

**RECREATION DISTRICT NO. 1
OF ST. TAMMANY PARISH
MANDEVILLE, LOUISIANA**

Annual Financial Statements

December 31, 2020



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Independent Auditor's Report

To the Board of Commissioners
Recreation District No. 1 of St. Tammany Parish
Mandeville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Recreation District No. 1 of St. Tammany Parish (the District), a component unit of St. Tammany Parish, 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 - 11 and 44 and 45, respectively, and the supplementary schedules required by Governmental Accounting Standards Board Statement No. 68 on pages 46 and 47, 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 schedule of compensation paid to governing board and the schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation paid to governing board and the schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (R.S.) 24:513 A(3), are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation paid to governing board and the schedule of compensation, benefits, and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
May 10, 2021

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS**

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Management's Discussion and Analysis

This section of Recreation District No. 1 of St. Tammany Parish's (the District) financial report presents discussion and analysis of the District's financial performance during the year ended December 31, 2020. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources on December 31, 2020 by \$26,552,626 (net position). The District's net position has increased by \$1,539,665, or 6.20%, in comparison with the prior fiscal year.

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$8,004,402, a decrease of \$492,367 in comparison with the prior fiscal year. This amount includes \$1,529,675 in the District's Debt Service Fund restricted for future debt requirements, and \$2,679,554 in the Capital Projects - Construction Fund and \$2,729 in the Capital Projects - Development Fund that is assigned by the Board for current improvement projects, new pathways, paving of parking lots, insurance reserves, capital improvement reserves, and future land acquisitions. The remaining \$3,792,444 is the funding for the budget year 2021 for the operations and maintenance (O&M) in the General Fund. The General Fund/O&M is the account that pays for daily operations of the park, staffing, insurances, utilities, supplies, field and building equipment, turf supplies, etc.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statement focus is on both the District as a whole and on the major individual funds. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison, and enhance the District's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Management's Discussion and Analysis

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 private-sector business. These financial statements are reported using the full accrual accounting method. Additionally, these statements combine governmental funds' current financial resources with capital assets and long-term obligations.

The statement of net position presents information on all of the District's assets and liabilities and deferred inflows/outflows of resources, with the difference between the two 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 the most recent fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's activities upon general revenues - property taxes provided by the District's taxpayers.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. The fund financial statements are reported using the modified accrual basis of accounting.

Notes to Financial Statements

The notes to the financial statements provide required disclosures essential to the understanding of the financial statements. The notes present information about the District's accounting policies, significant account balances and activities, commitments, contingencies, and, if any, significant events.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$26,552,626 at the close of the most recent fiscal year.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Management's Discussion and Analysis

The following table reflects the condensed statements of net position for 2020 and 2019:

Condensed Statements of Net Position December 31, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Assets						
Current and Other Assets	\$ 7,848,612	\$ 8,340,635	\$ 96,909	\$ 69,759	\$ 7,945,521	\$ 8,410,394
Restricted Assets	547,383	603,258	-	-	547,383	603,258
Capital Assets, Net	24,340,099	23,091,113	-	-	24,340,099	23,091,113
Total Assets	32,736,094	32,035,006	96,909	69,759	32,833,003	32,104,765
Deferred Outflows of Resources	390,475	956,311	10,217	27,882	400,692	984,193
Liabilities						
Current Liabilities	1,339,211	1,384,610	2,403	3,195	1,341,614	1,387,805
Long-Term Liabilities	4,828,111	6,589,304	307	32,325	4,828,418	6,621,629
Total Liabilities	6,167,322	7,973,914	2,710	35,520	6,170,032	8,009,434
Deferred Inflows of Resources	496,603	64,566	14,434	1,997	511,037	66,563
Net Position						
Net Investment in Capital Assets	18,653,723	16,624,544	-	-	18,653,723	16,624,544
Restricted	1,529,675	1,592,942	-	-	1,529,675	1,592,942
Unrestricted	6,279,246	6,735,351	89,982	60,124	6,369,228	6,795,475
Total Net Position	\$ 26,462,644	\$ 24,952,837	\$ 89,982	\$ 60,124	\$ 26,552,626	\$ 25,012,961

The largest portion of the District's net position (70.3%) as of December 31, 2020 reflects the net investment in capital assets (buildings, infrastructure, machinery, and equipment). The District uses these assets to provide services to the public; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Management's Discussion and Analysis

The second largest portion of the District's net position (24%) as of December 31, 2020 is unrestricted. The unrestricted net position of \$6,369,228 includes the funding for operations, capital improvement projects, staffing, insurances, utilities, etc. All of these funds have been assigned to specific projects or budgeted for subsequent year operations by the Board of Commissioners.

The remaining portion of the District's net position of \$1,529,675 (5.8%) as of December 31, 2020 represents resources that are subject to external restrictions. These funds can only be used for debt service payments incurred and approved by the voters to repay the loans to develop and build aspects of Pelican Park, which is owned and operated by the District.

