

**TERREBONNE PARISH
RECREATION DISTRICT No.6
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

TERREBONNE PARISH RECREATION DISTRICT NO. 6
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2017

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TERREBONNE PARISH RECREATION DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

This discussion and analysis of the Terrebonne Parish Recreation District No. 6's financial performance provides a narrative overview of the financial activities as of and for the fiscal year ended December 31, 2017. 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 increased slightly by approximately \$11,000 as a result of this year's operations. At the close of fiscal year assets exceeded liabilities by \$2,012,681 (net position).
- During the year, expenses of governmental activities were \$627,114 more than the \$34,182 generated in program revenues for governmental programs. General revenues of \$638,250 added to the program revenues helped to make up the shortfall to end the year with revenue exceeding expenses by \$11,136. This compares to last year when revenues exceeded expenses by \$78,509. Program expenses increased by \$35,000 or about 5%.
- The governmental funds reported a slight increase in fund balance of \$1,874.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other 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 Report.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the finances, in a manner like a private-sector business.

TERREBONNE PARISH RECREATION DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

The statement of net position presents information on all the assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The Terrebonne Parish Recreation District No. 6 utilizes the governmental type of funds with the following accounting approach. Most of the basic services are reported in governmental funds, which 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 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 soon to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Our analysis below focuses on the net position and changes in net position of the governmental-type activities.

TERREBONNE PARISH RECREATION DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

	Condensed Statement of Net Position		Variance	
	2016	2017	Amount	%
Current and Other Assets	\$ 1,710,541	\$1,728,701	\$ 18,160	1.1%
Capital Assets	2,369,610	2,276,808	(92,802)	-3.9%
Total Assets	4,080,151	4,005,509	(74,642)	-1.8%
Current Liabilities	7,495	7,405	(90)	-1.2%
Long-term Obligations	1,455,672	1,353,608	(102,064)	-7.0%
Total Liabilities	1,463,167	1,361,013	(102,154)	-7.5%
Deferred Inflows	615,439	631,815	16,376	2.7%
Invested in Capital Assets	929,610	936,808	7,198	0.8%
Restricted for Debt Service	146,348	138,861	(7,487)	-5.1%
Unrestricted	925,587	937,012	11,425	1.2%
Total Net Position	\$ 2,001,545	\$2,012,681	\$ 11,136	0.6%

Net position increased from \$2,001,545 to \$2,012,681. Current assets increased slightly due to the increase in cash provided by operations. Capital assets decreased by 4% due to depreciation exceeding capital purchases in the current year. Long term obligations decrease to reflect the payment on debt. Unrestricted net assets are the part of net assets that can be used to finance day-to-day operations without constraints. The balance in net assets represents the accumulated results of all past years' operations.

	Condensed Statement of Activities		Variance	
	2016	2017	Amount	%
Total program expenses	\$ (626,114)	\$ (661,296)	\$ 35,182	5.6%
Total program revenues	34,053	34,182	129	0.4%
Net program income	(592,061)	(627,114)	(35,053)	-5.9%
General revenues	670,570	638,250	(32,320)	-4.8%
Change in Net Position	78,509	11,136	(67,373)	-85.8%
Net Position:				
Beginning of the year	1,923,036	2,001,545	78,509	-4.1%
End of the year	\$ 2,001,545	\$2,012,681	\$ 11,136	0.6%

Governmental Activities – The table above presents the cost of the recreational governmental activities. The table shows the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). Program expenses increase by approximately 6% - mainly due to the payments made for capital projects in using the remainder of the bond monies for the projects designated by the Board.

TERREBONNE PARISH RECREATION DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

General revenues decreased by over \$32,000 or 5%.

FINANCIAL ANALYSIS OF MAJOR FUNDS (FFS)

The Terrebonne Parish Recreation District No. 6 uses funds to help it control and manage money for recreational purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The General Fund reported an ending fund balance of \$950,620. This reflects an increase of \$9,365 from the prior year. Of the ending fund balance, \$39,000 is non-spendable for prepaid insurance. The Board has committed in the 2017 Adopted Budget - \$69,000 for capital purchases and \$529,185 for contingencies. The remaining \$313,435 is unassigned and available for use. The revenues for the General Fund were \$519,113, a slight decrease of 6% from the prior year. Current expenditures for recreational activities were \$418,336, an increase of 12% from the prior year. Capital outlay equaled \$75,128, for purchases of machinery and equipment and building improvements.

A Debt Service Fund was established as per the bond indenture to account for the collection of ad valorem taxes and the payment of debt service for two General Obligation Bond issues – Series 2008 and Series 2015. During the current year the debt service fund recorded \$152,873 of ad valorem taxes, a decrease of over \$25,000 due to the decrease in the millage assessed for the bonds. \$155,350 was paid on principal and interest expense on the bonds. The ending fund balance – restricted for Debt Service was \$136,861.

