

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
MONROE, LOUISIANA**

**ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

MANAGEMENT'S DISCUSSION AND ANALYSIS

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
(A Component Unit of Ouachita Parish Police Jury)
Management's Discussion and Analysis
For The Fiscal Year Ended December 31, 2019 And 2018

As management of the East Ouachita Recreation District No. 1 of the Parish of Ouachita, State of Louisiana ("District"), we provide readers of the District's financial statements this narrative overview and analysis of the financial activities of the District, for the year ended December 31, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- The net position of our governmental activities increased by \$1,488,997 or 15.60%.
- The total net position is comprised of the following:
 - (1) Net investment in capital assets of \$10,825,387 that included property and equipment, net of accumulated depreciation \$4,434,185).
 - (2) Unrestricted net position of \$209,578 that represents the portion available to maintain continuing obligations to citizens and creditors.
- Revenues of our governmental activities totaled \$2,691,280, an increase of 44.70% from the prior year total of \$1,859,925, while expenditures totaled approximately \$3,914,750, a decrease of 49.46% from the prior year total of \$7,747,012.
- Approximately \$2,458,056 was expended in the current year primarily for capital expenditures on construction in progress for ballfield improvements.

During 2019, the District adopted the following new statement of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 88-Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*—This Statement was issued to improve the information that is disclosed in the District's notes to the financial statements related to debt, including direct borrowings and direct placements. The Statement also clarifies which liabilities the District should include when disclosing information related to debt. Furthermore, the Statement defines debt for purposes of disclosure in the notes and requires that additional essential information related to debt be disclosed, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant termination events with finance-related consequences and significant subjective acceleration clauses.

The adoption of Statement No. 88 had no impact on the government-wide or the governmental fund financial Statements, as it provides for additional guidance, clarification, and/or additional disclosures in the notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's basic financial statements consist of the following components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements
4. Required supplementary information, and
5. Other supplementary information, which is in addition to the basic financial statements themselves.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
(A Component Unit of Ouachita Parish Police Jury)
Management's Discussion and Analysis
For The Fiscal Year Ended December 31, 2019 And 2018

1. Government-Wide Financial Statements

Government-wide financial statements are designed by GASB statement 34 to change the way in which governmental financial statements are presented. It now provides readers a concise "entity-wide" Statement of Net Position and Statement of Activities. These statements include all assets and liabilities using the accrual basis of accounting in a manner similar to a private-sector business.

- A. The statement of net position presents information on all of the District's assets and liabilities using the accrual basis of accounting. The difference between the assets and liabilities is reported as net position. The net position is segregated between net investment in capital assets, restricted net position, or unrestricted net position. These categories are determined by the nature or source of the net position. Amounts available in unrestricted net position may be utilized for continued operation and maintenance of recreation facilities or programs in the future. Over time, increase or decrease in net position may serve as a useful indicator of whether the financial position of the District is improving or weakening.
- B. The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. This statement shows the difference between expenditures and revenues for recreation activities and the general revenues of the District. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow.

2. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law and by bond covenants. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District consist of one category: governmental funds.

- A. Governmental funds are used to account for most of the District's basic services as reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
- B. The District maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund.
- C. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the conversion from the governmental funds to governmental activities.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
(A Component Unit of Ouachita Parish Police Jury)
Management's Discussion and Analysis
For The Fiscal Year Ended December 31, 2019 And 2018

Our auditor has provided assurance in the independent auditor's report, located immediately following this MD&A, that the Basic Financial Statements are fairly stated. The auditor regarding this Management's Discussion and Analysis and the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS AS A WHOLE

The District's net position increased by \$1,488,997 compared to a \$694,814 increase in the prior year.

NET ASSETS

A condensed comparative summary of the Statement of Net Position is presented in Table A.

Table A
Condensed Statement of Net Position

	<u>FY 2019</u>	<u>FY 2018</u>	<u>Dollar Change</u>	<u>Total % Change</u>
Current Assets	\$ 4,434,187	\$ 5,286,954	\$ (852,767)	-16.13%
Capital Assets	<u>10,825,387</u>	<u>8,535,477</u>	<u>2,289,910</u>	<u>26.83%</u>
Total Assets	<u>15,259,574</u>	<u>13,822,431</u>	<u>1,437,143</u>	<u>10.4%</u>
Long-Term Debt	3,420,000	3,865,000	(435,000)	-11.25%
Other Liabilities	<u>804,610</u>	<u>411,463</u>	<u>354,942</u>	<u>86.26%</u>
Total Liabilities	<u>4,224,610</u>	<u>4,276,463</u>	<u>(80,058)</u>	<u>-1.87%</u>
Net Investment in Capital Assets	10,825,387	8,535,479	2,289,908	26.83%
Restricted	-	-	-	-
Unrestricted	<u>209,578</u>	<u>1,010,489</u>	<u>(800,911)</u>	<u>-79.26%</u>
Total Net Position	<u>\$ 11,034,965</u>	<u>\$ 9,545,968</u>	<u>\$ 1,488,997</u>	<u>15.6%</u>

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
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Net position may serve over time as a useful indicator of a government's financial position. The District's assets exceeded its liabilities at the close of the current year by \$11,034,965 (net position) compared to \$9,545,986 at the prior year-end. Of this amount, \$209,578 is unrestricted net position. This represents 1.90% of net position and its resources that are available to be used to meet the District's ongoing obligation to citizens and creditors. The District's unrestricted net position decreased by \$800,911 during the year, largely from capital expenditures.

