

***Financial Report***

***Terrebonne Parish Recreation District No. 9***

***Houma, Louisiana***

***For the year ended December 31, 2016***



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### **Terrebonne Parish Recreation District No. 9**

For the year ended December 31, 2016

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## **FINANCIAL SECTION**



## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 9,  
Houma, Louisiana.

We have audited the accompanying financial statements of the governmental activities and the General Fund of Terrebonne Parish Recreation District No. 9, State of Louisiana (the District), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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 the General Fund of Terrebonne Parish Recreation District No. 9 as of December 31, 2016, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8 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 Terrebonne Parish Recreation District No. 9 basic financial statements. The accompanying supplementary information, on page 30, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2017 on our consideration of Terrebonne Parish Recreation District No. 9's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 the District's internal control over financial reporting and compliance.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
May 22, 2017.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Terrebonne Parish Recreation District No.9**

Management's Discussion and Analysis of the Terrebonne Parish Recreation District No. 9's financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2016. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The District's assets exceeded its liabilities at the close of fiscal year 2016 by \$3,310,282 (net position), which represents a 14.81% increase from last fiscal year.

The District's revenue increased \$63,223 (or 5.07%) primarily due to the increases in ad valorem taxes and charges for services.

The District's expenses increased \$78,090 (or 9.71%) primarily due to the increases to personal services and other services and charges.

The District did not have a deficit fund balance.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's annual report consists of three parts: (1) management's discussion and analysis (this section) (2) financial statements and (3) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the District:

#### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Activities presents information showing how the District's net position changed during each 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. The governmental activity of the District is culture and recreation.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District's fund is a governmental fund.

## **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains an individual governmental fund. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 9 - 13 of this report.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2016, assets exceeded liabilities and deferred inflows by \$3,310,282. A large portion of the District's net position (62.89%) reflects its net investment in capital assets (e.g., land; construction in progress; buildings and improvements; office furniture, fixtures and equipment; machinery and equipment). Consequently, these assets are not available for future spending.



### Condensed Statements of Net Position

	December 31,		Dollar
	2016	2015	Change
Current and other assets	\$ 2,004,583	\$ 1,779,095	\$ 225,488
Capital assets	2,081,674	1,918,652	163,022
Total assets	<u>4,086,257</u>	<u>3,697,747</u>	<u>388,510</u>
Current liabilities	7,684	13,267	(5,583)
Deferred Inflows of resources	768,291	801,226	(32,935)
Total liabilities	<u>775,975</u>	<u>814,493</u>	<u>(38,518)</u>
Net Position:			
Net investment in capital assets	2,081,674	1,918,652	163,022
Unrestricted	1,228,608	964,602	264,006
Total net position	<u>\$ 3,310,282</u>	<u>\$ 2,883,254</u>	<u>\$ 427,028</u>

### Governmental Activities

Governmental activities increased the District's net position by \$427,028. Key elements of this increase are as follows:

### Condensed Statement of Activities

	For the Year Ended December 31,		Dollar	Total
	2016	2015	Change	Percent Change
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 326,194	\$ 291,508	\$ 34,686	11.90%
General revenues:				
Taxes	914,976	854,708	60,268	7.05%
Intergovernmental	56,733	62,885	(6,152)	-9.78%
Miscellaneous	11,480	37,059	(25,579)	-69.02%
Total revenues	<u>1,309,383</u>	<u>1,246,160</u>	<u>63,223</u>	5.07%
<b>Expenses:</b>				
General government	48,387	37,712	10,675	28.31%
Culture and recreation	833,968	766,553	67,415	8.79%
Total expenses	<u>882,355</u>	<u>804,265</u>	<u>78,090</u>	9.71%
Increase in net position	427,028	441,895	(14,867)	-3.36%
Net position, beginning of year	2,883,254	2,441,359	441,895	18.10%
Net position, end of year	<u>\$ 3,310,282</u>	<u>\$ 2,883,254</u>	<u>\$ 427,028</u>	14.81%

In 2016, the District's total revenues increased by \$63,223 due to increases in collection ad valorem tax assessed in prior years and charges for services. The charge for services increase is attributable to the additional revenue from the opening of the Splash Park in 2016. The increase in culture and recreation expenses is due to increases in personal services for the employee raises and increased group health insurance premiums.



## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's General Fund's ending fund balance is \$1,202,404, which is an increase of \$265,876 in comparison with the prior year. The entire balance is unassigned and available for spending at the District's discretion.

