the three years ended December 31, 2020 through 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>			
Service cost	\$ 1,626	\$ 1,021	\$ 2,093
Interest	1,874	1,392	3,050
Changes of benefit terms	-	-	(45,730)
Difference between expected and actual experience	(8,207)	2,045	(452)
Changes in assumptions or other inputs	(5,904)	12,191	(3,156)
Change in proportion	1,536	5,576	-
Benefit payments	<u>(1,038)</u>	<u>(2,033)</u>	<u>(1,269)</u>
<b>Net Change in Total OPEB Liability</b>	(10,113)	20,192	(45,464)
Beginning of year	<u>65,426</u>	<u>45,234</u>	<u>90,698</u>
End of year	<u>\$ 55,313</u>	<u>\$ 65,426</u>	<u>\$ 45,234</u>
<b>Covered Employee Payroll</b>	<u>\$ 61,741</u>	<u>\$ 59,942</u>	<u>\$ 58,196</u>
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	<u>89.59%</u>	<u>109.15%</u>	<u>77.73%</u>

**Notes to Schedule**

Changes of Benefit Terms:

Effective January 1, 2019, a Medicare Advantage plan was introduced as an option for eligible retirees.

Changes of assumptions and other inputs reflected the effects of changes in the the discounts rate each period

<u>2.00%</u>	<u>2.75%</u>	<u>3.71%</u>
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The schedule is provided beginning with the District's year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY (ASSET)**

**Terrebonne Parish Recreation District No. 10**

For the six years ended December 31, 2020 through 2015

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	<u>0.0540%</u>	<u>0.0556%</u>	<u>0.0696%</u>	<u>0.0567%</u>	<u>0.0588%</u>	<u>0.0616%</u>
District's proportionate share of the net pension liability (asset)	<u>(\$3,904)</u>	<u>\$15,030</u>	<u>(\$8,763)</u>	<u>\$7,368</u>	<u>\$10,466</u>	<u>\$4,587</u>
District's covered-employee payroll	<u>\$59,942</u>	<u>\$58,196</u>	<u>\$56,502</u>	<u>\$56,502</u>	<u>\$56,502</u>	<u>\$56,502</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>-6.51%</u>	<u>25.83%</u>	<u>-15.51%</u>	<u>13.04%</u>	<u>18.52%</u>	<u>8.12%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>102.05%</u>	<u>91.93%</u>	<u>104.02%</u>	<u>95.50%</u>	<u>93.48%</u>	<u>99.89%</u>

The schedule is provided beginning with the District's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS****Terrebonne Parish Recreation District No. 10**

For the six years ended December 31, 2020 through 2015

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 4,631	\$ 4,496	\$ 4,365	\$ 4,521	\$ 4,520	\$ 5,085
Contributions in relation to the contractually required contribution	<u>(4,631)</u>	<u>(4,496)</u>	<u>(4,365)</u>	<u>(4,521)</u>	<u>(4,520)</u>	<u>(5,085)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 61,740</u>	<u>\$ 59,942</u>	<u>\$ 58,196</u>	<u>\$ 56,502</u>	<u>\$ 56,502</u>	<u>\$ 56,502</u>
Contributions as a percentage of covered - employee payroll	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>9.00%</u>

The schedule is provided beginning with the District's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

## **SUPPLEMENTARY INFORMATION**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Terrebonne Parish Recreation District No. 10**

For the year ended December 31, 2020

**Agency Head Name:** Tammy C. Knight, Director

**Purpose:**

Salary	\$ 61,740
Benefits - insurance	18,645
Benefits - retirement	4,631
Benefits - other	997
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
	<hr/>
	<b><u>\$ 86,013</u></b>

**Note:**

Tammy C. Knight is the Director for the District and functions as the Chief Executive Officer.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITOR'S 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**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 10,  
Theriot, Louisiana.

We have audited, in accordance with the 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 and each major fund of Terrebonne Parish Recreation District No. 10 (the "District") a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements and have issued our report thereon dated May 27, 2021.

**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) as a basis for designing 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 District'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 over financial reporting 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 weakness 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 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 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 results 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.

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." in a cursive script.

Certified Public Accountants.

Houma, Louisiana,  
May 27, 2021.

## **SCHEDULE OF FINDINGS AND RESPONSES**

### **Terrebonne Parish Recreation District No. 10**

For the year ended December 31, 2020

#### **Section I - Summary of Auditor's Results**

##### **a) Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified?                    ☐ Yes ☒ No
- Significant deficiency(ies) identified that are  
not considered to be a material weakness?                    ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

##### **b) Federal Awards**

Terrebonne Parish Recreation District No. 10 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2020 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

#### **Section II - Financial Statement Findings**

No financial statement findings were noted during the audit for the year ended December 31, 2020.

#### **Section III - Federal Award Findings and Questioned Costs**

Not applicable.

## **REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

### **Terrebonne Parish Recreation District No. 10**

For the year ended December 31, 2020

#### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements**

##### **Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit for the year ended December 31, 2019.

No significant deficiencies were reported during the audit for the year ended December 31, 2019.

##### **Compliance and Other Matters**

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2019.

#### **Section II - Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Recreation District No. 10 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2019 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

#### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2019.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

### **Terrebonne Parish Recreation District No. 10**

For the year ended December 31, 2020

#### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements**

##### **Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit for the year ended December 31, 2020.

No significant deficiencies were reported during the audit for the year ended December 31, 2020.

##### **Compliance and Other Matters**

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2020.

#### **Section II - Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Recreation District No. 10 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2020 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

#### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2020.