The District has total assets of \$15,259,575 compared to \$13,822,431 at the prior year-end. Of the total assets, \$10,825,387 are net investment in capital assets compared to \$8,535,479 at the end of 2018.

The District, in 2017, issued tax revenue bonds for \$4,300,000 to improve the facilities at Osterland Recreation Center. The project is scheduled for completion in 2020.

CHANGES IN NET POSITION

The governmental activities of the District include recreation, i.e. activities buildings, tennis, and baseball and softball fields. Property taxes fund most of these governmental activities.

A condensed comparative summary of the Statement of Activities is presented in Table B. This table shows the District's expenditures related to the functions/programs associated with its governmental activities. The table gives an indication of how the District's resources are utilized and the source of the resources.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
(A Component Unit of Ouachita Parish Police Jury)
Management's Discussion and Analysis
For The Fiscal Year Ended December 31, 2019 And 2018

Table B
Condensed Statement of Activities

	<u>FY 2019</u>	<u>FY 2018</u>	<u>Dollar Change</u>
Governmental Activities Recreation			
Program expense			
Operating costs	\$ 1,008,101	\$ 982,489	\$ 25,612
Interest expense	0	0	0
Depreciation	<u>168,144</u>	<u>184,694</u>	<u>(16,550)</u>
Total program expenses	1,176,245	1,167,183	9,062
Program revenues			0
Charges for services and grants	153,024	134,184	18,840
Grants and Contributions	<u>750,000</u>	<u>0</u>	<u>750,000</u>
Net Program Expenses Before General Revenues	273,221	1,032,999	(759,778)
General Revenues			
Ad valorem taxes	1,722,145	1,664,672	57,473
Other revenues	21,402	26,189	(4,787)
Interest income earned	<u>18,671</u>	<u>36,952</u>	<u>(18,281)</u>
Total General Revenue	<u>1,762,218</u>	<u>1,727,813</u>	<u>34,405</u>
Change in Net Position	1,488,997	694,814	794,183
Beginning Net Position	<u>9,545,968</u>	<u>8,851,154</u>	<u>694,814</u>
Ending Net Position	<u>\$ 11,034,965</u>	<u>\$ 9,545,968</u>	<u>\$ 1,488,997</u>

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
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Operating costs for the recreation activities of the District increased to \$1,008,101 compared to \$982,489 in 2018. Depreciation expense for 2019 was \$168,144, a decrease of \$16,550 from 2018 depreciation expense. This was the result of a change in capital expenditures.

As indicated above, ad valorem tax revenue is the largest revenue source for the District comprising 97.7% and 96.3% of general revenues for 2019 and 2018. During the years ended December 31, 2019 and 2018, property taxes of 7.48 mills were levied on property inside of the District boundaries, respectively. The District's gross tax assessed for 2019 increased by \$61,132 to \$1,722,229 compared to \$1,661,097 for 2018.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As previously stated, the District maintains one governmental fund, the General Fund. The District's governmental fund reported ending balances of \$3,617,506 and \$4,840,446 for the fiscal years ended 2019 and 2018. This is a decrease of \$1,222,940 from the prior year-end. The decrease was due to capital expenditures for a major capital renovation at the Osterland property.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District adopts an annual budget for its General Fund. A budget comparison schedule has been included for the General Fund to demonstrate compliance with the legally adopted budget. An analysis of significant budget variances in the General Fund is as follows:

1. Revenues:
 - There were some variations between the final budgeted revenues and the actual amounts realized for 2019 for revenues due to the receipt of a local grant.
2. Expenditures:
 - Actual expenditures were less than budget, primarily in capital expenditures. These expenditures were postponed to future periods to coincide with planned upgrades for 2020.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
(A Component Unit of Ouachita Parish Police Jury)
Management's Discussion and Analysis
For The Fiscal Year Ended December 31, 2019 And 2018

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2019 and 2018, the District had \$14,482,170 and \$12,024,114 invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles (See table below).

	<u>FYE 2019</u>	<u>FYE 2018</u>
Buildings	3,997,505	3,997,505
Office equipment	14,758	14,758
Janitorial	3,284	3,284
Recreational equipment	477,455	472,444
Concessions	77,526	72,955
Auto	85,108	85,108
Baseball field equipment	469,033	469,033
Baseball field lights	109,895	109,895
Fence	61,918	61,918
Construction in progress	<u>9,185,688</u>	<u>6,737,214</u>
Totals	<u>\$ 14,482,170</u>	<u>\$12,024,114</u>

This year's major additions included construction in progress for major ballfield renovations.