### **General Fund Budgetary Highlights**

In order to maintain compliance with state budget laws, the budget was amended once during the year. The major differences between the original General Fund budget and the final amended budget were as follows:

#### **Revenues**

- Ad Valorem tax was increased by \$73,800 to more accurately estimate tax collections.

#### **Expenditures**

- Repairs and maintenance was increased by \$9,900 due to an increase in repairs to the pool and the building.
- Other services and charges was decreased by \$20,302 due to the decrease in the expected insurance premiums as in the current year.
- Personal services was increased by \$18,277 due to the District implementing a 3% cost of living raise for all full time employees and increased group health insurance premiums.

During the year, actual revenues exceeded the budgetary estimates while actual expenditures were less than the budgetary estimates.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The District's net investment in capital assets for its governmental activities as of December 31, 2016, amounts to \$2,081,674 (net of accumulated depreciation). This net investment in capital assets includes land, construction in progress, buildings and improvements, office furniture, fixtures and equipment; and machinery and equipment (see the table on the following page).



	<u>2016</u>	<u>2015</u>
Land	\$ 111,208	\$ 111,208
Construction in progress	20,362	70,153
Buildings and improvements	2,949,271	2,704,349
Machinery and equipment	540,286	520,028
Office furniture, fixtures and equipment	<u>21,060</u>	<u>15,141</u>
Totals	<u>\$ 3,642,187</u>	<u>\$ 3,420,879</u>

Major capital asset events during the current fiscal year included the following:

- The District completed Splash Park project.
- The District installed a new limestone parking area at Mulberry Park.
- The District installed a new walking track rubber surface at the playground
- The District installed A/C Units in the Director's office and Tutor Room.

Additional information on the District's capital assets can be found in the Note 5, Exhibit F of this report.

The District has not incurred long-term debt or obligations as of December 31, 2016.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Pool income is anticipated to increase in 2017 due to the installation of the Splash Park.
- Concession income, boat launch income, rental income, and program registration fees are anticipated to remain the same for 2017.
- Expenditures have been carefully budgeted only to include the bare necessities of operating expenditures i.e., utilities, repairs, employee wages, etc.
- A 3% pay increase for the District employees has been factored into the 2017 Budget.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Parish Recreation District No. 9, 107 Verret Street, Houma, Louisiana 70360.



**STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET****Terrebonne Parish Recreation District No. 9**

December 31, 2016

	General Fund	Adjustments (Exhibit B)	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 1,268,818		\$ 1,268,818
Receivables - taxes	377,425		377,425
Due from other governmental units	332,136		332,136
Prepaid insurance	-	\$ 26,204	26,204
Capital assets:			
Non-depreciable	-	131,570	131,570
Depreciable, net of accumulated depreciation	-	1,950,104	1,950,104
Total assets	<u>\$ 1,978,379</u>	<u>2,107,878</u>	<u>4,086,257</u>
<b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 4,252	-	4,252
Due to Terrebonne Parish Consolidated Government	3,432	-	3,432
Total liabilities	7,684	-	7,684
Deferred inflows of resources			
Unavailable revenue - property taxes	768,291	-	768,291
Total liabilities and deferred inflows of resources	775,975	-	775,975
<b>Fund Balance/Net Position</b>			
Fund balance:			
Unassigned	1,202,404	(1,202,404)	-
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,978,379</u>	<u>(1,202,404)</u>	<u>775,975</u>
<b>Net position:</b>			
Net investment in capital assets		2,081,674	2,081,674
Unrestricted		1,228,608	1,228,608
Total net position		<u>\$ 3,310,282</u>	<u>\$ 3,310,282</u>

See notes to financial statements.



**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**Terrebonne Parish Recreation District No. 9**

December 31, 2016

**Fund Balance - Governmental Fund** \$ 1,202,404

Amounts reported for governmental activities in  
the Statement of Net Position are different because:

Capital assets used in governmental activities  
are not financial resources and, therefore,  
are not reported in the governmental fund.

Governmental capital assets	\$ 3,642,187	
Less accumulated depreciation	<u>(1,560,513)</u>	2,081,674

Other assets used in governmental activities  
are not financial resources and, therefore,  
are not reported in the governmental funds.

Prepaid insurance	<u>26,204</u>
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**Net Position of Governmental Activities** \$ 3,310,282

See notes to financial statements.



