

Ward 9 Recreation District

Rapides Parish, Louisiana

**Annual Financial Report
For the Year Ended December 31, 2020**



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Independent Auditors' Report

June 25, 2021

To the Board of Commissioners
Ward 9 Recreation District
Rapides Parish, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Ward 9 Recreation District, a component unit of the Rapides Parish Police Jury, 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, and each major fund of the Ward 9 Recreation District, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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REQUIRED SUPPLEMENTAL INFORMATION

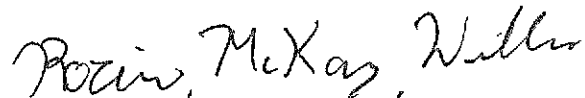
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information described in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the 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 SUPPLEMENTAL INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Recreation District's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is supplemental other information presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This supplemental 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 other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021, on our consideration of the Ward 9 Recreation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ward 9 Recreation District's internal control over financial reporting and compliance.



ROZIER, MCKAY & WILLIS
Certified Public Accountants

Ward 9 Recreation District **Rapides Parish, Louisiana**

Management's Discussion and Analysis **December 31, 2020**

This section of the Ward 9 Recreation District's annual financial report presents our discussion and analysis of the District's financial performance.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the District's financial position and results of operations from differing perspectives, which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the District's assets and all of the District's liabilities (including long-term debt). Expenses incurred in connection with the operation and maintenance of the District's recreational facilities are reported as governmental activities. The governmental activities are financed by taxes, proceeds from debt and investment income.

Fund Financial Statements

Fund financial statements provide detailed information regarding the District's most significant activities and are not intended to provide information for the District as a whole. Funds are accounting devices that are used to account for specific sources of funds. The District's funds are all classified as governmental funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the District's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A comparative analysis of government-wide data for the current and previous year is presented as follows:

Net Position

A condensed version of the government-wide Statement of Net Position is presented as follows:

	December 31,	
	2020	2019
<u>Assets:</u>		
Current and Other Assets	\$ 8,178,405	\$ 1,662,945
Capital Assets	5,834,200	5,996,074
Total Assets	<u>14,012,605</u>	<u>7,659,019</u>
<u>Liabilities:</u>		
Current and Other Liabilities	395,392	348,011
Long-term Liabilities	6,455,350	725,710
Total Liabilities	<u>6,850,742</u>	<u>1,073,721</u>

Ward 9 Recreation District

Rapides Parish, Louisiana

Management's Discussion and Analysis

December 31, 2020

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Net Position:</u>		
Invested in Capital Assets, Net	5,574,200	4,975,364
Restricted	634,026	992,517
Unrestricted	953,637	617,417
Total Net Position	<u>\$ 7,161,863</u>	<u>\$ 6,585,298</u>

As presented above, the largest portion of the net position (77.8%) is restricted for investment in capital assets and (8.8%) debt service. The remaining net position (13.4%) is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.

Changes in Net Position

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

	<u>For the Year Ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Program Revenues:</u>		
Charges for Services	\$ 29,866	\$ 54,097
Capital Grants and Contributions	----	----
Total Program Revenue	<u>29,866</u>	<u>54,097</u>
<u>General Revenues:</u>		
Property Taxes	1,205,533	737,967
State Revenue Sharing	17,905	15,787
Investment Income	2,488	12,741
Other	74,624	110
Total General Revenues	<u>1,300,550</u>	<u>766,605</u>
Total Revenues	<u>1,330,416</u>	<u>820,702</u>
<u>Program Expenses:</u>		
Culture and Recreation	712,143	685,162
Interest on Long-Term Debt	41,708	45,579
Total Expenses	<u>753,851</u>	<u>730,741</u>
Change in Net Position	576,565	89,961
Net Position Beginning	<u>6,585,298</u>	<u>6,495,337</u>
Net Position Ending	<u>\$ 7,161,863</u>	<u>\$ 6,585,298</u>

As presented above, the District's net position has increased as a result of an increase in millage rates, and prudent management.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

For the year ended December 31, 2020, the only differences between amounts reported by the District's funds and activities reported in the government-wide financial statements are attributable to excluding capital assets and long-term debt that appear on the government-wide presentation.