Debt

At year end, the District had a \$3,420,000 balance in limited tax bonds. Bonds are secured by the 7.48 ad valorem tax millage and are due in annual payments from 2020 to 2026.

ECONOMIC FACTORS

The District's revenues consist of ad valorem taxes, state revenue sharing, and recreation program fees. The Board of Commissioners actively monitors revenues and expenses and evaluates the costs of proposed expansion projects. Currently, the Board is preparing land for baseball and softball fields. They actively solicit parish government and state government aid whenever possible to help with the cost of these projects.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Delia Sivils, Secretary-Treasurer of the East Ouachita Recreation District #1, 710 Holland Drive, Monroe, Louisiana.

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
East Ouachita Recreation District Number One
Ouachita Parish
State of Louisiana
Monroe, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the East Ouachita Recreation District Number One of the Parish of Ouachita, State of Louisiana, a component unit of Ouachita Parish Police Jury (the District), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 an opinion 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 basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 East Ouachita Recreation District Number One of the Parish of Ouachita, State of Louisiana, as of December 31, 2019, and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

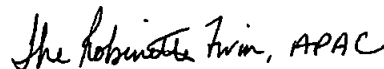
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 7 and 25 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurances.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule of board member compensation and compensation of executive director schedules are presented for purposes of additional analysis as required by Act 706 of the 2018 Legislative Session amending Louisiana R.S. 24:513A(3) and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules 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 a report dated September 23, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



The Robinette Firm, A Professional Accounting Corporation

Monroe, Louisiana
September 23, 2020

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

BASIC FINANCIAL STATEMENTS

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**STATEMENT OF NET POSITION
DECEMBER 31, 2019**

ASSETS

Current Assets:

Cash and investments	\$ 2,834,307
Ad valorem tax receivable, net of allowance for doubtful accounts of \$4,328	1,592,279
State revenue sharing receivable	<u>7,601</u>
Total Current Assets	4,434,187

Noncurrent Assets:

Capital assets, net of accumulated depreciation	10,047,985
Land	<u>777,403</u>
Total Assets	<u>\$ 15,259,575</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 329,539
Accrued Expenses	46,439
Retainage Payable	427,682
Current maturities of bonds payable	<u>455,000</u>
Total Current Liabilities	1,258,660

Due in more than one year:

Compensated Absences	950
Bonds Payable	<u>2,965,000</u>
Total Liabilities	<u>4,224,610</u>

NET POSITION

Net investment in capital assets	10,825,388
Unrestricted	<u>209,577</u>
Total Net Position	<u>11,034,965</u>

TOTAL LIABILITIES, NET POSITION	<u>\$ 15,259,575</u>
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See accompanying notes to the financial statements.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

FUNCTIONS / PROGRAMS

GOVERNMENTAL ACTIVITIES:

General Government-Recreation	\$ <u>1,176,245</u>
Total Governmental Activities	1,176,245

PROGRAM REVENUES:

Charge for services	153,024
Grants and Contributions	<u>750,000</u>
Net Governmental Activities	273,221

GENERAL REVENUES:

Ad valorem taxes	1,722,145
Revenue sharing	14,927
Investment earnings	18,671
Other	<u>6,475</u>
Total General Revenues	<u>1,762,218</u>

CHANGE IN NET POSITION 1,488,997

NET POSITION, BEGINNING OF YEAR 9,545,968

NET POSITION, END OF YEAR \$11,034,965

See accompanying notes to the financial statements.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	<u>Governmental Funds</u>
ASSETS	
Cash	\$ 2,834,307
Receivables	<u>1,586,859</u>
Total assets	<u>\$ 4,421,166</u>
LIABILITIES	
Accounts payable	\$ 329,539
Accrued expenses	46,439
Retainage Payable	<u>\$ 427,682</u>
Total liabilities	<u>803,660</u>
EQUITY AND OTHER CREDITS	
Fund balances:	
Committed for capital projects	406,863
Unassigned	<u>3,210,643</u>
Total equity and other credits	<u>3,617,506</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 4,421,166</u>
 RECONCILIATION TO STATEMENT OF NET POSITION:	
TOTAL FUND EQUITY, GOVERNMENTAL FUNDS	\$ 3,617,506
Differences in reporting for the statement of net position	
Net investment in capital assets	10,825,387
Property tax accrual	13,022
Liability for compensated absences	(950)
Long-term debt	<u>(3,420,000)</u>
Net Adjustment	<u>7,417,459</u>
TOTAL NET POSITION, GOVERNMENT-WIDE	<u>\$ 11,034,965</u>

See accompanying notes to the financial statements.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>General Fund</u>
REVENUES	
Ad valorem taxes	\$ 1,748,713
Intergovernmental revenues:	
State of Louisiana revenue sharing	14,927
Local grant	750,000
Miscellaneous	
Concessions	20,758
Membership dues	17,771
Registration fees	114,495
Interest	18,671
Other	6,475
Total revenues	<u>2,691,810</u>
EXPENDITURES	
Current:	
Administration	144,245
Athletics	93,166
Operations and maintenance	173,930
Salaries and benefits	508,277
Concessions	14,928
Capital outlay	2,458,056
Debt service:	
Principal retirement	445,000
Interest and fiscal	77,148
Total charges	<u>3,914,750</u>
Excess of Revenues Over (Under) Expenditures	(1,222,940)
Other Financing Sources (Uses)	
Bond proceeds	-
Bond issuance costs	-
Total other financing sources (uses)	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(1,222,940)</u>
FUND BALANCE, DECEMBER 31, 2018	<u>4,840,446</u>
FUND BALANCE, DECEMBER 31, 2019	<u>\$ 3,617,506</u>