**STATEMENT OF ACTIVITIES AND STATEMENT OF  
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE**

**Terrebonne Parish Recreation District No. 9**

For the year ended December 31, 2016

	General Fund	Adjustments (Exhibit D)	Statement of Activities
<b>Revenues</b>			
Taxes	\$ 914,976		\$ 914,976
Intergovernmental:			
State of Louisiana:			
State revenue sharing	23,733		23,733
Terrebonne Parish Consolidated Government	33,000		33,000
Charges for services	326,194		326,194
Miscellaneous:			
Interest	5,180		5,180
Other	6,300		6,300
Total revenues	<u>1,309,383</u>		<u>1,309,383</u>
<b>Expenditures/Expenses</b>			
Current:			
General government:			
Ad valorem tax adjustment	21,099		21,099
Ad valorem tax deductions	27,288		27,288
Total general government	<u>48,387</u>		<u>48,387</u>
Culture and recreation:			
Personal services	391,525		391,525
Supplies and materials	42,279		42,279
Other services and charges	173,426	\$ 13,315	186,741
Repairs and maintenance	78,620	-	78,620
Capital outlay	309,270	(309,270)	-
Depreciation and impairment	-	134,803	134,803
Total culture and recreation	<u>995,120</u>	<u>(161,152)</u>	<u>833,968</u>
Total expenditures/expenses	<u>1,043,507</u>	<u>(161,152)</u>	<u>882,355</u>
<b>Excess of revenues over expenditures</b>	265,876	(265,876)	-
<b>Change in Net Position</b>	-	427,028	427,028
<b>Fund Balance/Net Position</b>			
Beginning of year	936,528	1,946,726	2,883,254
End of year	<u>\$ 1,202,404</u>	<u>\$ 2,107,878</u>	<u>\$ 3,310,282</u>

See notes to financial statements.



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

**Terrebonne Parish Recreation District No. 9**

For the year ended December 31, 2016

**Net Change in Fund Balance - Governmental Fund** **\$ 265,876**

Amounts reported for governmental activities in the Statement of Activities  
are different because:

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.

Capital outlay	\$ 309,270	
Depreciation expense	<u>(134,803)</u>	
Excess of capital outlay over depreciation expense		174,467

The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins and impairments, decrease net position.		(11,445)
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Some expenses reported in the Statement of Activities do not require the use of  
current financial resources and are not reported as expenditures in  
the governmental funds.

Prepaid insurance		<u>(1,870)</u>
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**Change in Net Position of Governmental Activities** **\$ 427,028**

See notes to financial statements.



**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND**

**Terrebonne Parish Recreation District No. 9**

For the year ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<b>Revenues</b>				
Taxes	\$ 763,000	\$ 836,800	\$ 914,976	\$ 78,176
Intergovernmental:				
State of Louisiana:				
State revenue sharing	24,900	23,733	23,733	-
Terrebonne Parish Consolidated Government	-	-	33,000	33,000
Charges for services	367,000	352,953	326,194	(26,759)
Miscellaneous:				
Interest	500	4,700	5,180	480
Other	8,300	6,500	6,300	(200)
	<u>1,163,700</u>	<u>1,224,686</u>	<u>1,309,383</u>	<u>84,697</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
Current:				
General government:				
Ad valorem tax adjustment	-	-	21,099	(21,099)
Ad valorem tax deductions	30,000	30,000	27,288	2,712
	<u>30,000</u>	<u>30,000</u>	<u>48,387</u>	<u>(18,387)</u>
Total general government				
Culture and recreation:				
Personal services	381,750	400,027	391,525	8,502
Supplies and materials	35,000	43,000	42,279	721
Other services and charges	197,740	177,438	173,426	4,012
Repairs and maintenance	83,500	93,400	78,620	14,780
Capital outlay	308,000	302,100	309,270	(7,170)
	<u>1,005,990</u>	<u>1,015,965</u>	<u>995,120</u>	<u>20,845</u>
Total culture and recreation				
Total expenditures	<u>1,035,990</u>	<u>1,045,965</u>	<u>1,043,507</u>	<u>2,458</u>
Excess of revenues over expenditures	<u>127,710</u>	<u>178,721</u>	<u>265,876</u>	<u>87,155</u>
<b>Other Financing Sources</b>				
Proceeds of claim settlement	500	100	-	(100)
<b>Excess of Revenues and Other Financing Sources over Expenditures and Uses</b>	128,210	178,821	265,876	87,055
<b>Fund Balance</b>				
Beginning of year	364,743	936,528	936,528	-
End of year	<u>\$ 492,953</u>	<u>\$ 1,115,349</u>	<u>1,202,404</u>	<u>87,055</u>

See notes to financial statements.