Ward 9 Recreation District

Rapides Parish, Louisiana

Management's Discussion and Analysis ***December 31, 2020***

GENERAL FUND BUDGET HIGHLIGHTS

The general fund is the only fund required by law to adopt a budget. A summary of the general fund budget compared to actual amounts is presented as follows:

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Revenues	\$ 497,750	\$ 571,500	\$ 886,489	\$ 314,989
Total Expenditures	497,750	571,500	550,269	21,231
Excess (deficiency) of revenues over expenditures	----	----	336,220	336,220
Operating Transfers Out	----	----	----	----
Change in Net Position	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 336,220</u>	<u>\$ 336,220</u>

The budget was amended to make technical corrections and to provide for any unexpected contingencies that might arise.

CAPITAL ASSET ADMINISTRATION

Activity for the year ended December 31, 2020 was limited to depreciating existing assets along with completing minor facility improvements.

DEBT ADMINISTRATION

During the year ended December 31, 2020, the District issued General Obligation Bonds. Activity associated with the District's existing debt is presented as follows:

	<u>General Obligation Bonds Series 2004</u>	<u>General Obligation Refunding Bonds Series 2011</u>	<u>General Obligation Bonds Series 2020</u>	<u>Delayed Costs</u>	<u>Total</u>
Beginning Balance	\$ 255,000	\$ 780,000	\$ ----	\$ (14,290)	\$ 1,020,710
Ret./ Additions	(255,000)	(520,000)	6,590,336	(139,146)	5,676,190
Ending Balance	<u>\$ ----</u>	<u>\$ 260,000</u>	<u>\$ 6,590,336</u>	<u>\$ (153,436)</u>	<u>\$ 6,696,900</u>

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

No significant factors are expected to effect operations in the near future.

Ward 9 Recreation District
Rapides Parish, Louisiana

Statement of Net Position
December 31, 2020

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 243,466
Receivables (net)	768,501
Restricted Assets:	
Cash and Cash Equivalents	6,721,516
Receivables (net)	444,922
Capital Assets - Land Improvements	2,589,352
Capital Assets - Depreciable	<u>3,244,848</u>
Total Assets	<u>14,012,605</u>
 <u>LIABILITIES</u>	
Accounts Payable	124,364
Compensated Absences	18,450
Liabilities Payable From Restricted Assets	
Accrued Interest Payable from Restricted Assets	11,028
Long-term Debt Payable from Restricted Assets:	
Due Within One Year	260,000
Due in More than One Year	<u>6,436,900</u>
Total Liabilities	<u>6,850,742</u>
 <u>NET POSITION</u>	
Invested in Capital Assets, Net of Related Debt	5,574,200
Restricted for:	
Debt Service	634,026
Unrestricted	<u>953,637</u>
Total Net Position	<u>\$ 7,161,863</u>

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

Ward 9 Recreation District
Rapides Parish, Louisiana

Statement of Activities
For the Year Ended December 31, 2020

	Governmental Activities
Expenses:	
Culture and Recreation	\$ 712,143
Interest on Long-Term Debt	<u>41,708</u>
Total Expenses	753,851
Program Revenues:	
Charges for Services	<u>29,866</u>
Net Expenses	<u>723,985</u>
General Revenues:	
Property Taxes	1,205,533
State Revenue Sharing	17,905
Investment Income	2,488
Other	<u>74,624</u>
Total General Revenues	<u>1,300,550</u>
Change in Net Position	576,565
Net Position - Beginning	<u>6,585,298</u>
Net Position - Ending	<u>\$ 7,161,863</u>