See accompanying notes to the financial statements.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

INTRODUCTION

The East Ouachita Recreation District Number One, Monroe, Louisiana, (the "District") was established by the Ouachita Parish Police Jury in 1978, under Louisiana Revised Statute (LSA-RS), for provision of a public recreation center. The District is operated by a board of commissioners which is appointed by the Ouachita Parish Police Jury. The District operates three recreation facilities; Swartz-Lakeshore, Osterland and Sterlington.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the East Ouachita Recreation District Number One is considered a component unit of Ouachita Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the East Ouachita Recreation District Number One. 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 governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally 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 recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The East Ouachita Recreation District Number One reports the following governmental fund:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Deposits and Investments

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the East Ouachita Recreation District Number One's investment policy allow the entity to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Accounts Receivable

Uncollectible amounts due for ad valorem taxes are recognized as uncollectible using the allowance method. The allowance for doubtful accounts at December 13, 2019, for receivables recorded in the government wide financial statements is \$4,328.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., curbs, sidewalks, drainage, lighting, and similar items), are reported in the applicable governmental or business-type activities columns 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 East Ouachita Recreation District Number One maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements and infrastructure assets	15-25 years
Buildings and building improvements	30-40 years
Furniture, fixtures and equipment	5-10 years
Vehicles	3-5 years

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

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PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget Practices

The Board of Commissioners adopts an annual budget for the General Fund. The annual budget is prepared in accordance with the cash basis of accounting. A public hearing was held on November 27, 2018, to discuss the budget. The budget was approved by the Board on that day. Upon approval of the Board of Commissioners, budgeted amounts can be transferred within expense categories.

Compensated Absences

The District has the following policy relating to vacation and sick leave:

All full-time employees earn fifteen days of vacation leave each year, plus one day per year added after the 11th year of employment. Vacation time can be accumulated up to twenty days. Employees earn five to ten days of sick leave each year. Unused sick leave can be sold back at a rate of 2 days for 1 day of pay at the end of the calendar year.

The District's recognition and measurement criteria for compensated absences follows:

Governmental accounting standards provide that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

An accrual for earned sick leave is made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies. Unused sick leave is calculated at the rate it is purchased at the end of the year.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. 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. With the implementation of GASB 65, items previously reported as assets and liabilities, bond issuance costs are now expended in the period incurred.

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 expended in the governmental funds.

Fund Balance

GASB has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

1. Nonspendable fund balances are associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of decision-making authority).
4. Assigned fund balances are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balances are the residual classification for the District's general fund and include all spendable amounts not contained in the other classifications.

The District's practice is to apply expenditures against nonspendable, restricted, committed, assigned, and unassigned fund balances, in that order.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

As of December 31, 2019, the District did not have any nonspendable, restricted, or assigned fund balances. Committed funds include amount for capital projects in the amount of \$406,863.

Net Position

GASB Statement No. 34, Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments, required reclassification of net assets into three separate components. GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

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 bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount. At December 31, 2019, the District had no outstanding debt, deferred outflows of resources, or deferred inflows of resources.
2. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
3. Unrestricted net position - The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
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Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, GASB requires a government to delay the recognition of decreases in net position as expenditures or increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources or deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or deferred outflows as of December 31, 2019.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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.

Reconciliations of Government-wide and Fund Financial Statements

The following reconciles the fund balances of governmental funds to the government-wide statement of net position:

Capital assets and depreciation	\$ 10,825,387
Property tax accrual	13,022
Liability for compensated absences	(950)
Long-term debt	<u>(3,420,000)</u>
Net adjustment	<u>\$ 7,417,459</u>

The following reconciles the net changes in fund balance-total governmental funds to the changes in net position of governmental activities:

Property taxes receivable	\$ (22,464)
Depreciation	(168,144)
Capital outlay	2,458,055
Compensated absence accrual	(510)
Debt service	522,148
Interest	<u>(77,148)</u>
Net adjustment	<u>\$ 2,711,937</u>

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New GASB Standards

During 2019, the District adopted the following new statement of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 88-Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*—This Statement was issued to improve the information that is disclosed in the District's notes to the financial statements related to debt, including direct borrowings and direct placements. The Statement also clarifies which liabilities the District should include when disclosing information related to debt. Furthermore, the Statement defines debt for purposes of disclosure in the notes and requires that additional essential information related to debt be disclosed, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant termination events with finance-related consequences and significant subjective acceleration clauses.