The District's current ratio compares the current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratios at year-end are as follows:

Year Ended December 31,	Ratio
2020	6.33 to 1
2019	6.49 to 1
2018	9.57 to 1
2017	8.92 to 1
2016	9.39 to 1

The District has a net investment in capital assets to provide services for its taxpayers as a portion of total net position as follows:

Year Ended December 31,	Percent
2020	70.3%
2019	66.5%
2018	56.6%
2017	57.9%
2016	56.9%

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Management's Discussion and Analysis

The following table provides a summary of the changes in net position for the year ended December 31, 2020, with comparative figures for 2019:

Condensed Statements of Changes in Net Position Years Ended December 31, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Services	\$ 196,060	\$ 256,978	\$ 353,702	\$ 444,331	\$ 549,762	\$ 701,309
Operating Grants and Contributions	23,188	-	560	-	23,748	-
Capital Grants and Contributions	1,391,937	-	-	-	1,391,937	-
General Revenues						
Ad Valorem Taxes	4,727,708	4,506,881	-	-	4,727,708	4,506,881
State Appropriations	144,839	180,789	-	-	144,839	180,789
State Revenue Sharing	61,649	63,292	-	-	61,649	63,292
Other Income	58,304	112,596	213	545	58,517	113,141
Endorsements	24,223	25,272	-	-	24,223	25,272
Earnings on Investments	36,304	121,224	211	686	36,515	121,910
Total Revenues	6,664,212	5,267,032	354,686	445,562	7,018,898	5,712,594
Expenses						
Program Expenses						
Recreation	4,942,435	4,564,206	-	-	4,942,435	4,564,206
Interest on Long-Term Debt	196,970	212,621	-	-	196,970	212,621
Sports	-	-	220,512	257,915	220,512	257,915
Enterprise	-	-	119,316	153,435	119,316	153,435
Total Expenses	5,139,405	4,776,827	339,828	411,350	5,479,233	5,188,177
Excess Before Transfers	1,524,807	490,205	14,858	34,212	1,539,665	524,417
Transfers	(15,000)	30,621	15,000	(30,621)	-	-
Increase in Net Position	1,509,807	520,826	29,858	3,591	1,539,665	524,417
Net Position, Beginning of Year	24,952,837	24,432,011	60,124	56,533	25,012,961	24,488,544
Net Position, End of Year	\$ 26,462,644	\$ 24,952,837	\$ 89,982	\$ 60,124	\$ 26,552,626	\$ 25,012,961

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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 funds 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, the 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.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$8,004,402, a decrease of \$492,367 in comparison with the prior year balance of \$8,496,769.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, assigned fund balance of the General Fund was \$3,668,481, or 45.8% of the total governmental fund balance of \$8,004,402. The General Fund decreased by \$215,821 for the year ended December 31, 2020.

The Debt Service Fund had a decrease in fund balance of \$63,267, as a result of debt service interest and principal payments exceeding ad valorem tax revenue.

Proprietary Funds

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The two proprietary funds are the Sports Fund and the Enterprise Fund.

The largest sources of proprietary income are from sports registration fees and concessions and vending, totaling \$226,483 and \$127,219, respectively. The change in net position for these two proprietary funds is consistent with prior years as excess income is transferred to the General Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Louisiana Local Government Budget Act requires that the District adopt budget amendments whenever revenue collections fail to meet projections by more than 5%; or when actual projected expenditures exceed budgeted expenditures by more than 5%; or when actual beginning fund balance fails to meet estimated beginning fund balance by more than 5% if fund balance is being used to fund current year expenditures.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Management's Discussion and Analysis

CAPITAL ASSET AND DEBT ADMINISTRATION

The District's investment in capital assets for its governmental activities as of December 31, 2020 amounts to \$24,340,099, net of accumulated depreciation. This investment in capital assets includes construction in progress, buildings, parking lots, fields, trails, pathways, vehicles, roads, well, water, and sewer, and equipment.

Major capital assets completed or in progress during the current fiscal year included the following:

Fields	\$ 1,204,800
Parking Lots	242,756
Buildings	810,813
Construction in Progress	104,436
Equipment	64,675
Well, Water, and Sewer	71,774

The District had \$4,620,000 in current and long-term general obligation bonds and \$1,065,000 in certificates of indebtedness as of December 31, 2020. The general obligation bonds are secured by an ad valorem tax levy. The District retired \$780,000 of its debt in 2020.

FUTURE ECONOMIC PLANS

The official budget for 2021 includes revenues of \$4,167,872 and expenditures of \$4,167,872.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances. Questions concerning this report or the need for financial information should be directed to RD#1 of St. Tammany Parish, Finance Department, 63350 Pelican Drive, Mandeville, LA 70448.

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

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 3,060,005	\$ 104,254	\$ 3,164,259
Restricted Cash and Cash Equivalents	547,383	-	547,383
Investments	45,827	-	45,827
Receivables - Ad Valorem Taxes, Net	4,596,964	-	4,596,964
Receivables - State Revenue Sharing	9,459	-	9,459
Receivables - Other	2,394	-	2,394
Internal Balances	10,000	(10,000)	-
Inventory	-	2,655	2,655
Prepaid Expenses	123,963	-	123,963
Capital Assets, Net of Accumulated Depreciation	24,340,099	-	24,340,099
Total Assets	32,736,094	96,909	32,833,003
Deferred Outflows of Resources			
Deferred Outflows on Pension Obligation	351,533	10,217	361,750
Deferred Outflows on Bond Refunding	38,942	-	38,942
Total Deferred Outflows of Resources	390,475	10,217	400,692
Liabilities			
Accounts Payable	99,164	496	99,660
Accrued Expenses	141,362	1,907	143,269
Deposits	61,632	-	61,632
Accrued Interest	62,053	-	62,053
Non-Current Liabilities			
Compensated Absences	106,181	-	106,181
Net Pension Liability	10,554	307	10,861
Certificates of Indebtedness			
Due Within One Year	95,000	-	95,000
Due in More than One Year	970,000	-	970,000
Bonds Payable			
Due Within One Year	880,000	-	880,000
Due in More than One Year	3,741,376	-	3,741,376
Total Liabilities	6,167,322	2,710	6,170,032
Deferred Inflows of Resources			
Deferred Inflows on Pension Obligation	496,603	14,434	511,037
Total Deferred Inflows of Resources	496,603	14,434	511,037
Net Position			
Net Investment in Capital Assets	18,653,723	-	18,653,723
Restricted - Debt Service	1,529,675	-	1,529,675
Unrestricted	6,279,246	89,982	6,369,228
Total Net Position	\$ 26,462,644	\$ 89,982	\$ 26,552,626