## NOTES TO FINANCIAL STATEMENTS

### Terrebonne Parish Recreation District No. 9

December 31, 2016

#### Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Recreation District No. 9 (the "District") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

##### a) Reporting Entity

The District is a component unit of the Terrebonne Parish Consolidated Government (the "Parish") and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2016.

GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34* established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the District and the potential component unit.
4. Imposition of will by the District on the potential component unit.
5. Financial benefit/burden relationship between the District and the potential component unit.

The District has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Basis of Presentation**

The District's financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements.

**Government-wide Financial Statements:**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the District. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

**Fund Financial Statements:**

The daily accounts and operations of the District are organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental fund of the District:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for and report all financial resources except those that are required to be accounted for and reported in another fund. The General Fund is always a major fund.

**c) Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Government-wide Financial Statements:**

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



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Measurement Focus and Basis of Accounting (continued)**

**Fund Financial Statements:**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). 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. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2016 property taxes which are being levied to finance the 2017 budget will be recognized as revenue in 2017. The 2017 tax levy is reported as unavailable revenue in the financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

**d) 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.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Operating Budgetary Data**

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. In order to remain in compliance with State budgeting laws, the District amended its budget once during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the financial statements.

**f) Accounts Receivable**

The financial statements for the District do not contain an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables 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.

**g) Prepaid Insurance**

The District has recorded prepaid insurance in its government-wide financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**h) Capital Assets**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$400 or more and a useful life greater than one year are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h) Capital Assets (continued)**

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

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	15 - 40 years
Machinery and equipment	5 - 20 years
Office furniture, fixtures and equipment	5 - 12 years

**Fund Financial Statements:**

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

**i) Vacation and Sick Leave**

The District has five full-time employees. Full-time employees are eligible to receive 5 days of vacation after 1 year of service, and can earn up to a maximum of 15 vacation days depending on their length of employment. Every full-time employee is also eligible for 5 sick days beginning on their employment date. Vacation and sick days are not due to employees upon termination or death, and earned but unused days do not carry over from one year to the next. Vacation and sick leave days are based on a policy of use or lose by December 31<sup>st</sup> each year. Accordingly, there is no accumulated unpaid vacation or sick leave at December 31, 2016.

**j) Deferred Inflows of Resources**

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The governmental fund reports unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District reports unavailable revenue when resources associated with imposed non-exchange revenue transactions are received or



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j) Deferred Inflows of Resources (continued)**

reported as a receivable before (a) the period for which property taxes are levied or (b) the period when resources are required to be used or when use is first permitted for all other imposed non-exchange revenues in which the enabling legislation includes time requirements.

**k) Fund Equity**

Government-wide Statements:

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. At December 31, 2016, the District had no outstanding borrowings.
- b. Restricted – Consists of assets and deferred outflow of resources less liabilities and deferred inflow of resources (net position) 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.
- c. Unrestricted – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2016 and for the year then ended, the District did not have or receive restricted resources.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Fund Equity (continued)**

- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal action of the District’s Board of Commissioners. Commitment may be established, modified, or rescinded only through ordinances or resolutions approved by the District’s Board of Commissioners.
- d. Assigned – amounts that do not meet the criteria to be classified as either restricted or committed by that are intended to be used for specific purposes. Amounts may be assigned by a majority vote of the Board.
- e. Unassigned – all other spendable amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available. The District’s fund balance was classified as unassigned as of December 31, 2016.

**l) New GASB Statements**

During the year ending December 31, 2016, the District implemented the following GASB Statements:

Statement No. 72, *“Fair Value Measurement and Application.”* This Statement addresses accounting and financial reporting issues related to fair value measurement. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

Statement No. 73, *“Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.”* The Statement completes the suite of pension standards and establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). This Statement did not affect the District’s financial statements.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I) New GASB Statements (continued)**

Statement No. 76, *“The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.”* The objective of this Statement is to identify the hierarchy of generally accepted accounting principles (GAAP).

Statement No. 77, *“Tax Abatement Disclosures”* defines tax abatements as reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. This Statement requires disclosures of the government’s own tax abatement agreements and those tax abatement agreements of other governments that reduce the government’s revenue. This Statement did not affect the District’s financial statements.

Statement No. 78, *“Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans”* amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This Statement did not affect the District’s financial statements.