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

Ward 9 Recreation District

Rapides Parish, Louisiana

Balance Sheet - Governmental Funds

December 31, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 243,466	\$ 200,132	\$ 6,521,384	\$ 6,964,982
Receivables	768,501	444,922	-	1,213,423
Due From Other Funds	-	30,063	-	30,063
Total assets	<u>\$ 1,011,967</u>	<u>\$ 675,117</u>	<u>\$ 6,521,384</u>	<u>\$ 8,208,468</u>
Liabilities and Fund Balance				
<u>Liabilities</u>				
Accounts Payable	\$ 39,880	\$ -	\$ 84,484	\$ 124,364
Compensated Absences	18,450	-	-	18,450
Accrued Interest Payable	-	11,028	-	11,028
Due to Other Funds	30,063	-	-	30,063
Total liabilities	<u>88,393</u>	<u>11,028</u>	<u>84,484</u>	<u>183,905</u>
<u>Fund Balance</u>				
Restricted For Debt Service	-	664,089	-	664,089
Restricted For Capital Improvements	-	-	6,436,900	6,436,900
Unassigned	923,574	-	-	923,574
Total Fund Balances	<u>923,574</u>	<u>664,089</u>	<u>6,436,900</u>	<u>8,024,563</u>
Total Liabilities and Fund Balance	<u>\$ 1,011,967</u>	<u>\$ 675,117</u>	<u>\$ 6,521,384</u>	<u>\$ 8,208,468</u>

**Reconciliation of the Governmental Funds
Balance Sheets to the Statement of Net Position**

Total Fund Balances - Governmental Funds	\$ -
Amounts reported for governmental activities in the statement of net assets are different because:	
Long term liabilities are not due and payable in the current period and therefore they are not reported in the <i>Governmental Fund Balance Sheet</i>	-
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	-
Net Position of Governmental Activities	<u>\$ -</u>

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

Ward 9 Recreation District

Rapides Parish, Louisiana

Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds For the Year Ended December 31, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Property Taxes	\$ 763,092	\$ 442,441	\$ -	\$ 1,205,533
Investment Income	1,002	1,486	-	2,488
State Revenue Sharing	17,905	-	-	17,905
Other	104,490	-	-	104,490
Total revenues	886,489	443,927	-	1,330,416
Expenditures:				
Culture and Recreation	442,306	-	-	442,306
Financing	-	-	153,436	153,436
Capital Expenditures	107,963	-	-	107,963
Debt Service	-	802,418	-	802,418
Total expenditures	550,269	802,418	153,436	1,506,123
Other Sources (Uses):				
Proceeds from Bond Issuance	-	-	6,590,336	6,590,336
Net Change in Fund Balances	336,220	(358,491)	6,436,900	6,414,629
Fund balance - Beginning of Year	587,354	1,022,580	-	1,609,934
Fund balance - End of Year	\$ 923,574	\$ 664,089	\$ 6,436,900	\$ 8,024,563

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Net change in fund balances of Governmental Funds	\$ -
Amounts reported for governmental activities in the statement of activities are different because:	
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	775,000
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position	(6,436,900)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds.	(14,290)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period	(161,874)
Change in net position of governmental activities	\$ (5,838,064)

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

Ward 9 Recreation District **Rapides Parish, Louisiana**

Notes to Financial Statements ***December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ward 9 Recreation District (the District) was established by the Rapides Parish Police Jury for the purpose of acquiring, operating and maintaining recreation facilities. The District is governed by a Board of Commissioners appointed by the Rapides Parish Police Jury.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

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

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the reporting entity to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the District is a component unit of the Rapides Parish Police Jury. The accompanying component unit financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

Basic Financial Statements

The District's operations are classified as governmental activities. Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues. The basic financial statements include both government-wide and fund financial statements. The government-wide and fund financial statements present the District's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The effect of interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services, fees, contributions associated with a particular function and most grants.