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

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Recreation	\$ 4,942,435	\$ 196,060	\$ 23,188	\$ 1,391,937	\$ (3,331,250)	\$ -	\$ (3,331,250)
Debt Service Interest and Fees	196,970	-	-	-	(196,970)	-	(196,970)
Total Governmental Activities	5,139,405	196,060	23,188	1,391,937	(3,528,220)	-	(3,528,220)
Business-Type Activities							
Sports	220,512	226,483	-	-	-	5,971	5,971
Enterprise	119,316	127,219	560	-	-	8,463	8,463
Total Business-Type Activities	339,828	353,702	560	-	-	14,434	14,434
Total	\$ 5,479,233	\$ 549,762	\$ 23,748	\$ 1,391,937	(3,528,220)	14,434	(3,513,786)
General Revenues							
Ad Valorem Taxes					4,727,708	-	4,727,708
State Appropriations					144,839	-	144,839
Other Income					58,304	213	58,517
State Revenue Sharing					61,649	-	61,649
Endorsements					24,223	-	24,223
Earnings on Investments					36,304	211	36,515
Transfers In (Out)					(15,000)	15,000	-
Total General Revenues and Transfers					5,038,027	15,424	5,053,451
Change in Net Position					1,509,807	29,858	1,539,665
Net Position, Beginning of Year					24,952,837	60,124	25,012,961
Net Position, End of Year					\$ 26,462,644	\$ 89,982	\$ 26,552,626

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

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS**

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Balance Sheet
Governmental Funds
December 31, 2020

	General	Capital Projects - Construction	Capital Projects - Development	Debt Service	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 348,891	\$ 2,708,385	\$ 2,729	\$ 547,383	\$ 3,607,388
Investments	45,827	-	-	-	45,827
Receivables - Ad Valorem Taxes, Net	3,614,672	-	-	982,292	4,596,964
Receivables - State Revenue Sharing	9,459	-	-	-	9,459
Receivables - Other	2,394	-	-	-	2,394
Prepaid Expenses	123,963	-	-	-	123,963
Due from Other Funds	10,000	-	-	-	10,000
Total Assets	\$ 4,155,206	\$ 2,708,385	\$ 2,729	\$ 1,529,675	\$ 8,395,995
Liabilities					
Accounts Payable	\$ 70,333	\$ 28,831	\$ -	\$ -	\$ 99,164
Accrued Expenses	141,362	-	-	-	141,362
Deposits	61,632	-	-	-	61,632
Total Liabilities	273,327	28,831	-	-	302,158
Deferred Inflows of Resources					
Unavailable Ad Valorem Taxes	89,435	-	-	-	89,435
Total Deferred Inflows of Resources	89,435	-	-	-	89,435
Fund Balances					
Nonspendable Amounts					
Not in Spendable Form	123,963	-	-	-	123,963
Restricted for Debt Service	-	-	-	1,529,675	1,529,675
Assigned	3,668,481	2,679,554	2,729	-	6,350,764
Total Fund Balances	3,792,444	2,679,554	2,729	1,529,675	8,004,402
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,155,206	\$ 2,708,385	\$ 2,729	\$ 1,529,675	\$ 8,395,995

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

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
December 31, 2020

Total Fund Balances - Governmental Funds	\$	8,004,402
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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.		24,340,099
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Deferred outflows on refunding was expensed when incurred in the governmental funds.		38,942
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Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(106,181)
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Deferred inflows of resources - unavailable ad valorem taxes are not reported on government-wide financial statements.		89,435
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Accrued interest on long-term liabilities is not reported in the governmental funds.		(62,053)
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The District follows the requirements of GASB Statement No. 68, which provides for the recognition of pension obligations. This includes the recognition of related deferred outflows and inflows.		(145,070)
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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. Those liabilities consist of:

Net Pension Liability		(10,554)
Certificates of Indebtedness		(1,065,000)
Bonds Payable		(4,621,376)
		(5,700,000)

Net Position of Governmental Activities	\$	26,462,644
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The accompanying notes are an integral part of these financial statements.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General	Capital Projects - Construction	Capital Projects - Development	Debt Service	Total Governmental Funds
Revenues					
Ad Valorem Taxes	\$ 3,728,006	\$ -	\$ -	\$ 1,006,541	\$ 4,734,547
Rental Income	196,060	-	-	-	196,060
Other Income	81,590	-	-	-	81,590
State Appropriations	144,839	-	-	-	144,839
State Revenue Sharing	61,649	-	-	-	61,649
Endorsements	24,223	-	-	-	24,223
Grants	5,078	-	-	-	5,078
Earnings on Investments	32,259	-	151	3,894	36,304
Total Revenues	4,273,704	-	151	1,010,435	5,284,290
Expenditures					
Current					
Administration	1,432,358	-	-	1,799	1,434,157
Park	1,174,597	170,818	25,645	-	1,371,060
Castine Center	392,897	-	-	-	392,897
Recreation	362,610	-	-	-	362,610
Debt Service					
Principal Retirement	-	-	-	890,000	890,000
Interest and Fiscal Charges	-	-	-	181,903	181,903
Capital Outlay	184,421	944,609	-	-	1,129,030
Total Expenditures	3,546,883	1,115,427	25,645	1,073,702	5,761,657
Excess (Deficiency) of Revenues Over Expenditures	726,821	(1,115,427)	(25,494)	(63,267)	(477,367)
Other Financing Sources (Uses)					
Proceeds from Issuance of					
Refunding Bonds	-	-	-	2,650,000	2,650,000
Payment to Escrow	-	-	-	(2,586,566)	(2,586,566)
Issuance Costs	-	-	-	(63,434)	(63,434)
Transfers In	-	927,642	-	-	927,642
Transfers Out	(942,642)	-	-	-	(942,642)
Total Other Financing Sources (Uses)	(942,642)	927,642	-	-	(15,000)
Net Change in Fund Balances	(215,821)	(187,785)	(25,494)	(63,267)	(492,367)
Fund Balances, Beginning of Year	4,008,265	2,867,339	28,223	1,592,942	8,496,769
Fund Balances, End of Year	\$ 3,792,444	\$ 2,679,554	\$ 2,729	\$ 1,529,675	\$ 8,004,402