The Construction Fund was established to account for the expenditure of the proceeds from the General Obligation Bonds, Series 2015 that were issued for purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities, together with the necessary furnishings and equipment. This fund was closed out in the current year – the ending Fund Balance is zero.

TERREBONNE PARISH RECREATION DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the year. Authorized budget amendments were approved as follows:

Original Budgeted Revenues	\$533,000
Amendments were made for:	
Decreased Ad Valorem taxes based on actual collections	(26,100)
Increased State Revenue Sharing	158
Decreased fees & charges	(400)
Increased Miscellaneous and Interest	14,800
Total revenue amendments	(11,542)
Amended Budgeted Revenues	\$521,458

Original Budgeted Expenditures	\$488,400
Amendments were made for:	
Decreased current expenditures	(24,840)
Total expenditure amendments	(24,840)
Amended Budgeted Expenditures	\$463,560

CAPITAL ASSETS

Capital assets, net of accumulated depreciation of \$1,981,726, for governmental activities at year-end were \$2,276,808. This year there was \$75,128 in additions to capital assets. Depreciation of \$167,931 was recorded on capital assets in the governmental activities.

More detailed information about the capital assets is presented in Note 4 to the financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

LONG-TERM DEBT

The voters approved a proposition on October 20, 2007 to incur debt and to issue \$1,400,000 of 20-year General Obligation Bonds, Series 2008 with varying interest rates between 4.6%-6% for purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities to be payable from ad valorem taxes. At December 31, 2017 \$1,005,000 of these bonds were outstanding and \$65,000 of principal and \$46,281 of interest was paid.

In accordance with a special election held on December 6, 2014, the voters approved the issuance of Four Hundred Thousand Dollars (\$400,000) of General Obligation Bonds, Series 2015, for the purpose of purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities to be payable from ad valorem taxes. The interest rate is 2.36%, interest payment dates are March 1st and September 1st mature in the year 2025. At December 31, 2017 \$335,000 of these bonds were outstanding and \$35,000 of principal and \$9,069 of interest was paid.

More detailed information about the long-term debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Highlights of next year's General Fund budget that was approved by the Board on December 5, 2017 include:

	2018
Anticipated revenues	\$ 478,200
Expenditures:	
Current	420,100
Capital outlay	58,000
Anticipated expenditures	478,100
Excess of revenues	100
Fund Balance:	
Beginning of the year	978,622
End of the year	\$978,722

TERREBONNE PARISH RECREATION DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Terrebonne Parish Recreation District No. 6's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Carlos Alario, Chairman
107 Recreation Dr.
Montegut, LA
Phone number 985-594-3174

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Terrebonne Parish Recreation District No. 6
Montegut, LA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Terrebonne Parish Recreation District No. 6, a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2017, and the notes to the financial statements, which collectively comprise the 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 basic 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 Statements*, 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 includes performing procedures to obtain audit evidence supporting 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 financial position of the governmental activities and each major fund as of December 31, 2017 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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



Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for the purpose of additional analysis 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 Schedule of Compensation, Benefits and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 31, 2018, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

Stagni & Company

Thibodaux, Louisiana
March 31, 2018



TERREBONNE PARISH RECREATION DISTRICT NO. 6

Statement of Net Position

December 31, 2017

ASSETS

Cash and cash equivalents	\$ 812,338
Investments	268,627
Accounts receivable	2,133
Ad Valorem taxes receivable	127,574
Due from tax collector	479,590
Due from State of LA	4,499
Prepaid Insurance	33,310
Meter Deposits	630
Capital Assets, net of accumulated depreciation	
Non-Depreciable	47,000
Depreciable	2,229,808
TOTAL ASSETS	<u><u>4,005,509</u></u>

LIABILITIES

Accounts payable and accrued liabilities	7,405
Long-term liabilities:	
Compensated absences payable-current	8,455
Compensated absences payable-noncurrent	2,314
Accrued Interest on Bonds	2,839
Bonds Payable - due in one year	105,000
Bonds Payable - due in more than one year	1,235,000
TOTAL LIABILITIES	<u><u>1,361,013</u></u>

DEFERRED INFLOWS OF RESOURCES

Ad Valorem Taxes	631,815
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NET POSITION

Net Invested in capital assets	936,808
Restricted for Debt	138,861
Unrestricted	937,012
Total net position	<u><u>\$ 2,012,681</u></u>

See notes to financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	Expenses	Program Revenue		Net Revenue (Expense)
		Charges for services	Operating Grants	
Recreational activities:	\$ 661,296	\$ 34,182	\$ -	\$ (627,114)
Total governmental activities	<u>\$ 661,296</u>	<u>\$ 34,182</u>	<u>\$ -</u>	<u>(627,114)</u>
GENERAL REVENUES				
Ad valorem taxes				609,264
State revenue sharing				6,858
Miscellaneous				15,327
Interest earned				<u>6,801</u>
TOTAL GENERAL REVENUES				638,250
CHANGE IN NET POSITION				11,136
NET POSITION:				
Beginning of year				<u>2,001,545</u>
End of year				<u><u>\$ 2,012,681</u></u>