Statement No. 79, *“Certain External Investment Pools and Pool Participants”* establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement also establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost. The provisions in paragraphs 18, 19, 23-26 and 40 are effective for periods beginning after December 15, 2015.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I) New GASB Statements (continued)**

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 74, *“Financial Reporting for Postemployment Benefit Plans other than Pension Plans.”* The Statement addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria and follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments and also sets forth note disclosure requirements for defined contribution OPEB plans. The statement will be effective for periods beginning after June 15, 2016. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 75, *“Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions.”* replaces the requirements of GASB Statement No. 45. This Statement requires governments to report a liability on the face of the financial statements for the OPEB that they provide: governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability, governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan and governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 80, *“Blending Requirement for Certain Component Units”* improves financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This requirement enhances comparability and decision usefulness of financial statements among governments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I) New GASB Statements (continued)**

Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 81, *“Irrevocable Split Interest Agreements”* provided recognition and measurement guidance for situation in which a government is a beneficiary of an irrevocable split interest agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split interest agreement recognize assets, liabilities and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in agreements administered by third parties. Governments are required by this Statement to recognize revenue when the resources become applicable to the reporting period. This Statement enhances comparability and decision usefulness of financial statements among governments. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2016. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 82, *“Pension Issues”* addresses several issues raised with respect to Statements No. 67, *“Financial Reporting for Pension Plans,”* No. 68, *“Accounting and Financial Reporting for Pensions,”* and No. 73, *“Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.”* Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 83, *“Certain Asset Retirement Obligations”* addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I) New GASB Statements (continued)**

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 85, "*Omnibus 2017*." On March 20, 2017, GASB issued, "*Omnibus 2017*" covering four main topics: blending component units; goodwill, fair value measurement and application; and postemployment benefits. "*Omnibus 2017*" is far effective for fiscal years beginning after June 15, 2017. However, due to the nature of topic covered, GASB is allowing the option of early implementation for single topics.

**Note 2 - DEPOSITS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

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 market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balances of deposits are as follows:

	Bank Balances	Reported Amounts
Cash	\$ 215,554	\$ 171,129



**Note 2 - DEPOSITS (Continued)**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk that is similar to state law. As of December 31, 2016, the District's bank balance of \$215,554 was covered by federal deposit insurance and not exposed to credit risk.

**Investments:**

State statutes authorizes the Board to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the District's investment policy emphasized maintaining liquidity to match specific cash flows.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy requires the application of the prudent-person rule. This policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of principal secondly to maintain liquidity to meet operating requirements and finally to obtain the most favorable rate of return.* The District's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAM.

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.

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 2a7, 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. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, The U.S. Government or one of its



**Note 2 - DEPOSITS (Continued)**

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 a 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. The fair value of participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP at December 31, 2016, amounted to \$1,097,689 and are considered cash equivalents for reporting purposes.

A reconciliation of deposits and investments to the financial statements as of December 31, 2016 is as follows:

Deposits	\$ 171,129
Investments	<u>1,097,689</u>
Total cash and cash equivalents	<u>\$ 1,268,818</u>

**Note 3 - PROPERTY 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, 2016 was \$15.00 per \$1,000 of assessed valuation on property within Recreation District No. 9 for the purpose of maintaining and operating recreational facilities within the District. As indicated in Note 1c, taxes levied November 1, 2016 are for budgeted expenditures in 2016 and will be recognized as revenues in 2017.



**Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at December 31, 2016 consisted of the following:

State of Louisiana - State revenue sharing	\$ 16,610
Terrebonne Parish Tax Collector - December 2016 collections remitted to the District in January 2017:	
Ad valorem taxes	<u>315,526</u>
Total	<u>\$ 332,136</u>

**Note 5 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
Capital assets not being depreciated:				
Land	\$ 111,208	\$ -	-	\$ 111,208
Construction in progress	<u>70,153</u>	<u>100,642</u>	<u>(150,433)</u>	<u>20,362</u>
Total capital assets not being depreciated	<u>181,361</u>	<u>100,642</u>	<u>(150,433)</u>	<u>131,570</u>
Capital assets being depreciated:				
Buildings and improvements	2,704,349	263,986	(19,064)	2,949,271
Machinery and equipment	520,028	84,935	(64,677)	540,286
Office furniture, fixtures and equipment	<u>15,141</u>	<u>10,140</u>	<u>(4,221)</u>	<u>21,060</u>
Total capital assets being depreciated	<u>3,239,518</u>	<u>359,061</u>	<u>(87,962)</u>	<u>3,510,617</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,139,064)	(104,299)	15,857	(1,227,506)
Machinery and equipment	(350,016)	(29,081)	56,439	(322,658)
Office furniture, fixtures and equipment	<u>(13,147)</u>	<u>(1,423)</u>	<u>4,221</u>	<u>(10,349)</u>
Total accumulated depreciation	<u>(1,502,227)</u>	<u>(134,803)</u>	<u>76,517</u>	<u>(1,560,513)</u>
Total capital assets being depreciated, net	<u>1,737,291</u>	<u>224,258</u>	<u>(11,445)</u>	<u>1,950,104</u>
Total capital assets, net	<u>\$ 1,918,652</u>	<u>\$ 324,900</u>	<u>\$ (161,878)</u>	<u>\$ 2,081,674</u>