Ward 9 Recreation District **Rapides Parish, Louisiana**

Notes to Financial Statements **December 31, 2020**

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The District's major funds are described as follows:

- General Fund – The general fund is the primary operating fund and is used to account for all governmental activities that are not required to be presented elsewhere.
- Debt Service Fund – The debt service fund is used to account for the collection of special taxes that are assessed for the purpose of paying principal and interest on the District's general obligation bonds.
- Capital Project Fund – The capital project fund is used to account for construction activity that is financed from the proceeds of issuing general obligation bonds and interest earned on the temporary investment of bond proceeds.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements	Modified Accrual Basis	Current Financial Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of account and the current financial resources measure focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measure focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure of funds. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as another financing source and repayment of long-term debt is reported as an expenditure of funds.

Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budget Practices

The District prepares an annual budget for its general fund. This budget is submitted to the Board of Commissioners and an approved budget is adopted before the beginning of each year. If necessary, amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles. No annual budget is required for the District's debt service fund.

Ward 9 Recreation District **Rapides Parish, Louisiana**

Notes to Financial Statements **December 31, 2020**

Capital Assets

Capital assets include significant acquisitions of facilities and equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciated is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. A useful life of seven years is typically used for equipment and useful lives ranging from 10 to 40 years for buildings and facility improvements.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments.

Compensated Absences

The recreation has implemented the personnel policy utilized by the Rapides Parish Police Jury for vacation pay and compensatory time. Liabilities associated with compensated absence obligations are reported in the accompanying financial statements.

Internal Balances

The District's funds occasionally use resources provided by another fund. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded. Internal balances are eliminated in preparing government-wide financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2020 are presented as follows:

	Cash in Bank	Cash Held by Rapides Parish Police Jury	Total
Unrestricted	\$ 34,882	\$ 208,584	\$ 243,466
Restricted	----	6,721,516	6,721,516
Total	\$ 34,882	\$ 6,930,100	\$ 6,964,982

Cash in the District's bank account totaling \$34,882 (collected bank balance) is protected from risks by Federal Deposit Insurance. The remaining cash is held on the District's behalf by the Police Jury and is protected by securities pledged to the Rapides Parish Police Jury. The pledged securities are held by a custodial bank in the name of the pledging institution; however, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds on demand.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable are composed entirely of property taxes assessed for the year ended December 31, 2020. Management does not anticipate any collection problems and there is no allowance for uncollectible amounts.

Ward 9 Recreation District **Rapides Parish, Louisiana**

Notes to Financial Statements **December 31, 2020**

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Non-Depreciable Capital Assets</u>				
Improvements to Land	\$ 2,589,352	\$ ----	\$ ----	\$ 2,589,352
Non-Depreciable Capital Assets	2,589,352	----	----	2,589,352
<u>Depreciable Capital Assets</u>				
Equipment	423,034	----	----	423,034
Buildings and Improvements	6,526,982	107,963	----	6,634,945
Accumulated Depreciation	(3,543,294)	(269,837)	----	(3,813,131)
Depreciable Capital Assets (Net)	3,406,722	(161,874)	----	3,244,848
Total Capital Assets	\$ 5,996,074	\$ (161,874)	\$ ----	\$ 5,834,200

As part of constructing the recreation complex improvements were needed to level the site and make it suitable for operations. These improvements are permanent in nature and therefore are not subject to depreciation. Depreciation on equipment and other improvements in the amount of \$269,837 has been reported as part of culture and recreation expenses.

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable at December 31, 2020 in the General fund consisted entirely of trade payables incurred in connection with the operation of the facility. Accounts payable in the Capital Projects fund consisted entirely of bond issuance costs.

NOTE 6 – COMPENSATED ABSENCES

Compensated absences refer to the District's obligation to provide vested accrued leave benefits that have been earned by its employee. These liabilities are typically liquidated by the general fund. Changes in compensated absences for the year ended December 31, 2020 are presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Compensated Absences	\$ 34,018	\$ ----	\$ 15,568	\$ 18,450

NOTE 7 - LONG-TERM LIABILITIES

Debt outstanding at December 31, 2020 is summarized as follows:

General Obligation Bonds	\$ 6,260,000
Bond Premium	590,336
Delayed Issue Cost	(153,436)
Total Long-Term Debt	6,696,900
Due within one year	260,000
Due in more than one year	\$ 6,436,900