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

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ (492,367)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>	1,274,554
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net assets.</p>	(25,568)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:</p>	
<p style="padding-left: 40px;">Change in Unavailable Ad Valorem Taxes</p>	(6,839)
<p style="padding-left: 40px;">Contributions Made to Retirement Plan by Other Governments</p>	18,110
<p>The issuance of long-term debt (e.g., bonds and certificates of indebtedness) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items:</p>	
<p style="padding-left: 40px;">Change in Interest Payable</p>	(13,268)
<p style="padding-left: 40px;">Bond Principal Payments</p>	890,000
<p style="padding-left: 40px;">Loss on Refunding</p>	(110,000)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:</p>	
<p style="padding-left: 40px;">Compensated Absences Payable</p>	(26,854)
<p style="padding-left: 40px;">Change in the Net Pension Liability and Related Deferred Amounts</p>	2,039
<p style="text-align: center;">Change in Net Position of Governmental Activities</p>	\$ 1,509,807

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

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Statement of Net Position
Proprietary Funds
December 31, 2020

	Sports Fund	Enterprise Fund	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 60,112	\$ 44,142	\$ 104,254
Inventory	-	2,655	2,655
Total Assets	60,112	46,797	106,909
Deferred Outflows of Resources			
Deferred Outflows on Pension Obligation	-	10,217	10,217
Total Deferred Outflows of Resources	-	10,217	10,217
Liabilities			
Current Liabilities			
Accounts Payable	-	496	496
Accrued Expenses	-	1,907	1,907
Due to Other Funds	10,000	-	10,000
Total Current Liabilities	10,000	2,403	12,403
Non-Current Liabilities			
Net Pension Liability	-	307	307
Total Non-Current Liabilities	-	307	307
Total Liabilities	10,000	2,710	12,710
Deferred Inflows of Resources			
Deferred Inflows on Pension Obligation	-	14,434	14,434
Total Deferred Inflows of Resources	-	14,434	14,434
Net Position			
Unrestricted	\$ 50,112	\$ 39,870	\$ 89,982

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

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Sports Fund	Enterprise Fund	Total
Operating Revenues			
Registration Fees	\$ 226,483	\$ -	\$ 226,483
Concessions and Vending	-	127,219	127,219
Earnings on Investments	-	211	211
Non-Employer Retirement Contributions	-	560	560
Other Income	213	-	213
Total Operating Revenues	226,696	127,990	354,686
Operating Expenses			
Concessions	-	119,316	119,316
Officials and Scorers	75,016	-	75,016
Other	59,940	-	59,940
Uniforms	46,482	-	46,482
Refunds	26,664	-	26,664
Awards	12,410	-	12,410
Total Operating Expenses	220,512	119,316	339,828
Net Operating Income	6,184	8,674	14,858
Transfers	15,000	-	15,000
Change in Net Position	21,184	8,674	29,858
Net Position, Beginning of Year	28,928	31,196	60,124
Net Position, End of Year	\$ 50,112	\$ 39,870	\$ 89,982

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

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Sports Fund	Enterprise Fund	Total
Cash Flows from Operating Activities			
Receipts from Customers	\$ 226,819	\$ 127,990	\$ 354,809
Payments for Goods and Services	(209,854)	(121,927)	(331,781)
Net Cash Provided by Operating Activities	<u>16,965</u>	<u>6,063</u>	<u>23,028</u>
Cash Flows from Non-Capital Financing Activities			
Transfer to Other Funds	15,000	-	15,000
Net Cash Provided by Non-Capital Financing Activities	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Net Increase in Cash and Cash Equivalents	31,965	6,063	38,028
Cash and Cash Equivalents, Beginning of Year	<u>28,147</u>	<u>38,079</u>	<u>66,226</u>
Cash and Cash Equivalents, End of Year	<u>\$ 60,112</u>	<u>\$ 44,142</u>	<u>\$ 104,254</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Net Operating Income	\$ 6,184	\$ 8,674	\$ 14,858
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities			
(Increase) Decrease in:			
Accounts Receivable	123	-	123
Inventory	-	(326)	(326)
Prepaid Expense	11,081	-	11,081
Increase (Decrease) in:			
Accrued Expenses	-	(1,711)	(1,711)
Accounts Payable	(423)	1,342	919
Due to Others	-	-	-
Pension Items	-	(1,916)	(1,916)
Net Cash Provided by Operating Activities	<u>\$ 16,965</u>	<u>\$ 6,063</u>	<u>\$ 23,028</u>

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

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The mission of Recreation District No. 1 of St. Tammany Parish (the District) is to provide recreational opportunities and facilities to the residents of the area that includes the greater Mandeville, Louisiana area. The District offers youth and adult sports leagues and programs. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America applicable to government entities. The following is a summary of significant accounting policies:

Reporting Entity

The District was created in 1975 by Ordinance 623 and re-established in 2000 by Ordinance 157 of St. Tammany Parish (the Parish). The District is governed by a Board of Commissioners (the Board) which is appointed by the Parish. The Board consists of seven commissioners who serve four-year terms.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999, as amended by GASB Statement No. 63 in June 2011.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain district functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are classified as governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all governmental and proprietary funds and at least 5% of the aggregate amount for all governmental and proprietary funds.