See notes to the financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Balance Sheet - Governmental Fund - General Fund

December 31, 2017

	General Fund	Debt Service Fund	Construction Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 753,714	\$ 58,624	\$ -	\$ 812,338
Investments	183,027	85,600	-	268,627
Ad Valorem taxes receivable	93,727	33,847	-	127,574
Accounts receivable	2,053	80	-	2,133
Due (to) from other funds	-	-	-	-
Due from tax collector	350,066	129,524	-	479,590
Due from State of LA	4,499	-	-	4,499
Prepaid Assets	33,310	-	-	33,310
Meter Deposits	630	-	-	630
TOTAL ASSETS	\$ 1,421,026	\$ 307,675	\$ -	\$ 1,728,701

LIABILITIES AND EQUITY

Accounts payable and accrued liabilities	\$ 7,405	\$ -	\$ -	\$ 7,405
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DEFERRED INFLOWS OF RESOURCES

Ad Valorem taxes levied for the next fiscal year	463,001	168,814	-	631,815
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FUND BALANCES:

Non-spendable - Reserved for Prepaid Insurance	39,000	-	-	39,000
Committed for:				
Capital purchases	69,000	-	-	69,000
Contingencies	529,185	-	-	529,185
Restricted for:				
Debt Service	-	138,861	-	138,861
Constuction	-	-	-	-
Unassigned	313,435	-	-	313,435
TOTAL FUND BALANCES	950,620	138,861	-	1,089,481

RECONCILIATION TO STATEMENT OF NET ASSETS:

Capital assets used in governmental activites are not financial resources and therefore are not reported in the governmental funds.

Add - Capital Assets

 Non-Depreciable

47,000

 Depreciable

4,211,534

Deduct - Accumulated Depreciation

(1,981,726)

2,276,808

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences payable-current

(8,455)

Compensated absences payable-noncurrent

(2,314)

(10,769)

Deduct - Long-Term Liabilities due within one year

(105,000)

Deduct -Long-Term Liabilities due in more than one year

(1,235,000)

(1,340,000)

Deduct Accrued Interest Payable

(2,839)

Net assets of governmental activities

\$ 2,012,681

See notes to financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Fund - General Fund
For the Year Ended December 31, 2017

	General Fund	Debt Service Fund	Construction Fund	Total Governmental Funds
REVENUES				
Ad Valorem Taxes	\$ 456,391	\$ 152,873	\$ -	\$ 609,264
State Revenue Sharing	6,858	-	-	6,858
Concession Sales	29,356	-	-	29,356
Fees & Charges for use of facilities	4,826	-	-	4,826
Miscellaneous	15,327	-	-	15,327
Interest	6,355	446	-	6,801
TOTAL REVENUES	519,113	153,319	-	672,432
EXPENDITURES				
General government - current:				
Ad valorem tax deductions	15,260	5,072	-	20,332
Ad valorem tax adjustments	1,028	384	-	1,412
Total general government - current	16,288	5,456	-	21,744
Recreational - current:				
Salaries	154,016	-	-	154,016
Payroll Taxes & Retirement	16,765	-	-	16,765
Insurance-Group Health	18,828	-	-	18,828
Insurance-Workers' Compensation	3,278	-	-	3,278
Advertising & Publishing	895	-	-	895
Community Relations	1,639	-	-	1,639
Gasoline, Oil & Diesel	3,144	-	-	3,144
Insurance	48,163	-	-	48,163
Legal & Professional Fees	4,925	-	-	4,925
Office Operations	4,347	-	-	4,347
Supplies-Concession	18,451	-	-	18,451
Supplies-Operating	6,090	-	-	6,090
Uniforms, Employees	1,274	-	-	1,274
Utilities	43,785	-	-	43,785
Travel & training	150	-	-	150
Repairs & Maintenance-Equipment	17,470	-	-	17,470
Repairs & Maintenance-Building/Grounds	75,116	-	-	75,116
Total recreational - current	418,336	-	-	418,336
Capital Outlay	75,128	-	-	75,128
Debt Service:				
Principal payments	-	100,000	-	100,000
Interest and fees	-	55,350	-	55,350
Total Debt Service	-	155,350	-	155,350
TOTAL EXPENDITURES	509,752	160,806	-	670,558
Excess (deficiency) of revenues over expenditures	9,361	(7,487)	-	1,874
OTHER FINANCING SOURCES (USES)				
Transfer to /from other funds	4	-	(4)	-
Net change in fund balance	9,365	(7,487)	(4)	1,874
FUND BALANCES				
Beginning of year	941,255	146,348	4	1,087,607
End of year	<u>\$ 950,620</u>	<u>\$ 138,861</u>	<u>\$ -</u>	<u>\$ 1,089,481</u>