Ward 9 Recreation District

Rapides Parish, Louisiana

Notes to Financial Statements

December 31, 2020

A summary of transactions involving General Obligation Bonds is presented as follows:

Bonds payable, January 1, 2020	\$	1,035,000
New issues		6,000,000
Retirements		775,000
Bonds payable, December 31, 2020	\$	<u>6,260,000</u>

Details related general obligation bonds outstanding at December 31, 2020 are provided as follows:

General obligation bonds, Series 2020 in the original amount of \$6,000,000. The bonds feature an interest rate of 3.00%. The bonds mature serially with the initial payment due March 1, 2021 and the final payment due March 1, 2040. The bonds are secured by a special property tax that was approved by the citizens of the District.

\$ 6,000,000

General obligation refunding bonds, Series 2011 in the original amount of \$2,315,000. The bonds feature interest rate of 2.28%. The bonds mature serially with the initial payment due March 1, 2013 and the final payment due March 1, 2022. The bonds are secured by a special property tax that was approved by the citizens of the District.

260,000

Total General Obligation Bonds

\$ 6,260,000

A schedule of maturities for these bonds is presented as follows:

	<u>Principal</u>	<u>Interest</u>
<u>Year Ended December 31st</u>		
2021	\$ 260,000	\$ 133,042
2022	240,000	176,400
2023	245,000	169,125
2024	255,000	161,625
2025	260,000	153,900
2026-2030	1,425,000	645,525
2031-2035	1,650,000	415,500
2036-2040	<u>1,925,000</u>	<u>147,975</u>
Total	<u>\$ 6,260,000</u>	<u>\$ 2,003,092</u>

NOTE 8 – INTERFUND ACTIVITY

Internal activity includes interfund receivables and payables as well as operating transfers. Details related to internal activity are presented as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Debt Service	General	\$ 30,063	Some resources dedicated to repayment of general obligations were deposited in the general fund. Accordingly, the general fund is obligated to repay these amounts.

Ward 9 Recreation District **Rapides Parish, Louisiana**

Notes to Financial Statements ***December 31, 2020***

NOTE 9 - PROPERTY TAXES

The District levies property taxes using the assessed values determined by the Tax Assessor of Rapides Parish. For the year ended December 31, 2020, the District levied property taxes as follows:

Description	<u>Mills Levied</u>
Levied per proposition approved August 15, 2020 authorizing 9.5 mills for a period of 10 years for the purpose of acquiring, constructing, improving, maintaining and operating recreational facilities of the District, including necessary equipment in connection therewith. Proceeds from this tax are considered unrestricted income, which is reported as general fund revenue in the accompanying statement of revenue, expenditures and changes in fund balance.....	9.50
Levied per proposition approved August 15, 2020, authorizing general obligation debt to run for a period of 20 years payable from a levy of property taxes, for the purpose of constructing, purchasing and acquiring, lands, buildings, equipment and other facilities to be used in providing recreational facilities for the District. Proceeds from this tax are restricted for debt service. Tax revenues are reported as debt service fund revenue in the accompanying statement of revenue expenditures and changes in fund balance.....	<u>5.50</u>
	<u>15.00</u>

Property taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from property taxes are recognized as revenue in the year billed.

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 11 - RESTRICTED RESOURCES

Propositions authorizing general obligation bonds require the District to establish bank accounts which serve as debt service sinking funds. Funds on deposit in these accounts may only be used to repay bonds, pay interest accrued on the bonds, or pay related fees. Proceeds from bonds issued to finance improvements to facilities have been deposited in a capital projects fund. The capital projects fund is restricted for construction of facility improvements.

NOTE 12 - LEASES

The District's facilities have been constructed on 163 acres that the State of Louisiana has leased to the City of Pineville. Under the terms of its cooperative endeavor with the City of Pineville, the District has access to the property for a period of 50 years beginning January 1, 2003. In addition, the District has an option to renew the sublease for an additional 40 years. In exchange for access to the property, the District is required to spend \$6,300,000 on improvements and make improvements available to residents of Pincrest Development Center.