The District reports the following major governmental funds:

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

Debt Service Fund - The Debt Service Fund accounts for proceeds of ad valorem millage of .900 mills restricted for debt service.

Capital Projects Funds - The District reports two capital project funds as major - the *Development Fund* and the *Construction Fund*. The Capital Projects Funds are used to account for the construction of infrastructure and public works.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports two major proprietary funds. The *Sports Fund* accounts for registration fees for sports and leisure programs and the related expenses including uniforms, officials, scorers, instructors, and equipment. The *Enterprise Fund* accounts for the sale of concessions and goods and their related costs from all facilities' concession stands.

Measurement Focus/Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide financial statements.

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined, and available means collectible within the current period, or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and other general revenues.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus/Basis of Accounting (Continued)

Ad valorem taxes are considered to be collected when they are collected by the St. Tammany Parish Sheriff. Ad valorem taxes collected 60 days after year-end are recorded as a deferred inflow of resources on the governmental fund balance sheet. State revenue sharing associated with the current fiscal period is all considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues for the District's proprietary funds consist of charges to customers and users of its services. Operating expenses for the District's proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgets and Budgetary Accounting

The District adopts an annual budget for the General Fund on the cash basis of accounting. The budget is legally adopted and amended as necessary by the District. All budgeted amounts which are not expended or obligated through contracts lapse at year-end.

Cash and Cash Equivalents and Investments

Cash includes cash on hand and amounts in demand deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments, as required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, are reported at fair value.

Receivables

Ad valorem tax receivable is reported net of estimated uncollectible amounts. The allowance for uncollectible amounts was \$147,433 at December 31, 2020, which represents 3% of the total ad valorem tax receivable. This estimate is based on the District's history of collections within this revenue stream.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Internal Transactions

Outstanding balances between funds at the end of the fiscal year that are representative of lending/borrowing arrangements are referred to as “due to/from other funds.” Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Inventories and Prepaid Expenses

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include buildings, parking lots, fields, trails and pathways, vehicles, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are capitalized at historical cost, or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$2,500 or more for capitalizing equipment, furniture, and fixtures. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital outlays are recorded as expenditures in the governmental fund financial statements and as assets in the government-wide financial statements. Depreciation is recorded on general fixed assets on a government-wide basis. Capital outlays of the proprietary funds are recorded as fixed assets and depreciated over their estimated useful lives on both the fund basis and the government-wide basis.

The following estimated useful lives and methods are used to compute depreciation:

Description	Estimated Lives	Method
Buildings	25 to 40 Years	Straight-Line
Parking Lots	40 to 50 Years	Straight-Line
Fields	25 to 30 Years	Straight-Line
Trails and Pathways	40 Years	Straight-Line
Motor Vehicles	5 Years	Straight-Line
Roads	40 Years	Straight-Line
Well, Water, and Sewer	8 to 40 Years	Straight-Line
Equipment	5 to 20 Years	Straight-Line

Depreciation expense amounted to \$1,246,413 for governmental activities and \$-0- for proprietary activities for the year ended December 31, 2020.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that are reported as deferred inflows or outflows of resources: deferred amounts on bond refunding, deferred inflows/outflows of resources related to pensions, and unavailable revenue. Unavailable revenue arises only under a modified accrual basis of accounting, so it is reported only in the governmental funds balance sheet.

Compensated Absences

The District's employees earn and accrue varying amounts of vacation and sick leave each year based on years of service. At termination, employees may be paid for unused vacation, but sick leave is forfeited. At December 31, 2020, a liability of \$106,181 has been recorded in the government-wide statement of net position.

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred outflows of resources and amortized over the term of the related debt as a component of interest expense.

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

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 Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Equity Classifications

In the government-wide and proprietary fund financial statements, equity is classified as net position and displayed in three components:

1. *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 borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. *Restricted* - Net position with constraints placed on its use either by:
 - a. External groups such as creditors, grantors, contributors, citizens, or laws or regulations of other governments.
 - b. Law through constitutional provisions or enabling legislation.
3. *Unrestricted* - All other net position is reported in this category.

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

1. *Nonspendable* - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. *Restricted* - Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. *Committed* - Amounts that can be used only for specific purposes determined by formal action by board resolution. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.
4. *Assigned* - Amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes.
5. *Unassigned* - All amounts not included in other spendable classifications.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Estimates

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

Adoption of New Accounting Pronouncement

For fiscal year ended December 31, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of GASB 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The adoption of this Statement had no impact on the District's financial statements.

New Accounting Pronouncements

The GASB issued Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. 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. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of GASB 87 to reporting periods beginning after June 15, 2021.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of GASB 89 to reporting periods beginning after December 15, 2020.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements (Continued)

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The Statement amends Questions 4.3 and 4.5 of Implementation Guide 201-2. The requirements of this Statement related to the accounting and financial reporting for Internal Revenue Code Section 457 plans are effective June 15, 2021.

Note 2. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at December 31, 2020:

	Book Balance	Bank Balance
Cash on Hand	\$ 4,855	\$ 4,855
Demand Deposits	3,706,787	3,819,982
Total	\$ 3,711,642	\$ 3,824,837

These deposits are stated at cost, which approximates market.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District does not have a deposit policy for custodial credit risk. As of December 31, 2020, \$3,569,980 of the District's total bank balance of \$3,819,980 was exposed to custodial credit risk. However, these deposits are secured from risk by the pledge of securities owned by the fiscal agent bank.

Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent bank has failed to pay deposited funds upon demand.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 3. Investments

Investments of \$45,827, which are stated at market using published quotes as of December 31, 2020, consisted of \$15,000 in Series EE bonds and \$30,827 in Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in a pool of funds and, therefore, not evidenced by securities that exist in physical or book-entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with Louisiana Revised Statute (R.S.) 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- *Credit Risk:* LAMP is rated AAAm by Standard & Poor's.
- *Custodial Credit Risk:* LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- *Concentration of Credit Risk:* Pooled investments are excluded from the 5% disclosure requirement.
- *Interest Rate Risk:* LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments was 47 as of December 31, 2020.
- *Foreign Currency Risk:* Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP, and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 3. Investments (Continued)

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

Note 4. Ad Valorem Taxes

Ad valorem taxes for the operations and bond debt service of the District are normally levied each November 1st on the assessed value listed as of the prior January 1st for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the St. Tammany Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed in 2020. Taxes are due and payable on a date set by the St. Tammany Parish Assessor's Office, usually in December.

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

	Authorized Millage	Levied Millage
Operation and Maintenance	3.00	2.92
Operation and Maintenance - Special	3.50	3.43
Payment of General Obligation Bonds	N/A	0.90

Note 5. Interfund Receivables and Payables

The primary purpose of interfund receivables/payables is to loan monies between funds to cover current expenditures. Individual fund balances due from/to other funds at December 31, 2020 were as follows:

Fund	Due From	Due To
General Fund	\$ 10,000	\$ -
Sports Fund	-	10,000
Total	\$ 10,000	\$ 10,000

All interfund receivables/payables are considered short-term, as they are expected to be repaid within the next fiscal year.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 6. Capital Assets

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

Governmental Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets Not Being Depreciated					
Land - Pretty Acres	\$ 470,000	\$ -	\$ -	\$ -	\$ 470,000
Land - Phase VI	1,003,812	-	-	-	1,003,812
Land - Nature Center	781,220	-	-	-	781,220
Construction in Progress	85,473	104,436	-	(85,473)	104,436
Total Capital Assets Not Being Depreciated	2,340,505	104,436	-	(85,473)	2,359,468
Capital Assets Being Depreciated					
Buildings	12,499,167	810,813	-	-	13,309,980
Parking Lots	4,462,819	242,756	-	-	4,705,575
Fields	12,718,737	1,204,800	-	85,473	14,009,010
Trails and Pathways	704,997	-	-	-	704,997
Motor Vehicles	186,151	21,713	-	-	207,864
Roads	2,554,373	-	-	-	2,554,373
Well, Water, and Sewer	1,765,951	71,774	-	-	1,837,725
Equipment	1,288,593	64,675	(69,710)	-	1,283,558
Total Capital Assets Being Depreciated	36,180,788	2,416,531	(69,710)	85,473	38,613,082
Less Accumulated Depreciation for:					
Buildings	(5,138,252)	(342,703)	-	-	(5,480,955)
Parking Lots	(1,247,598)	(103,271)	-	-	(1,350,869)
Fields	(5,889,892)	(432,524)	-	-	(6,322,416)
Trails and Pathways	(151,866)	(17,625)	-	-	(169,491)
Motor Vehicles	(147,964)	(17,305)	-	-	(165,269)
Roads	(938,628)	(78,693)	-	-	(1,017,321)
Well, Water, and Sewer	(1,059,032)	(70,638)	-	-	(1,129,670)
Equipment	(856,948)	(183,654)	44,142	-	(996,460)
Total Accumulated Depreciation	(15,430,180)	(1,246,413)	44,142	-	(16,632,451)
Capital Assets Being Depreciated, Net	20,750,608	1,170,118	(25,568)	85,473	21,980,631
Capital Assets, Net	\$ 23,091,113	\$ 1,274,554	\$ (25,568)	\$ -	\$ 24,340,099

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 7. Long-Term Debt

The following is a summary of bond transactions of the District for the year ended December 31, 2020:

	General Obligation Bonds	Certificates of Indebtedness	Total
Payable at January 1, 2020	\$ 5,310,000	\$ 1,155,000	\$ 6,465,000
Issued	2,650,000	-	2,650,000
Retired	(3,340,000)	(90,000)	(3,430,000)
Payable at December 31, 2020	<u>\$ 4,620,000</u>	<u>\$ 1,065,000</u>	<u>\$ 5,685,000</u>
Due Within One Year	<u>\$ 880,000</u>	<u>\$ 95,000</u>	<u>\$ 975,000</u>

Bonds payable and certificates of indebtedness outstanding at December 31, 2020 are as follows:

\$4,000,000 General Obligation Revenue Bonds, dated August 1, 2011, due in 17 annual installments, due March 1, 2028, with semi-annual interest payments at 2.00% to 4.00%.	\$ 295,000
\$5,020,000 General Obligation Refunding Bonds, dated May 18, 2012, due in 10 annual installments, due March 1, 2023, with semi-annual interest payments of 2.37%. These bonds are secured by ad valorem taxes.	1,675,000
\$1,500,000 Certificates of Indebtedness, dated June 25, 2015, due in 15 annual installments, due March 1, 2030, including interest at 1.82% to 2.725%.	1,065,000
\$2,650,000 Refunding Bonds dated December 8, 2020, due in 8 annual installments, due March 1, 2028, including interest at 1.28%.	<u>2,650,000</u>
Total Debt	5,685,000
Plus: Bond Premiums	<u>1,376</u>
Total	<u><u>\$ 5,686,376</u></u>

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 7. Long-Term Debt (Continued)

During 2020, the District advance refunded the 2022 to 2028 maturities of the Series 2011 General Obligation Bonds totaling \$2,540,000. The District issued \$2,650,000 in Series 2020 Refunding Bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased and the liability has been removed. The advance refunding was undertaken to reduce the total debt service payments over eight years and to obtain an economic gain of \$190,046.