The adoption of Statement No. 88 had no impact on the government-wide or the governmental fund financial Statements, as it provides for additional guidance, clarification, and/or additional disclosures in the notes to the financial statements.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

At December 31, 2019, the District had cash and cash equivalents (book balances) totaling \$2,834,307 as follows:

Demand deposits	\$ 2,834,307
Savings accounts	<u>0</u>
Total	<u>\$ 2,834,307</u>

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a written policy for custodial credit risk; however, their practice is to require banks to pledge securities equal to the amount on deposit with the bank less the applicable federal deposit insurance.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2019, the District had \$2,849,332 in deposits (collected bank balances). These deposits are secured from risk by \$299,166 of federal deposit insurance and \$3,072,009 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - RECEIVABLES

The following is a summary of receivables at December 31, 2019:

Taxes:

Ad valorem taxes (net of allowance for bad debts of \$4,328)	\$ 1,592,279
State of Louisiana – Revenue Sharing	<u>7,601</u>
Total	<u>\$ 1,599,880</u>

Property taxes which are delinquent over one year are written off.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in the general fixed assets account group for the fiscal year:

	Balance December 31, 2018	Additions	Deletions	Balance December 31, 2019
Buildings	\$ 3,997,505	\$ 0	0	\$ 3,997,505
Office equipment	14,758	0	0	14,758
Janitorial	3,284	0	0	3,284
Recreation equipment	472,444	5,011	0	477,455
Concessions	72,955	4,571	0	77,526
Auto	85,108	0	0	85,108
Baseball field equipment	469,033	0	0	469,033
Baseball field lights	109,895	0	0	109,895
Fence	61,918	0	0	61,918
Construction in Progress - Recreation Improvement	6,737,214	2,448,474	-	9,185,688
Total	\$ 12,024,114	\$ 2,458,056	\$ 0	\$ 14,482,170
Accumulated depreciation	4,266,040	168,145	0	4,434,185
Net capital assets	\$ 7,758,074			\$ 10,047,985
Land	\$ 777,403	\$ 0	\$ 0	\$ 777,403

Depreciation expense of \$168,145 was charged to the general government, recreation function in the statement of activities.

NOTE 5 - CONSTRUCTION COMMITMENTS

The District had total commitments of \$406,863 with contractors for unfinished construction projects as of December 31, 2019, categorized as follows:

Project Type	Expended to Date	Remaining Commitment
Athletic Field Complex-Osterland Center	\$ 9,185,688	\$ 373,098
LED Sign	-	33,765
Total	\$ 9,185,688	\$ 406,863

These construction contracts are projected to be complete within the next year.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 6 - LONG-TERM OBLIGATIONS

At December 31, 2019, bonds payable consisted of the following individual issues:

Direct <u>Placement</u>	Interest Rate <u>%</u>	Issue <u>Date</u>	Maturity <u>Date</u>	<u>Outstanding</u>
Limited Tax Bond Series 2017	2.23	4/12/2017	3/1/2026	<u>\$3,420,000</u>
				<u>\$3,420,000</u>

Transactions for the year ended December 31, 2019, are summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Limited Tax Bond Series 2017	\$ <u>3,865,000</u>	\$ <u>0</u>	\$ <u>445,000</u>	\$ <u>3,420,000</u>	\$ <u>455,000</u>
	\$ <u>3,865,000</u>	\$ <u>0</u>	\$ <u>445,000</u>	\$ <u>3,420,000</u>	\$ <u>455,000</u>

The annual aggregate maturities for the years subsequent to December 31, 2019, are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	455,000	71,193	526,193
2021	465,000	60,934	525,934
2022	480,000	50,398	530,398
2023	490,000	39,583	529,583
2024	500,000	28,544	528,544
2025-2026	1,030,000	23,081	1,053,081
Total	<u>\$ 3,420,000</u>	<u>\$ 273,733</u>	<u>\$ 3,693,733</u>

Ad valorem taxes are pledged to the Limited Tax Bond-2017 Series. Interest expense amounted to \$77,148 for the year ended December 31, 2019.

At December 31, 2019, employees of the District have accumulated and vested \$950 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. A summary of changes in long-term obligations is as follows:

	<u>Compensated Absences</u>
Balance, December 31, 2018	\$ 440
Additions	510
Deletions	-
Balance, December 31, 2019	<u>\$ 950</u>

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 7 - LEVIED TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish in October or November and are actually billed to the taxpayers in December. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year received.

The Parish of Ouachita bills and collects property taxes for the District using the assessed values determined by the tax assessor of the State of Louisiana.

For the year ended December 31, 2019, taxes of 7.48 mills were levied on property with assessed valuations totaling \$282,956,752 and were dedicated as follows:

	<u>Authorized Millages</u>	<u>Levied Millages</u>
General Fund, Operation and Maintenance	7.48 Mills	7.48 Mills

Total taxes levied were \$1,722,229 for 2019 and \$1,661,097 for 2018.

