

**WARD 9 RECREATION DISTRICT
RAPIDES PARISH, LOUISIANA**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013**

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May 27, 2014

Independent Auditors' Report

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Ward 9 Recreation District, a component unit of the Rapides Parish Police Jury, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

-Members-

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Ward 9 Recreation District

May 27, 2014

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OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Ward 9 Recreation District, as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2014, on our consideration of the Ward 9 Recreation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ward 9 Recreation District's internal control over financial reporting and compliance.


ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

Ward 9 Recreation District

Rapides Parish, Louisiana

Management's Discussion And Analysis ***December 31, 2013***

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

OVERVIEW OF FINANCIAL STATEMENTS

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

Government –Wide Financial Statements

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

Fund Financial Statements

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Net Position

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

	December 31,	
	2013	2012
<u>Assets:</u>		
Current and Other Assets	\$ 1,417,427	\$ 1,136,760
Capital Assets	7,007,144	7,253,617
Total Assets	<u>8,424,571</u>	<u>8,390,377</u>
<u>Liabilities:</u>		
Current and Other Liabilities	276,835	270,149
Long-term Liabilities	<u>2,231,901</u>	<u>2,438,828</u>
Total Liabilities	<u>2,508,736</u>	<u>2,708,977</u>

Ward 9 Recreation District

Rapides Parish, Louisiana

Management's Discussion And Analysis ***December 31, 2013***

Net Position:

Invested in Capital Assets, Net	4,535,243	4,584,789
Restricted	796,306	641,502
Unrestricted	584,286	455,109
Total Net Position	<u>\$ 5,915,835</u>	<u>\$ 5,681,400</u>

As presented above, the largest portion of the net position (76.7%) is restricted for investment in capital assets and (13.5%) debt service. The remaining net position (9.8%) is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.

Changes in Net Position

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

	<u>For the Year Ended December 31,</u>	
	<u>2013</u>	<u>2012</u>
<u>Program Revenues:</u>		
Charges for Services	\$ 81,580	\$ 63,327
Capital Grants and Contributions	----	----
Total Program Revenue	<u>81,580</u>	<u>63,327</u>
<u>General Revenues:</u>		
Property Taxes	876,393	815,227
State Revenue Sharing	15,770	16,140
Investment Income	1,602	1,356
Total General Revenues	<u>893,765</u>	<u>832,723</u>
Total Revenues	<u>975,345</u>	<u>896,050</u>
<u>Program Expenses:</u>		
Culture and Recreation	632,603	697,553
Interest on Long-Term Debt	108,307	119,641
Total Expenses	<u>740,910</u>	<u>817,194</u>
Change in Net Position	234,435	78,856
Net Position Beginning	<u>5,681,400</u>	<u>5,602,544</u>
Net Position Ending	<u>\$ 5,915,835</u>	<u>\$ 5,681,400</u>

As presented above, the District's net position has increased slightly as a result of careful management, efficient use of resources and an enlarging tax base.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

For the year ended December 31, 2013, the only differences between amounts reported by the District's funds and activities reported in the government-wide financial statements are attributable to excluding capital assets and long-term debt that appear on the government-wide presentation.

GENERAL FUND BUDGET HIGHLIGHTS

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

Ward 9 Recreation District

Rapides Parish, Louisiana

Management's Discussion And Analysis ***December 31, 2013***

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Revenues	\$ 418,000	\$ 430,984	\$ 485,244	\$ 54,260
Total Expenditures	390,260	429,730	386,130	43,600
Excess (deficiency) of revenues over expenditures	27,740	1,254	99,114	97,860
Operating Transfers Out	----	----	----	----
Change in Net Position	<u>\$ 27,740</u>	<u>\$ 1,254</u>	<u>\$ 99,114</u>	<u>\$ 97,860</u>

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

CAPITAL ASSET ADMINISTRATION

Significant capital asset activity for the year ended December 31, 2013 did not include significant acquisitions. Activity was limited primarily to recording depreciation on existing assets.

DEBT ADMINISTRATION

For the year ended December 31, 2013, no new debt was incurred. Activity associated the District's existing debt is presented as follows:

	<u>General Obligation Bonds Series 2004</u>	<u>General Obligation Refunding Bonds Series 2011</u>	<u>Delayed Costs</u>	<u>Total</u>
Beginning Balance	\$ 530,000	\$ 2,315,000	\$ (176,172)	\$ 2,668,828
Retirements	35,000	195,000	(33,073)	196,927
Ending Balance	<u>\$ 495,000</u>	<u>\$ 2,120,000</u>	<u>\$ (143,099)</u>	<u>\$ 2,471,901</u>