See notes to financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

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

For the Year Ended December 31, 2017

Net change in fund balances		\$ 1,874
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Add capital outlay from above	75,128	
Deduct - Depreciation	<u>(167,931)</u>	(92,803)
Accrued interest expense on debt and the amortization of bond issuance costs, are not recorded by governmental funds, but are reported under interest and fiscal changes		
Add- Decrease in Accrued interest on Bonds	266	
Add principal payments on bonds	<u>100,000</u>	100,266
Some expenses reported in the statement of activities to not require the use of current resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences		1,799
Change in net position - governmental activities		<u><u>\$ 11,136</u></u>

See notes to financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2017

The Terrebonne Parish Recreation District No. 6 (the District) is governed by a Board of Commissioners appointed by the Terrebonne Parish Consolidated Government organized under La. Revised Statute 33:4562(A). The District provides for the maintenance and operations of recreation facilities and equipment for the residents of Ward 6 of the Parish of Terrebonne, State of Louisiana.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

As the governing authority, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. Because the Terrebonne Parish Consolidated Government could by definition in statute be financially burdened by the Terrebonne Parish Recreation District No. 6, the District was determined to be a component unit of the Terrebonne Parish Consolidated Government. The accompanying financial statements present information only on the funds maintained by the District and its component unit and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental reporting entity.

The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ending December 31, 2017.

C. Basis of Accounting

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. Basis of Accounting (continued)

Governmental Fund Type

Governmental funds account for all of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid.

The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

General Fund – was established to account for all financial resources and expenditures except those required to be accounted for in other funds.

Debt Service Fund – was established to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and related costs.

Construction Fund – was established to account for the expenditure of the proceeds from the General Obligation Bonds that were issued for the purpose of purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities, together with the necessary furnishings and equipment. This fund was closed in 2017.

D. Measurement Focus

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Measurement Focus (continued)

Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2016 property taxes which were levied to finance the 2017 budget are recognized as revenue in 2017. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

Expenditures – The major expenditures for recreational programs and maintenance are recorded when payable or when the fees are incurred.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Measurement Focus (continued)

Program Revenues - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

General Revenues - Taxes and other items not properly included among program revenues are reported instead as general revenues.

E. Use of Estimates

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

F. Operating Budgets

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District's General Fund, Debt Service Fund, and Construction Fund. The budgetary practices include public notice of the proposed budget and a public inspection prior to adoption. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. The district amended its budget during the year. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The budgets are adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

G. Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. State law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

H. Cash and Investments (continued)

Investments are reported at fair value except for: (1) short-term and money market investments, consisting primarily of U.S. Treasury obligations with a maturity of one year or less at time of purchase, which are reported at cost, which approximates fair value, and (2) the Louisiana Asset Management Pool (LAMP) investment which is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law, which is permitted to be carried at amortized cost. Investments policies are governed by state statutes.

I. Receivables

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

J. Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets purchased or acquired with an original cost of \$500 or more are recorded in the GWFS.

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

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

J. Capital Assets (continued)

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

CATEGORY	LIFE
BUILDINGS AND IMPROVEMENTS	5-40 YEARS
MACHINERY & EQUIPMENT	5-20 YEARS

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

K. Fund Equity

For government-wide financial statements net assets are classified and displayed in three components:

1. Net Invested 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.
2. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the entity's board through approval of resolutions.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

K. Fund Equity (continued)

Assigned fund balances is a limitation imposed by a designee of the entity's board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

L. Long-term Liabilities

All long-term debt is reported as liabilities in the government-wide statements. The long-term debt consists primarily of serial bonds payable, capital leases, compensated absences and post-employment benefits.

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

M. Compensated Leave

Accumulated vacation and sick leave are recorded as expenditures of the period in which paid. All annual leave must be taken within one year of the employee's anniversary date. Any unused annual leave in excess of 1 year of leave remaining on the anniversary date will be transferred to sick leave. Employees earn between 96 to 136 hours of vacation leave, depending on the length of employment. Accumulated vacation leave is due to the employee at the time of termination or death.

Eligible employees earn 56 hours sick leave per year. Unused sick leave can be carried forward to future years. Upon retirement or termination payment is limited to half of sick time up to 240 hours.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 DEPOSITS AND INVESTMENTS

Deposits -

The recorded balance and bank balance of deposits consisted of checking and certificate of deposit accounts are \$897,938 and \$930,035 respectively.

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the Terrebonne Parish Recreation District No. 6. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. The District has a written policy for custodial credit risk. As of year-end \$558,306 of the bank balance was exposed to custodial credit risk. These deposits were uninsured and uncollateralized. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. The District has pledged securities of \$1,136,320 at year-end.

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, 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 depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments -

At year-end the investment balances of \$183,027 is invested in the Louisiana Asset management Pool (LAMP).

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 DEPOSITS AND INVESTMENTS (continued)

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value.