NOTE 8 - RISK MANAGEMENT

In the ordinary course of business, the District is at risk for property damage, liability, theft and worker's compensation. The District provides insurance coverage through the oversight entity, the Ouachita Parish Police Jury and commercial insurance companies. As a participant in the Police Jury's commercial insurance program the District also participates in the self-insurance fund maintained by the Police Jury. The District's annual contribution to the self-insurance fund is determined by the insurance company and their exposure for loss is limited to that amount.

NOTE 9 - SUBSEQUENT EVENTS

The District has begun construction on a new athletic field complex at the Osterland Center. Construction cost incurred to date amounts to \$9,185,688. The total estimated cost of the project is \$9.56 million and is estimated to be completed in Fall, 2020.

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through September 23, 2020, which is the date the financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The COVID-19 outbreak in the United States resulted in recreation center closures due to government mandate. The 2020 baseball season was canceled, and future plans are uncertain. The District does have plans to play the Fall flag football season starting at a later date. At the current time, we are unable to quantify the potential effects of this pandemic on our future financial statements.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 10 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

Property tax revenues include amounts withheld by the Sheriff to make “on-behalf payments for fringe benefits” which represent the District’s pro-rata share of retirement plan contributions for other governmental units. Because the District is one of several governmental agencies receiving proceeds from a property tax assessment, it has to bear a pro-rata share of the pension expense relating to the public employees who participate in the Parochial Employees Retirement System. The District’s pro-rata share of the required contribution was \$51,698. The total withheld by the Sheriff from property tax collections satisfies the District’s obligation and has been included as “Administration” in the expenditures of the General fund in these financial statements.

NOTE 11 - ECONOMIC DEPENDENCE

The District’s main source of revenue is ad valorem taxes assessed on the taxpayers of East Ouachita Parish. There is one major taxpayer that exceeds 10% of the total assessment. This taxpayer is in the utility industry and represents 16% of the total assessment for the district.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**BUDGET COMPARISON SCHEDULE
BUDGET (NON-GAAP BASIS) AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Ad valorem taxes	\$ 1,618,347	\$ 1,568,000	\$ 1,568,000	\$ 50,347
State of LA Revenue Sharing	15,202	0	0	15,202
Local Grant	750,000	0	0	750,000
Concessions	20,758	55,000	55,000	(34,242)
Membership dues	17,771	13,500	13,500	4,271
Registration fees	114,495	135,000	135,000	(20,505)
Interest	18,671	15,000	15,000	3,671
Other	<u>6,475</u>	<u>76,500</u>	<u>76,500</u>	<u>(70,025)</u>
Total Revenues	<u>2,561,719</u>	<u>1,863,000</u>	<u>1,863,000</u>	<u>698,719</u>
EXPENDITURES				
Current:				
Administration	118,305	113,000	113,000	(5,305)
Athletics	91,139	201,000	201,000	109,861
Operations and maintenance	165,772	354,000	354,000	188,228
Salaries and benefits	511,390	575,000	575,000	63,610
Concessions	15,309	25,000	25,000	9,691
Capital Outlay	2,042,410	2,504,000	2,504,000	461,590
Debt Service	<u>526,090</u>	<u>0</u>	<u>0</u>	<u>(526,090)</u>
Total Charges	<u>3,470,415</u>	<u>3,772,000</u>	<u>3,772,000</u>	<u>301,585</u>
Excess of Revenues Over (Under) Expenditures	<u>(908,696)</u>	<u>(1,909,000)</u>	<u>(1,909,000)</u>	<u>1,000,304</u>
Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Sources Over Under Expenditures and Other Uses	(908,696)	(1,909,000)	(1,909,000)	1,000,304
FUND BALANCE, DECEMBER 31, 2018	<u>3,743,003</u>	<u>1,909,000</u>	<u>1,909,000</u>	<u>1,834,003</u>
FUND BALANCE, DECEMBER 31, 2019	<u>\$ 2,834,307</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,834,307</u>

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO BUDGET COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - RECONCILIATION OF ACTUAL RESULTS TO BUDGETARY BASIS

The budget for the year ended December 31, 2019, was prepared on a cash basis. The following schedule reflects the adjustments necessary to convert actual results from a GAAP basis to the cash basis for purposes of budget comparison in the financial statements.

General Fund:	<u>GAAP Basis</u>	<u>Receivables</u>	<u>Payables</u>	<u>Cash Basis</u>
Revenues				
Ad valorem tax	\$ 1,748,713	\$ (1,630,956)	\$ 1,500,590	\$ 1,618,347
State of LA – Revenue Sharing	14,927	(7,601)	7,876	15,202
Local grant	750,000	0	0	750,000
Concessions	20,758	0	0	20,758
Membership dues	17,771	0	0	17,771
Registration fees	114,495	0	0	114,495
Interest	18,671	0	0	18,671
Other	6,475	0	0	6,475
Total revenues	<u>2,691,810</u>	<u>(1,638,557)</u>	<u>1,508,466</u>	<u>2,561,719</u>
Expenditures				
Current				
Administration	144,245	29,136	(55,076)	118,305
Athletics	93,166	(527)	(1,500)	91,139
Operations	173,930	4,945	(13,103)	165,772
Salaries	508,277	19,254	(16,141)	511,390
Concessions	14,928	486	(105)	15,309
Capital Outlay	2,458,056	323,490	(739,136)	2,042,410
Debt Service	522,148	34,239	(30,297)	526,090
Total expenditures	<u>3,914,750</u>	<u>411,023</u>	<u>(855,358)</u>	<u>3,470,415</u>
 Fund Balance, Beginning of year	 <u>\$ 4,840,446</u>	 <u>\$ 411,023</u>	 <u>\$(1,508,466)</u>	 <u>\$ 3,743,003</u>

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**OTHER SUPPLEMENTAL INFORMATION SCHEDULES FOR
THE YEAR ENDED DECEMBER 31, 2019**

I. COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Board members received no compensation for the year ended December 31, 2019.

II. COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

Agency Head Name: Willie E. Crain, Jr.

Salary	\$70,000
Benefits - Insurance	4,259
Phone Allowance	650

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

Board of Commissioners
East Ouachita Recreation District Number One
Ouachita Parish
State of Louisiana
Monroe, 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 Controller General of the United States, the financial statements of the governmental activities and major fund of East Ouachita Recreation District Number One of the Parish of Ouachita, State of Louisiana, a component unit of Ouachita Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise East Ouachita Recreation District's basic financial statements and have issued our report thereon dated September 23, 2020.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified.

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.

Board of Commissioners
East Ouachita Recreation District Number One
of the Parish of Ouachita,
State of Louisiana
Monroe, Louisiana

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.

Compliance and Other Matters

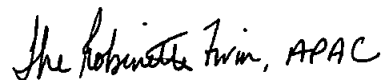
As part of obtaining reasonable assurance about whether East Ouachita Recreation District Number One's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could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

East Ouachita Recreation District's Response to Findings

The East Ouachita Recreation District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



The Robinette Firm, A Professional Accounting Corporation

Monroe, Louisiana
September 23, 2020

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Section I. Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to Financial Statements

Internal Control

Material Weakness Yes No Significant Deficiency Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Not applicable

c. Not applicable

Section II. Financial Statement Findings

Material Weakness

None

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Section II. Financial Statement Findings (Continued)

Significant Deficiencies

None.

Section III. Federal Award Findings and Questioned Costs

Not Applicable

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**STATUS OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Financial Statement Findings:

No prior year findings.

Compliance Findings:

No prior year findings.

MANAGEMENT LETTER

Board of Commissioners
East Ouachita Recreation District Number One
Monroe, LA 71203

In planning and performing our audit of the financial statements of East Ouachita Recreation District for the year ended December 31, 2019, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. The following recommendations are submitted to assist in improving the District's ability to report data consistent with the assertions of management in the financial statements.

MLC -1 CONTROLS OVER CASH RECEIPTS

CONDITION: We noted several instances of deficiencies in cash collection procedures.

CAUSE OF CONDITION: Employee error and training

CRITERIA: Control procedures over cash include dual control, receipt preparation, and timely deposits.

EFFECT: Cash could be misappropriated prior to recording in the financial records and remain undetected.

RECOMMENDATION: We recommend additional emphasis and training be conducted for those employees who handle cash. In addition, the review process for daily and weekly cash collection reports should include a review for documentation of dual control and timeliness.

CORRECTIVE ACTION PLAN: We will provide additional training and oversight.

Responsible person: Gene Crain, Executive Director

We appreciate the opportunity to present these comments for your consideration. We are prepared to discuss them at your convenience and to provide such assistance in their implementation as you may desire.

The Robinette Firm, APAC

The Robinette Firm, A Professional Accounting Corporation

Monroe, Louisiana
September 23, 2020

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MANAGEMENT LETTER
STATUS OF PRIOR YEAR COMMENTS
DECEMBER 31, 2019**

2018 COMMENTS

Review of General Ledger Postings

Status: Resolved.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of East Ouachita Recreation District Number One and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by East Ouachita Recreation District Number One and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

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

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Comment: We noted that the policy does not specify procedures for adding vendors to the vendor list. The purchasing policy does not include requirements for documentation to be maintained for bids and pricing quotes.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Written Policies and Procedures (Continued)

- c) ***Disbursements***, including processing, reviewing, and approving

Comment: No written policies for disbursements were identified.

- d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Comment: No written policies for receipts were identified.

- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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

- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Comment: No written policies for contracting were identified.

- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

Comment: No written policies for credit cards were identified.

- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Comment: No written policies for travel and expense reimbursement were identified.

- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Comment: No written policies for ethics were identified.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Written Policies and Procedures (Continued)

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Comment: *No written policies for debt service were identified.*

- k) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Comment: *Management developed a policy for disaster recovery/business continuity; however, the policy has not been approved by the board.*

Board or Finance Committee

1. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) We observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Comment: *We noted, per inquiry with management, and minutes from the board, the board is scheduled to meet bi-monthly, but due to inability to reach a quorum, one required meeting was not held.*

- b) For those entities reporting on the governmental accounting model, we observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, we observed that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Board or Finance Committee (Continued)

- c) For governmental entities, we obtained the prior year audit report and observed the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, we observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

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

Bank Reconciliations

1. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected each account, and observed that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

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

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Comment: The four bank reconciliations tested did not contain evidence of approval.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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

Collections

1. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).