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

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

Ward 9 Recreation District
Rapides Parish, Louisiana

Statement of Net Position
December 31, 2013

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 201,595
Receivables (net)	387,332
Restricted Assets:	
Cash and Cash Equivalents	339,602
Receivables (net)	488,898
Capital Assets - Land Improvements	2,589,352
Capital Assets - Depreciable	<u>4,417,792</u>
 Total Assets	 <u>8,424,571</u>
 <u>LIABILITIES</u>	
Accounts Payable	4,641
Liabilities Payable From Restricted Assets	
Accrued Interest Payable from Restricted Assets	32,194
Long-term Debt Payable from Restricted Assets:	
Due Within One Year	240,000
Due in More than One Year	<u>2,231,901</u>
 Total Liabilities	 <u>2,508,736</u>
 <u>NET POSITION</u>	
Invested in Capital Assets, Net of Related Debt	4,535,243
Restricted for:	
Debt Service	796,306
Unrestricted	<u>584,286</u>
 Total Net Position	 <u>\$ 5,915,835</u>

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

Ward 9 Recreation District

Rapides Parish, Louisiana

Statement of Activities

For the Year Ended December 31, 2013

	<u>Governmental Activities</u>
Expenses:	
Culture and Recreation	\$ 632,603
Interest on Long-Term Debt	<u>108,307</u>
Total Expenses	740,910
Program Revenues:	
Charges for Services	<u>81,580</u>
Net Expenses	<u>659,330</u>
General Revenues:	
Property Taxes	876,393
State Revenue Sharing	15,770
Investment Income	<u>1,602</u>
Total General Revenues	<u>893,765</u>
Change in Net Position	234,435
Net Position - Beginning	<u>5,681,400</u>
Net Position - Ending	<u><u>\$ 5,915,835</u></u>

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

Ward 9 Recreation District

Rapides Parish, Louisiana

Balance Sheet - Governmental Funds

December 31, 2013

	General	Debt Service	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 201,595	\$ 339,602	\$ 541,197
Receivables	387,332	488,898	876,230
Due From Other Funds	-	30,063	30,063
Total assets	<u>\$ 588,927</u>	<u>\$ 858,563</u>	<u>\$ 1,447,490</u>
Liabilities and Fund Balance			
<u>Liabilities</u>			
Accounts Payable	\$ 4,641	\$ -	\$ 4,641
Accrued Interest Payable	-	32,194	32,194
Due to Other Funds	30,063	-	30,063
Total liabilities	<u>34,704</u>	<u>32,194</u>	<u>66,898</u>
<u>Fund Balance</u>			
Restricted For Debt Service	-	826,369	826,369
Unassigned	554,223	-	554,223
Total Fund Balances	<u>554,223</u>	<u>826,369</u>	<u>1,380,592</u>
Total Liabilities and Fund Balance	<u>\$ 588,927</u>	<u>\$ 858,563</u>	<u>\$ 1,447,490</u>

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

Total Fund Balances - Governmental Funds	\$ 1,380,592
Amounts reported for governmental activities in the statement of net assets are different because:	
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet	(2,471,901)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>7,007,144</u>
Net Position of Governmental Activities	<u>\$ 5,915,835</u>

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

Ward 9 Recreation District

Rapides Parish, Louisiana

Statement of Revenue, Expenditures and Changes in

Fund Balance - Governmental Funds

For the Year Ended December 31, 2013

	General	Debt Service	Total Governmental Funds
Revenues:			
Property Taxes	\$ 387,201	\$ 489,192	\$ 876,393
Investment Income	693	909	1,602
State Revenue Sharing	15,770	-	15,770
Other	81,580	-	81,580
Total revenues	<u>485,244</u>	<u>490,101</u>	<u>975,345</u>
Expenditures:			
Culture and Recreation	380,630	-	380,630
Capital Expenditures	5,500	-	5,500
Debt Service	-	305,234	305,234
Total expenditures	<u>386,130</u>	<u>305,234</u>	<u>691,364</u>
Net Change in Fund Balances	99,114	184,867	283,981
Fund balance - Beginning of Year	<u>455,109</u>	<u>641,502</u>	<u>1,096,611</u>
Fund balance - End of Year	<u>\$ 554,223</u>	<u>\$ 826,369</u>	<u>\$ 1,380,592</u>

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

Net change in fund balances of Governmental Funds	\$ 283,981
Amounts reported for governmental activities in the statement of activities are different because:	
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	230,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds.	(33,073)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period	(246,473)
Change in net position of governmental activities	<u>\$ 234,435</u>

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

Ward 9 Recreation District

Rapides Parish, Louisiana

Notes To Financial Statements

December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

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

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

Basic Financial Statements

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

Government-Wide Financial Statements

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

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

Ward 9 Recreation District

Rapides Parish, Louisiana

Notes To Financial Statements

December 31, 2013

Fund Financial Statements

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

- General Fund – The general fund is the primary operating fund and is used to account for all governmental activities that are not required to be presented elsewhere.
- Debt Service Fund – Is used to account for the collection of special taxes that are assessed for the purpose of paying principal and interest on the District's general obligation bonds.