General obligation refunding bonds are secured by an annual ad valorem tax levy. In accordance with R.S. 39:562, the District is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property in the District. At December 31, 2020, the District had not exceeded this statutory limit.

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

Year Ending December 31,	General Obligation Bonds		Certificates of Indebtedness		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 880,000	\$ 109,273	\$ 95,000	\$ 26,744	\$ 975,000	\$ 136,017
2022	905,000	51,424	95,000	24,440	1,000,000	75,864
2023	925,000	33,523	100,000	22,013	1,025,000	55,536
2024	365,000	22,129	100,000	19,451	465,000	41,580
2025	370,000	17,422	105,000	16,773	475,000	34,195
2026 - 2030	1,175,000	22,770	570,000	39,385	1,745,000	62,155
Total	\$ 4,620,000	\$ 256,541	\$ 1,065,000	\$ 148,806	\$ 5,685,000	\$ 405,347

Note 8. Lease

The District has entered into a lease for land with the State of Louisiana dated September 1, 2016, for a term of ten years, which was an extension of an earlier lease. The lease is renewable every ten years, provided the District makes substantial /improvements to the park during each term. The lease is accounted for as an operating lease whereby rental payments are recorded as operating expenditures when paid. The total payment on this lease was \$10,716 for the year ended December 31, 2020. Due to the variable terms of the lease, a schedule of future maturities cannot be presented at this time.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 9. Pension Plan

Plan Description and Provisions

The District contributes to a cost-sharing, multiple-employer defined benefit pension plan administered by the Parochial Employees' Retirement System of Louisiana (PERS or the System). PERS provides retirement, disability, and death benefits to plan members and beneficiaries. PERS was established by the Louisiana Legislature as of January 1, 1953, by Act 205 of 1952. PERS is administered by a Board of Trustees consisting of seven members. Employees of the District may elect to be members of PERS Plan A

Eligibility Requirements

All permanent district employees who work at least 28 hours a week and who are paid wholly or in part from district funds shall become members on the date of employment. New employees over the age of 65 and who meet the Social Security criteria have up to 90 days from the date of hire to elect to participate.

Any member can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with a minimum of thirty (30) years of creditable service.
2. Age 62 with a minimum of ten (10) years of creditable service.
3. Age 67 with a minimum of seven (7) years of creditable service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. The surviving spouse of any member of Plan A who is eligible for normal retirement at time of death shall receive an automatic Option 2 benefit, as outlined in the statutes.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 9. Pension Plan (Continued)

Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP, in which they are enrolled for three years, and defer the receipt of benefits. During participation in the DROP, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in the DROP Fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the plan will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this plan must agree that the benefits payable to the participant are not the obligations of the State or the System, and that any returns and other rights of the plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if the member was hired prior to January 1, 2007, and has at least five years of creditable service or, if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen years, or three percent multiplied by years of service assuming continued service to age sixty.

Employer Contributions

According to state statute, contributions for the District are actuarially determined each year. For the year ended December 31, 2020, the required contribution rate for the District and the employees was 12.25% and 9.50% of covered salaries, respectively.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 9. Pension Plan (Continued)

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the District reported a liability of \$10,861 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and was determined by actuarial valuation as of that date. The District's proportion of the net pension liability 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 taxing districts, actuarially determined. At December 31, 2019, the District's proportion was 0.230710%.

For the year ended December 31, 2020, the District recognized pension expense of \$208,383. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 97,225
Changes of Assumptions	151,681	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	407,111
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	1,284	6,701
District Contributions Subsequent to the Measurement Date	208,785	-
Total	<u>\$ 361,750</u>	<u>\$ 511,037</u>

In the year ending December 31, 2021, \$208,765 reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date will be recognized. Other amounts reported as deferred inflows of resources and deferred outflows of resources will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2021	\$ (80,670)
2022	(102,839)
2023	8,724
2024	<u>(183,287)</u>
Total	<u>\$ (358,072)</u>

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 9. Pension Plan (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining net pension liability as of December 31, 2020 are as follows:

Valuation Date	December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Return	6.50% (Net of Investment Expense)
Expected Remaining Service Lives	4 Years
Projected Salary Increases	4.75% (2.35% Merit / 2.40% Inflation)
Cost-of-Living Adjustments	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.
Mortality	The Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees was used for annuitants and beneficiaries. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees was used. For disabled annuitants, the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees was used. These mortality tables were multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

The discount rate used to measure the total pension liability was 6.50% for Plan A. 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 calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement System's 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.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 9. Pension Plan (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM 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. 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 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 6.50% for the year ended 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 summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real Assets	2%	0.11%
	<u>100%</u>	<u>5.18%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Normal Return		<u><u>7.18%</u></u>

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the District using the discount rate of 6.50% as well as what the asset or liability 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:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 1,173,828</u>	<u>\$ 10,861</u>	<u>\$ (963,683)</u>

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH

Notes to Financial Statements

Note 10. Interfund Transfers

Operating transfers between funds occur to provide reimbursement of certain operating costs and are not expected to be repaid. Transfers between funds during 2020 occurred as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 942,642
Capital Projects - Construction	927,642	-
Sports Fund	15,000	-
Total	\$ 942,642	\$ 942,642

Note 11. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2020, the District carried insurance through various commercial carriers to cover all risks of loss. The District had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