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

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Collections (Continued)

2. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), we obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and we observed that job duties are properly segregated at each collection location such that:

a) Employees that are responsible for cash collections do not share cash drawers/registers.

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

b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

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

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

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

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

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

3. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

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

4. We randomly selected two deposit dates for each of the 2 bank accounts selected for procedure #1 under "Bank Reconciliations" above (We selected the next deposit date chronologically if no deposits were made on the dates randomly selected and we randomly selected a deposit if multiple deposits are made on the same day.). We obtained supporting documentation for each of the 4 deposits and:

a) We observed that receipts are sequentially pre-numbered.

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

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Collections (Continued)

- b) We traced receipts, system reports, and other related collection documentation to the deposit slip.

Comment: We noted two exceptions for the on-site collection accounts. We determined dual control over concession collections was not documented for two concession deposits tested.

- c) We traced the deposit slip total to the actual deposit per the bank statement.

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

- d) We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Comment: We noted three exceptions for untimely deposit of receipts.

- e) We traced the actual deposit per the bank statement to the general ledger.

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

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

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

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

2. For each location selected under #1 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

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

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases) (Continued)

- b) At least two employees are involved in processing and approving payments to vendors.

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

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Comment: We noted the person responsible for processing payments currently has the ability to add vendors to the entity's purchasing/disbursement system although the employee has been instructed not to do so.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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

3. For each location selected under #1 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:

- a) We observed that the disbursement matched the related original invoice/billing statement.

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

- b) We observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #2, as applicable.

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

Credit Cards/Debit Cards/Fuel Cards/P-Cards

1. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

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

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Credit Cards/Debit Cards/Fuel Cards/P-Cards (Continued)

2. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), we obtained supporting documentation, and:

a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Comment: We noted four exceptions to segregation of duties, as the authorized card holder reviewed and approved the statements and supporting documentation.

b) We observed that finance charges and late fees were not assessed on the selected statements.

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

3. Using the monthly statements or combined statements selected under #2 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and we obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

1. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, we obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

a) If reimbursed using a per diem, we agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Comment: Item not tested. No exceptions noted in the prior year.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Travel and Travel-Related Expense Reimbursements (excluding card transactions) (Continued)

- b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Comment: Item not tested. No exceptions noted in the prior year.

- c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Comment: Item not tested. No exceptions noted in the prior year.

- d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: Item not tested. No exceptions noted in the prior year.

Contracts

1. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Comment: Item not tested. No exceptions noted in the prior year.

- b) We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Comment: Item not tested. No exceptions noted in the prior year.

- c) If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment.

Comment: Item not tested. No exceptions noted in the prior year.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Contracts (Continued)

- d) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, we agreed the invoice to the contract terms, and we observed that the invoice and related payment agreed to the terms and conditions of the contract.

Comment: Item not tested. No exceptions noted in the prior year.

Payroll and Personnel

1. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, we obtained related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.

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

2. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #1 above, we obtained attendance records and leave documentation for the pay period, and:

- a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Comment: We noted that all salaried employees certify they have worked their required hours each pay period.

- b) We observed that supervisors approved the attendance and leave of the selected employees/officials.

Comment: A supervisor did not approve the salaried employees' certifications of their hours worked.

- c) We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

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

3. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, we obtained related documentation of the hours and pay rates

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Payroll and Personnel (Continued)

used in management's termination payment calculations, we agreed the hours to the employee/officials' cumulate leave records, and we agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

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

4. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

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

Ethics

1. Using the 5 randomly selected employees/officials from procedure #1 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:

- a. We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Comment: Item not tested. No exceptions noted in the prior year.

- b. We observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Comment: Item not tested. No exceptions noted in the prior year.

Debt Service

1. We obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. We selected all bonds/notes on the listing, we obtained supporting documentation, and we observed that State Bond Commission approval was obtained for each bond/note issued.

Comment: Item not tested. No exceptions noted in the prior year.

2. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, we inspected debt covenants, we obtained supporting documentation for the reserve balance and payments, and we agreed actual reserve balances and payments to those required by debt covenants.

Comment: Item not tested. No exceptions noted in the prior year.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Other

1. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, we obtained supporting documentation, and we observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Comment: Item not tested. No exceptions noted in the prior year.

2. We observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Comment: Item not tested. No exceptions noted in the prior year.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

The Robinette Firm, APAC

The Robinette Firm, A Professional Accounting Corporation

Monroe, Louisiana
September 23, 2020

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

MANAGEMENT'S RESPONSE:

East Ouachita Recreation District's management has reviewed the Independent Accountants' Report on Applying Agreed-upon Procedures. Management is in agreement with the report as provided by The Robinette Firm, APAC. In addition, the District will implement changes/additions to policies and/or procedures where necessary to meet the expectations in the report.

Contact Person: Gene Crain, Executive Director