For purposes of determining participants' shares, investments are valued at amortized cost, which approximates fair value. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

LAMP is rated AAAm by Standard & Poor's. LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required for custodial credit risk. Pooled investments are excluded from the 5 percent disclosure requirement regarding the concentration of credit risk. 2a-7 like investments pools are excluded from the interest rate disclosure requirement, nor is foreign currency risk disclosure applicable.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 3 **AD VALOREM TAXES**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2016. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2017 was 10 mills of assessed valuation on property within Terrebonne Parish Recreation District No. 6 for the purpose of constructing, maintaining and operating recreation facilities within the District and 3.35 mills for the purpose of repayment of debt principal and interest.

Note 4 **CAPITAL ASSETS**

Information about capital assets and depreciation for the year are summarized as follows:

	Balance 12/31/2016	Additions	Deletions/ Adjustments	Balance 12/31/2017
NON-DEPRECIABLE ASSETS				
Land	\$ 47,000	\$ -	\$ -	\$ 47,000
DEPRECIABLE ASSETS:				
COST				
Buildings and Improvements	3,715,344	43,669	-	3,759,013
Machinery & Equipment	421,061	31,459	1	452,521
Total cost of depreciable assets	4,136,405	75,128	1	4,211,534
Total cost of assets	4,183,405	75,128	1	4,258,534
ACCUMULATED DEPRECIATION				
Buildings and Improvements	1,586,181	147,094	-	1,733,275
Machinery & Equipment	227,614	20,837	-	248,451
Total accumulated depreciation	1,813,795	167,931	-	1,981,726
Net depreciable assets	<u>\$2,322,610</u>			<u>\$2,229,808</u>
Net capital assets	<u>\$2,369,610</u>			<u>\$2,276,808</u>

Depreciation Expense of \$167,931 was recorded in the governmental activities.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 5 DUE FROM TAX COLLECTOR

Amounts due from tax collector consists of \$479,590 due from the Terrebonne Parish Sheriff for ad valorem taxes collected but not yet remitted.

Note 6 RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters and group benefits for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability and workers' compensation and group health. No settlements were made during the year that exceeded the District's insurance coverage.

Note 7 LONG-TERM DEBT

The voters approved a proposition on October 20, 2007 to incur debt and to issue \$1,400,000 of 20 year General Obligation Bonds, Series 2008 with varying interest rates between 4.6%-6% for purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities to be payable from ad valorem taxes. The interest payments are semi-annually on February 1st and August 1st. The bonds mature in the year 2028. Standard & Poor's Public Finance Ratings has assigned it municipal debt rating of A to the Bonds.

In accordance with a special election held on December 6, 2014, the voters approved the issuance of Four Hundred Thousand Dollars (\$400,000) of General Obligation Bonds, Series 2015, for the purpose of purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities to be payable from ad valorem taxes. The interest rate is 2.36%, interest payment dates are March 1st and September 1st. The bonds mature in the year 2025.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 7 LONG-TERM DEBT (continued)

A summary of changes in long-term obligations of the District is as follows:

	Payable December 31, 2016	Additions	Deletions	Payable December 31, 2017
GOB, Series 2008	\$1,070,000	\$-	\$65,000	\$1,005,000
GOB, Series 2015	370,000	-	35,000	335,000
Totals	\$1,440,000	\$-	\$100,000	\$1,340,000

The annual requirements, including interest, to amortize all long-term debt outstanding are as follows:

MATURITY	PRINCIPAL	INTEREST	TOTAL
2018	\$105,000	\$50,652	\$155,652
2019	110,000	46,678	156,678
2020	115,000	42,670	157,670
2021	120,000	38,413	158,413
2022	130,000	33,841	163,841
2023-2027	640,000	92,477	732,477
2028	120,000	2,760	122,760
Totals	\$1,340,000	\$347,490	\$1,687,490

A summary of changes in compensated absences is as follows:

Governmental Activities:	Balance 12/31/16	Obligations Retired	Additions/ Adjustments	Balance 12/31/16	due within one year
Other Liabilities:					
Compensated Absences	\$12,568	\$(8,455)	\$6,656	\$10,769	\$8,664

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 8 COMPENSATION OF BOARD MEMBERS

Total compensation of \$1,625 was paid to the following Board Members:

Carlos J. Alario	\$300
Edward J. Welch	\$250
Marcia T. Ellender	\$125
Joseph Boquet	\$ 25
Laura A. Browning	\$275
Wendy A. Cohen	\$275
Michelle L. Neil	\$175
Teddy J. Billiot	\$200

Note 9 SECTION 457b PLAN

The District has adopted a plan to provide the opportunity to save for retirement on a tax-advantaged basis. This Plan is a type of retirement plan commonly referred to as a Governmental Eligible 457b Plan.

All employees are eligible to participate in the plan on the date of hire, once you reach the entry date. The entry date is the first day of the month coinciding with or next following the date you satisfy the Plan's eligibility requirements. The employer amount paid in 2017 for the plan was \$4,592.