Note 12. Contingency

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

Note 13. Subsequent Event

On January 21, 2021, the District sold 45.39 acres of land to the St. Tammany Parish Government in the amount of \$567,400.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual (Cash Basis) - General Fund
For the Year Ended December 31, 2020

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes, Interest, and Revenue Sharing	\$ 3,619,074	\$ 3,619,074	\$ 3,601,674	\$ (17,400)
Castine Center	360,758	360,758	340,899	(19,859)
Endorsements and Other Income	28,889	28,889	5,078	(23,811)
Recreation	122,375	122,375	81,590	(40,785)
Concessions and Vending	53,503	53,503	24,223	(29,280)
Total Revenues	4,184,599	4,184,599	4,053,464	(131,135)
Expenditures				
Administration	1,910,293	1,910,293	1,410,096	500,197
Castine Center	433,447	433,447	381,913	51,534
Park	1,404,854	1,404,854	1,162,362	242,492
Recreation	436,005	436,005	357,705	78,300
Capital Outlay	-	-	184,421	(184,421)
Total Expenditures	4,184,599	4,184,599	3,496,497	688,102
Excess of Revenues Over Expenditures	-	-	556,967	556,967
Other Financing Uses				
Transfers Out	-	-	(942,642)	(942,642)
Net Change in Fund Balance	\$ -	\$ -	(385,675)	\$ (385,675)
Fund Balance, Beginning of Year			780,393	
Fund Balance, End of Year			\$ 394,718	

See independent auditor's report.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual (Cash Basis) - General Fund (Continued)
For the Year Ended December 31, 2020

Cash Basis Budget to Modified Accrual Basis Reconciliation

The schedule of revenues, expenditures, and changes in fund balance - budget and actual presents comparisons of the legally adopted original budget and final budget (cash basis) with actual data on a cash basis. In the General Fund, accounting principles applied for purposes of developing data on the budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). A reconciliation of this basis and timing differences is presented below:

Net Change in Fund Balance (Cash Basis)	\$ (385,675)
Adjustments:	
To Adjust Revenues and Expenses for Accruals and Prepaid Expenses	<u>169,854</u>
Net Change in Fund Balance (Modified Accrual Basis)	<u><u>\$ (215,821)</u></u>

See independent auditor's report.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Schedule of Proportionate Share of the Net
Pension Liability
For the Year Ended December 31, 2020

	2020	2019	2018	2017	2016	2015
Employer's Portion of the Net Pension Liability (Asset)	0.230710%	0.235461%	0.230487%	0.243934%	0.206252%	0.221200%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 10,861	\$ 1,045,060	\$ (171,078)	\$ 502,385	\$ 542,915	\$ 60,487
Employer's Covered-Employee Payroll	\$ 1,438,164	\$ 1,447,520	\$ 1,418,691	\$ 1,446,658	\$ 1,151,248	\$ 1,255,588
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0.76%	72.20%	-12.06%	34.73%	47.16%	4.82%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	99.88%	88.86%	101.97%	94.15%	92.23%	99.89%

The amounts presented have a measurement date of the previous fiscal year.

GASB 68 requires this schedule to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Schedule of Contributions to Defined Benefit Pension Plan
For the Year Ended December 31, 2020

	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 208,785	\$ 165,389	\$ 166,465	\$ 177,336	\$ 188,066	\$ 166,931
Contributions in Relation to the Contractually Required Contribution	(208,785)	(165,389)	(166,465)	(177,336)	(188,066)	(166,931)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's Covered-Employee Payroll	\$ 1,704,367	\$ 1,438,164	\$ 1,447,520	\$ 1,418,691	\$ 1,446,658	\$ 1,151,248
Contributions as a Percentage of Covered- Employee Payroll	12.25%	11.50%	11.50%	12.50%	13.00%	14.50%

GASB 68 requires this schedule to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Schedule of Compensation Paid to Governing Board
For the Year Ended December 31, 2020

Board of Commissioners	Term Expiration	Compensation
Nixon Adams, Chairman 250 Dona Drive Mandeville, LA 70448 (985) 626-4888	December 31, 2020	None
Majure B. Savell, Vice Chairman 104 Dianna Court Covington, LA 70433 (504) 913-1903	December 31, 2020	None
William Matthews, 386 Red Maple Drive Mandeville, LA 70448 (985) 727-9880	December 31, 2020	None
Shearn Lemoine 1896 N. Causeway Boulevard Mandeville, LA 70471 (985) 502-1614	December 31, 2020	None
John Neill 1798 Culver Court Mandeville, LA 70448 (504) 236-9363	December 31, 2020	None
DeShea Richardson 532 Girod Street Mandeville, LA 70448 (985) 727-7348	December 31, 2020	None
Rick Danielson 209 Lamarque Street Mandeville, LA 70471 (985) 264-7285	December 31, 2020	None

See independent auditor's report.

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2020

Agency Head
 Margie Lewis, Director

Purpose	Amount
Salary	\$93,046
Benefits - Insurance *	\$7,870
Benefits - Retirement *	\$11,398
Benefits - Other *	\$404
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$1,109
Continuing Professional Education Fees	\$0
Housing	\$0
Moving Expense Reimbursement	\$5,000
Special Meals	\$39
Other - Phone Provided by District	\$564

* Insurance, retirement, and other benefits provided to all employees of the District.

See independent auditor's report.

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

To the Board of Commissioners
Recreation District No. 1 of St. Tammany Parish
Mandeville, 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, the business-type activities, and each major fund of Recreation District No. 1 of St. Tammany Parish (the District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 10, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Covington, LA
May 10, 2021

RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH
Schedule of Findings and Responses
For the Year Ended December 31, 2020

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | No |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

Not applicable.

Part II - Findings Related to the Financial Statements

None.

Part III - Federal Award Findings

Not applicable.