Ward 9 Recreation District

Rapides Parish, Louisiana

Statement of Revenue, Expenditures and Changes in Fund Balance - General Fund Budget and Actual For the Year Ended December 31, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$ 435,000	\$ 475,000	\$ 763,092	\$ 288,092
Investment Income	250	3,500	1,002	(2,498)
State Revenue Sharing	12,500	13,000	17,905	4,905
Other	<u>50,000</u>	<u>80,000</u>	<u>104,490</u>	<u>24,490</u>
Total revenues	<u>497,750</u>	<u>571,500</u>	<u>886,489</u>	<u>314,989</u>
<u>Expenditures:</u>				
Culture and Recreation	497,750	571,500	442,306	129,194
Capital Expenditures	<u>-</u>	<u>-</u>	<u>107,963</u>	<u>(107,963)</u>
Total expenditures	<u>497,750</u>	<u>571,500</u>	<u>550,269</u>	<u>21,231</u>
Net Change in Fund Balances	-	-	336,220	336,220
Fund balance - beginning of year	<u>587,354</u>	<u>587,354</u>	<u>587,354</u>	<u>-</u>
Fund balance - end of year	<u>\$ 587,354</u>	<u>\$ 587,354</u>	<u>\$ 923,574</u>	<u>\$ 336,220</u>

Ward 9 Recreation District

Rapides Parish, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the Year Ended December 31, 2020

Agency Head - Charlie Moore, President

Purpose:

Compensation	-
Benefits	-
Reimbursements	-

ADDITIONAL INFORMATION

The President of the Recreation District is the head of the agency and its chief executive officer. The President volunteers his services and does not receive any compensation, benefits or reimbursements.



**Rozier McKay
& Willis** | CERTIFIED PUBLIC
ACCOUNTANTS

June 25, 2021

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

To the Board of Commissioners
Ward 9 Recreation District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Ward 9 Recreation District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 25, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Ward 9 Recreation District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ward 9 Recreation District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 Ward 9 Recreation District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2020-001.



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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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rozier, McKay, & Willis

ROZIER, MCKAY & WILLIS
Certified Public Accountants

WARD 9 RECREATION DISTRICT

SCHEDULE OF FINDINGS

For the Year Ended December 31, 2020

PART I - SUMMARY OF AUDITOR'S RESULTS

- The Independent Auditors' Report on the basic financial statements of the Ward 9 Recreation District as of December 31, 2020 and for the year then ended expressed an unmodified opinion.
- The audit did not disclose any audit findings which are required to be reported as reportable conditions or material weaknesses.
- The results of the audit did not disclose any instances of noncompliance or other matters that are considered to be material to the basic financial statements of the Ward 9 Recreation District.

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

2020-001: MINUTES

CONDITION

Minutes were not available for several meetings during the year.

CRITERIA

Louisiana Law requires minutes to be taken and published for each meeting.

CAUSE

Minutes were recorded electronically, on a computer that is no longer able to be accessed.

EFFECT

Violation of State Law.

RECOMMENDATION

Establish procedures for archiving minutes in bound volumes that are arranged in chronological order.

WARD 9 RECREATION DISTRICT

MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Year Ended December 31, 2020

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>2020-001: MINUTES</u> Minutes were not available for several meetings during the year, resulting in a violation of State Law. We suggest establishing procedures for archiving minutes in bound volumes that are arranged in chronological order.	<u>2020-001: MINUTES</u> Procedures for retaining copies of minutes will be implemented in the near future.
SECTION II MANAGEMENT LETTER	
No management letter was issued with this report.	Response – N/A

WARD 9 RECREATION DISTRICT

SUMMARY OF PRIOR YEAR FINDINGS For the Year Ended December 31, 2020

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
No findings that are material to the financial statements were reported.	Response – N/A
SECTION II MANAGEMENT LETTER	
No management letter was issued with this report.	Response – N/A