As a participant under the Plan, employees may elect to reduce compensation by a specific percentage or dollar amount and have that amount contributed to the Plan. The Plan refers to this as an "elective deferral". There are two types of elective deferrals, pre-tax deferrals and Roth deferrals. For purposes of this summary "deferrals" or "elective deferrals" and generally means both pre-tax deferrals and Roth deferrals. Both the pre-tax and Roth deferrals will be subject to Social Security taxes at the time of the deferral.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 9 SECTION 457b PLAN (continued)

The following is a summary of the Board's policy:

1. A full time employee is eligible to participate in the plan immediately upon hiring; however, the Board will match the contributions of an Employee on the following schedule.
 - a. 0 months to 6 months – will be deemed a "probationary period" and no Employer match will be made.
 - b. 6 months to the completion of the second full year of employment, the Board will match 1/3 of the contribution of the Employee up to 6.0% (2.0% Employer).
 - c. 3 years to 4 years of employment, the Board will match 2/3 of the contribution of the Employee up to 6.0% (4.0% Employer).
 - d. Year 5 and beyond, the Board will match 100% of the contribution of the Employee up to 6.0% (6.0% Employer).
2. Should an Employee elect not to contribute the 6.0%, the Board will match 1/3 or 2/3 of the contribution based on the years of service above.
3. The Board will grandfather in all current full-time employees as of 1 April, 2011 and recognizes them eligible for 100% match up to 6.0% of gross payroll.
4. Effective 1 May, 2011, the matching formula outlined above will be honored.
5. The Board reserves the right to recognize previous service credits with other political jurisdictions of Terrebonne Parish, the U.S. Military and/or National Guard. Such recognition will be on a case-by-case basis and at the full discretion of the Board.
6. The Board further reserves the right to amend, change or eliminate the matching contribution at any time should budgetary issues require such a change.

***REQUIRED SUPPLEMENTAL
INFORMATION***

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Budget Comparison Schedule - General Fund

For the Year Ended December 31, 2017

	Budgets			Variance
	Original	Amended	Actual	Favorable (Unfavorable)
REVENUES				
Ad Valorem Taxes	\$482,000	\$455,900	\$456,391	\$ 491
State Revenue Sharing	6,700	6,858	6,858	-
Concession Sales	26,500	26,500	29,356	2,856
Grants and Settlements	8,000	8,000	-	(8,000)
Fees & Charges for use of facilities	5,300	4,900	4,826	(74)
Miscellaneous	2,800	15,800	15,327	(473)
Interest	1,700	3,500	6,355	2,855
TOTAL REVENUES	<u>533,000</u>	<u>521,458</u>	<u>519,113</u>	<u>(2,345)</u>
EXPENDITURES				
General government - current:				
Ad valorem tax deductions	16,500	15,260	15,260	-
Ad valorem tax adjustments	2,700	1,200	1,028	172
	<u>19,200</u>	<u>16,460</u>	<u>16,288</u>	<u>172</u>
Recreation - current:				
Salaries	142,800	140,700	154,016	(13,316)
Payroll Taxes & Retirement	18,000	18,000	16,765	1,235
Insurance-Group Health	40,000	25,000	18,828	6,172
Insurance-Workers' Compensation	3,300	3,300	3,278	22
Advertising & Publishing	1,300	1,100	895	205
Community Relations	1,800	1,800	1,639	161
Election Expenses	1,000	1,000	-	1,000
Gasoline, Oil & Diesel	3,500	3,500	3,144	356
Insurance	50,000	50,000	48,163	1,837
Legal & Professional Fees	6,500	6,500	4,925	1,575
Office Operations	2,000	2,000	4,347	(2,347)
Supplies-Concession	22,900	22,900	18,451	4,449
Supplies-Operating	8,000	8,000	6,090	1,910
Uniforms, Employees	500	700	1,274	(574)
Utilities & Telephone	40,000	40,000	43,785	(3,785)
Travel & training	600	600	150	450
Repairs & Maintenance-Equipment	17,000	17,000	17,470	(470)
Repairs & Maintenance-Building/Grounds	45,000	40,000	75,116	(35,116)
Total recreation - current	<u>404,200</u>	<u>382,100</u>	<u>418,336</u>	<u>(36,236)</u>
Capital outlay	<u>65,000</u>	<u>65,000</u>	<u>75,128</u>	<u>(10,128)</u>
Debt Service:				
Principal payments	-	-	-	-
Interest and fees	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>488,400</u>	<u>463,560</u>	<u>509,752</u>	<u>(46,192)</u>
Excess (deficiencies) of revenues over expenditures	44,600	57,898	9,361	(48,537)
OTHER FINANCING SOURCES (USES)				
Transfers to Construction Fund	-	5	4	1
	<u>-</u>	<u>5</u>	<u>4</u>	<u>1</u>
NET CHANGE IN FUND BALANCES	44,600	57,903	9,365	(48,536)
FUND BALANCES				
Beginning of year	983,256	983,256	941,255	(42,001)
End of year	<u>\$ 1,027,856</u>	<u>\$ 1,041,159</u>	<u>\$ 950,620</u>	<u>\$ (90,537)</u>