Basis of Accounting and Measurement Focus

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

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

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

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

Use of Estimates

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

Budget Practices

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

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

Capital Assets

Capital assets include significant acquisitions of facilities and equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund

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

Notes To Financial Statements **December 31, 2013**

financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

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

Cash and Cash Equivalents:

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

Internal Balances:

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

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2013 are presented as follows:

		Cash Held by Rapides Parish		
	Cash in Bank	Police Jury	Total	
Unrestricted	\$ 61,322	\$ 140,273	\$ 201,595	
Restricted	----	339,602	339,602	
Total	\$ 61,322	\$ 479,875	\$ 541,197	

Cash in the District's bank account totaling \$61,322 (collected bank balance) is protected from risks by Federal Deposit Insurance. The remaining cash is held on the District's behalf by the Police Jury and is protected by securities pledged to the Rapides Parish Police Jury. The pledged securities are held by a custodial bank in the name of the pledging institution; however State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds on demand.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable are composed entirely of property taxes assessed for the year ended December 31, 2013. Management does not anticipate any collection problems and there is no allowance for uncollectible amounts.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year is summarized as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Non Depreciable Capital Assets</u>				
Improvements to Land	\$ 2,589,352	\$ ----	\$ ----	\$ 2,589,352
Non Depreciable Capital Assets	2,589,352	----	----	2,589,352

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

Notes To Financial Statements ***December 31, 2013***

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Depreciable Capital Assets</u>				
Equipment	286,076	5,500	----	291,576
Buildings and Improvements	6,110,468	----	----	6,110,468
Accumulated Depreciation	(1,732,279)	(251,973)	----	(1,984,252)
Depreciable Capital Assets (Net)	4,664,265	(246,473)	----	4,417,792
Total Capital Assets	<u>\$ 7,253,617</u>	<u>\$ (246,473)</u>	<u>\$ ----</u>	<u>\$ 7,007,144</u>

As part of constructing the recreation complex improvements were needed to level the site and make it suitable for operations. These improvements are permanent in nature and therefore are not subject to depreciation. Depreciation on equipment and other improvements in the amount of \$251,972 has been reported as part of culture and recreation expenses.

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable at December 31, 2013 consist entirely of trade payables incurred in connection with the operation of the facility.

NOTE 6 - LONG-TERM DEBT

Debt outstanding at December 31, 2013 is summarized as follows:

General Obligation Bonds	\$ 2,615,000
Delayed Refunding Cost	(110,884)
Delayed Issue Cost	(32,215)
Total Long-Term Debt	<u>2,471,901</u>
Due within one year	240,000
Due in more than one year	<u>\$ 2,231,901</u>

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

Bonds payable, January 1, 2013	\$ 2,845,000
New issues	----
Retirements	230,000
Bonds payable, December 31, 2013	<u>\$ 2,615,000</u>

Details related general obligation bonds outstanding at December 31, 2013 are provided as follows:

Ward 9 Recreation District

Rapides Parish, Louisiana

Notes To Financial Statements ***December 31, 2013***

General obligation bonds, Series 2004 in the original amount of \$700,000. The bonds feature interest rates ranging from 4.90% to 5.15%. The bonds mature serially with the initial payment due March 1, 2007 and the final payment due March 1, 2024. The bonds are secured by a special property tax that was approved by the citizens of the District.

\$ 495,000

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

2,120,000

Total General Obligation Bonds

\$ 2,615,000

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

<u>Year Ended December 31st</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 240,000	\$ 70,122
2014	245,000	63,641
2015	260,000	56,864
2016	270,000	49,754
2017	280,000	42,348
2018 – 2022	1,265,000	94,395
2023 – 2027	<u>55,000</u>	<u>1,413</u>
 Total	 <u>\$ 2,615,000</u>	 <u>\$ 378,537</u>

On March 15, 2011, the District issued \$2,315,000 General Obligation Refunding Bonds. Bond proceeds along with additional resources provided by debt service sinking funds were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on Series 2002 Bonds. As a result, Series 2002 Bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The amount of the reacquisition price in excess of the carrying amount of the defeased debt (delayed refunding cost) is reported in the accompanying government-wide financial statements as a deduction from bonds payable and is being amortized over the life of the bonds as a component of interest expense.