TERREBONNE PARISH RECREATION DISTRICT NO. 6Budget Comparison Schedule - Debt Service Fund
For the Year Ended December 31, 2017

	Budgets		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Ad Valorem Taxes	\$161,687	\$152,873	\$152,873	\$ -
Interest	250	370	446	76
TOTAL REVENUES	<u>161,937</u>	<u>153,243</u>	<u>153,319</u>	<u>76</u>
EXPENDITURES				
General government - current:				
Ad valorem tax deductions	6,000	5,112	5,072	40
Ad valorem tax adjustments	600	344	384	(40)
	<u>6,600</u>	<u>5,456</u>	<u>5,456</u>	<u>-</u>
Debt Service:				
Principal payments	100,000	100,000	100,000	-
Interest and fees	55,350	55,350	55,350	-
	<u>155,350</u>	<u>155,350</u>	<u>155,350</u>	<u>-</u>
TOTAL EXPENDITURES	<u>161,950</u>	<u>160,806</u>	<u>160,806</u>	<u>-</u>
Revenue over (under) expenditures	(13)	(7,563)	(7,487)	76
FUND BALANCES				
Beginning of year	146,348	146,347	146,348	1
End of year	<u>\$ 146,335</u>	<u>\$ 138,784</u>	<u>\$ 138,861</u>	<u>\$ 77</u>

OTHER INFORMATION SECTION

TERREBONNE PARISH RECREATION DISTRICT NO. 6

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2017

Agency Head Name: Carlos J. Alario, Chairman of the Board

Purpose	Amount
Salary	\$0
Benefits-insurance	\$0
Benefits-retirement	\$0
Deferred compensation (contributions made by the agency)	\$0
Benefits-other (describe)	\$0
Car allowance	\$0
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	\$0
Cell phone	\$0
Dues	\$0
Vehicle rental	\$0
Per diem	\$300
Reimbursements	\$0
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Housing	\$0
Unvouchered expenses (example: travel advances, etc.)	\$0
Special meals	\$0
Other (including payments made by other parties on behalf of the agency head)	\$0

This form is prepared to satisfy the reporting requirement under R.S. 24:513(A)(3).

***REPORTS REQUIRED BY GOVERNMENT
AUDITING STANDARDS***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

To the Commissioners of
Terrebonne Parish Recreation District No. 6
Montegut, LA

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 Terrebonne Parish Recreation District No. 8, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated March 31, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting 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 financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

March 31, 2018
Thibodaux, Louisiana



Terrebonne Parish Recreation District No. 6
SCHEDULE OF CURRENT YEAR FINDINGS
For the Year Ended December 31, 2017

We have audited the basic financial statements of the Terrebonne Parish Recreation District No. 6, a component unit of Terrebonne Parish Consolidated Government, which collectively comprise the basic financial statements as of and for the year ended December 31, 2017, and have issued our report thereon dated March 31, 2018. We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our independent auditor's opinion on the basic financial statements was unqualified.

Section I - Summary of Auditor's Reports

- The auditor's report expresses an unqualified opinion on the basic financial statements.
- No deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
- No instances of noncompliance or other matters under *Government Auditing Standards* were disclosed during the audit of the financial statements.
- No instances of noncompliance under the provisions of Louisiana Governmental Audit Guide were disclosed during the audit of the basic financial statements.
- There was no management letter issued in connection with this report.
- The District neither received nor expended any federal awards during the year.

Section II - Financial Statement Findings

- There were no financial statement findings during the audit of the basic financial statements.

Section III - Federal Award Findings and Questioned Costs

- There were no federal award findings during the audit of the basic financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 6

**Statewide Agreed Upon Procedures Report
With Findings and Management's Responses**

*As of and for the Year Ending
December 31, 2017*



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

AGREED-UPON PROCEDURES REPORT Terrebonne Parish Recreation District No. 6

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2017 – December 31, 2017

To the Board Members of the
Terrebonne Parish Recreation District No. 6 and
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Terrebonne Parish Recreation District No. 6 (the District) 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, 2017 through December 31, 2017. The District'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 results are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - 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.

- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts**, including receiving, recording, and preparing deposits.
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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.
- 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, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The policies of the District address all of the functions listed, with the following exceptions.

- The policy for 1(f) contracting does not address the legal review.
- The policy for 1(i) ethics does not address 1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121 or 2) the requirement to attest through signature verification that all employees have read the entity's ethics policy.
- The policy for debt service does not address, debt reserve requirements, or debt service requirements.

Management's Response:

Contracting Policy - 1(f) - The District does have a contracting policy; however it does not cover all aspects required of the AUPs. The policy will be expanded to include all requirements.