NOTE 7 – INTERFUND ACTIVITY

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

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

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

Notes To Financial Statements **December 31, 2013**

NOTE 8 - PROPERTY TAXES

The District levies property taxes using the assessed values determined by the Tax Assessor of Rapides Parish. For the year ended December 31, 2013, the District levied property taxes as follows:

Description	<u>Mills Levied</u>
Levied per proposition approved November 17, 2001 authorizing 6 mills for a period of 10 year beginning with 2002 and subsequently renewed for an additional 10 year period for the purpose of acquiring, constructing, improving, maintaining and operating recreational facilities of the District, including necessary equipment in connection therewith. Proceeds from this tax are considered unrestricted income, which is reported as general fund revenue in the accompanying statement of revenue, expenditures and changes in fund balance.....	6.14
Levied per proposition approved November 17, 2001, authorizing general obligation debt to run for a period of 20 years payable from a levy of property taxes, for the purpose of constructing, purchasing and acquiring, lands, buildings, equipment and other facilities to be used in providing recreational facilities for the District. Proceeds from this tax are restricted for debt service. Tax revenues are reported as debt service fund revenue in the accompanying statement of revenue expenditures and changes in fund balance.	<u>7.75</u>
	<u>13.89</u>

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

NOTE 9 - RISK MANAGEMENT

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

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

NOTE 10 - RESTRICTED RESOURCES

Propositions authorizing general obligation bonds require the District to establish bank accounts which serve as debt service sinking funds. Funds on deposit in these accounts may only be used to repay bonds, pay interest accrued on the bonds, or pay related fees.

NOTE 11 - LEASES

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

Ward 9 Recreation District

Rapides Parish, Louisiana

Notes To Financial Statements

December 31, 2013

NOTE 12 – RETIREMENT PLAN

Substantially all employees of the Recreation District are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the Recreation District are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate in the System. Employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Members are required by state statute to contribute 9.5% of their annual covered salary and the Recreation District is required to contribute at an actuarially determined rate. The current rate is 16.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Recreation District are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Recreation District's contributions to the System for the most recent three years were equal to the required contributions for each year.

Ward 9 Recreation District

Rapides Parish, Louisiana

Statement of Revenue, Expenditures and Changes in Fund Balance - General Fund Budget and Actual For the Year Ended December 31, 2013

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property Taxes	\$ 340,000	\$ 353,368	\$ 387,201	\$ 33,833
Investment Income	1,000	592	693	101
State Revenue Sharing	16,000	10,556	15,770	5,214
Other	<u>61,000</u>	<u>66,468</u>	<u>81,580</u>	<u>15,112</u>
Total revenues	<u>418,000</u>	<u>430,984</u>	<u>485,244</u>	<u>54,260</u>
<u>Expenditures:</u>				
Culture and Recreation	390,260	413,150	380,630	32,520
Capital Expenditures	<u>-</u>	<u>16,580</u>	<u>5,500</u>	<u>11,080</u>
Total expenditures	<u>390,260</u>	<u>429,730</u>	<u>386,130</u>	<u>43,600</u>
Net Change in Fund Balances	27,740	1,254	99,114	97,860
Fund balance - beginning of year	<u>455,109</u>	<u>455,109</u>	<u>455,109</u>	<u>-</u>
Fund balance - end of year	<u>\$ 482,849</u>	<u>\$ 456,363</u>	<u>\$ 554,223</u>	<u>\$ 97,860</u>

ROZIER, HARRINGTON & MCKAY

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M. DALE HARRINGTON, CPA
RETIRED - 2005

May 27, 2014

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

To the Board of Commissioners
Ward 9 Recreation District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Ward 9 Recreation District, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 27, 2014.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Ward 9 Recreation District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an

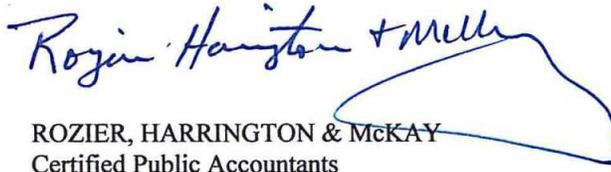
-Members-

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objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

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


ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

WARD 9 RECREATION DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COST **For the Year Ended December 31, 2013**

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditors' Report on the basic financial statements of the Ward 9 Recreation District as of December 31, 2013 and for the year then ended expressed an unqualified opinion.
- The audit did not disclose any audit findings which are required to be reported as reportable conditions or material weaknesses.
- The results of the audit disclosed no instances of noncompliance or other matters that are considered to be material to the basic financial statements of the Ward 9 Recreation District.

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

- None

PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB CIRCULAR A-133:

- N/A

WARD 9 RECREATION DISTRICT

MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Year Ended December 31, 2013

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

WARD 9 RECREATION DISTRICT

SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COST For the Year Ended December 31, 2013

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