Ethics Policy - 1(i) - Currently, all employees and board members are required to view a 1-hour ethics training video presented by the Louisiana Board of Ethics. Once the employee has viewed the video, they are required to print a certificate for filing in each employee's personnel file. This is an annual requirement. In Management's opinion, this video is much more in-depth than the District's ethics policy, and is clearer and easier to understand for all employees across all job categories. The policy will be expanded to include the prohibitions as defined in LRS 42:1111-1121.

Debt Service Policy - 1(j) - The District does have a debt service policy; however it does not cover all aspects required of the AUPs. The policy will be expanded to include all requirements.



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Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g., approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results: The District met at least monthly. The minutes do reference budget-to-actual comparisons on the General Fund or other major funds. The minutes reference approvals of bids, contracts and material purchases.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Results: We obtained a listing of bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than five accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
- a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results: We selected seventeen (3) bank accounts and obtained bank statements and reconciliations. All criteria were met without exception.



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Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results: We obtained from management a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than five locations). **For each cash collection location selected:**
 - a) Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results: There was only one (1) collection location for testing. Each person responsible for collecting cash is bonded. Duties were segregated per the policy. The person responsible for collecting cash was not responsible for reconciling cash collections to the general ledger. The District has a formal process to reconcile cash collections to the general ledger by a person who is not responsible for cash collections. While performing procedure 6(c), we noted that of the 7 deposits tested, 5 were for concessions and were not deposited the same or next day. For the 5 not deposited the same or next day, the number of days from receipt to deposit ranged from 2 to 7 days. All of the deposits tested had supporting documentation.

Management's Response:

Timeliness of deposits – Concession collections from the ballfield concession stand, pool, and gym are all put into the same cash register. There is a collection log issued with each money box for the registers. At the end of the day, the register is balanced, and



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entered into a collection log. The money box and collection log is turned over to a supervisor who verifies and turns over to another supervisor to be deposited at the end of each week.

7. Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Results: The District has a process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source by a person who is not responsible for collections.

Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Results: We obtained from management a disbursement listing and management's representation that the listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g., purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

Results: We obtained supporting documentation for 25 disbursements. The criteria in steps 9(a), 9(b) and 9(c) were met for all 25 disbursements tested.

10. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.



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Results: The persons responsible for processing payments are prohibited from adding vendors to the District's disbursement system. The contract bookkeeper processes payments, the supervisor is authorized to add vendors to the purchasing system.

11. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: The persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results: No exceptions were identified as a result of these procedures.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Results: No exceptions were identified as a result of these procedures.

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

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

Results: We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:



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- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Results: The monthly statements or combined statements and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder. No finance charges or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased).
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/ disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless of whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: Procedure 16(a) –For the two credit cards selected for testing, both were supported by itemized receipts and documentation of the business/public purpose of each individual charge.

Procedures 16(b) and 16(c) - No exceptions were identified as a result of these procedures.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained from management the required listing for travel reimbursements. We obtained management's representation that the listing is complete.



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18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Results: We obtained the written policies related to travel and expense reimbursement. No amounts that exceed GSA rates were noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were identified as a result of these procedures.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained a listing of all contracts in effect during the fiscal period. We obtained management's representation that the listing is complete.



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21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).

Results: For the five contracts selected, a formal written contract supports the arrangement and the amounts paid. None of the contracts selected were subject to public bid law and complied with all requirements thereof. For the largest payment from each of the five contracts, the supporting invoice and related payment complied with the terms and conditions of the contract. Each of the five contracts was properly approved according to policy and the approval was reported in the board minutes.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results: We obtained a listing of employees with their related salaries, and we obtained management's representation that the listing is complete. For the five employees selected, payments were made in strict accordance with the terms and conditions of the pay rate structure. No changes were made during the fiscal period for the five employees selected.



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23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results: We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. For procedure 23(a), all employees selected documented their daily attendance and leave on time and leave sheets maintained by the District. For procedure 23(b), vacation and sick leave for all employees selected were approved in writing. As per policy, daily attendance was approved by a supervisor in writing during the period. For procedure 23(c), we noted the time and leave records on those employees.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Results: We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. The two largest termination payments made during the fiscal period were made in strict accordance with policy and were approved by management.

25. Obtain supporting documentation (e.g., cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results: We obtained supporting documentation relating to payroll taxes and retirement contributions during the fiscal period. The employee and employer portions of payroll taxes and retirement contributions as well as the required reporting forms were submitted to the applicable agencies by the required deadlines.



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Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Results: All of the five employees selected, had documentation to demonstrate that required ethics training was completed.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results: We inquired of management whether any alleged ethics violations were reported during the fiscal period. Management has received no such allegations.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Results: This procedure is not applicable.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Results: The District made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Results: The millage collections did not exceed debt service payments by more than 10% during the fiscal period.



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Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: We inquired of management whether the District had any misappropriations of public funds or assets. Management reported there have not been any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: The District has posted on its premises and website the notice required by R.S. 24:523.1.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Results: No exceptions were identified as a result of these procedures.

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.

Stagni & Company

Thibodaux, LA
April 2, 2018



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