Depreciation amounting to \$134,803 was recorded as cultural and recreation expenses for the year ended December 31, 2016.



**Note 5 - CHANGES IN CAPITAL ASSETS (Continued)**

Construction in progress consists of costs associated with the Fence Project and Brick Column Project for the Playground. As of December 31, 2016, \$16,913 of the work was performed on the Fence with \$16,913 remaining on the contract. \$3,450 of the work was performed on the Brick Column with \$10,000 remaining on the contract.

**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; natural disasters; and group health benefits for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability, workers' compensation and group insurance. No settlements were made during the year that exceeded the District's insurance coverage. The District pays monthly premiums to the Parish for general liability based on various factors such as its operations and maintenance budget, exposure and claims experience. The premiums for workers' compensation are based on a fixed percentage of payroll. The Parish handles all claims filed against the District. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

<u>Policy</u>	<u>Coverage Limits</u>
General Liability	\$10,000,000
Workers' Compensation	Statutory

Coverage for general liability claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, \$4,731,868 at December 31, 2015, then secondly by the District. The Parish is self-insured for the first \$550,000 of workers' compensation claims. Workers' compensation claims in excess of \$500,000 are covered under an insurance contract for claims aggregate up to limits are to be funded first by assets of the Parish's workers' compensation internal service fund. At December 31, 2016, the District had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverage's during the year ended December 31, 2016 totaled \$28,579.

**Note 7 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES**

Accounts payable and accrued expenditures amounted to \$4,252 at December 31, 2016 and were entirely payable to vendors.



**Note 8 - COMPENSATION OF BOARD MEMBERS**

The following amounts were paid to board members for the year ended December 31, 2016:

<u>Board Members</u>	<u>Number of Meetings Attended</u>	<u>Per Diem</u>
Baylis "Buster" Bergeron	9	\$ 225
Janelle Bonvillain	11	275
Kenneth Broussard Jr.	4	100
Robert Lejaunie	11	275
Trey Lottinger	11	275
Willie St. Pierre	4	<u>100</u>
Total		<u>\$ 1,250</u>

**Note 9 - SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through May 22, 2017, which is the date the financial statements were available to be issued.



## **SUPPLEMENTARY INFORMATION**



**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Terrebonne Parish Consolidated Government**

December 31, 2016

**Agency Head Name:** John Haston Sr.

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 44,585
Benefits - insurance	14,642
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	825
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<u>\$ 60,052</u>

Note: John Haston, Sr. is the Director for the District and functions as Chief Executive Officer.



**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



**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 Board of Commissioners  
Terrebonne Parish Recreation District No. 9  
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Terrebonne Parish Recreation District No. 9 (the District) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise District's financial statements and have issued our report thereon dated May 22, 2017.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



Certified Public Accountants.

Houma, Louisiana,  
May 22, 2017.



## **SCHEDULE OF FINDINGS AND RESPONSES**

### **Terrebonne Parish Recreation District No. 9**

For the year ended December 31, 2016

#### **Section I Summary of Auditor's Results**

##### **a) Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

##### **b) Federal Awards**

Terrebonne Parish Recreation District No. 9 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2016 and therefore is exempt from the audit requirements under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

#### **Section II Financial Statement Findings**

No financial statement findings were noted during the audit for the year ended December 31, 2016.

#### **Section III Federal Award Findings and Questioned Costs**

Not applicable.



## **REPORTS BY MANAGEMENT**



## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

### **Terrebonne Parish Recreation District No. 9**

For the year ended December 31, 2016

#### **Section I Internal Control and Compliance Material to the Financial Statements**

##### **Internal Control**

No material weaknesses were reported during the audit for the year ended December 31, 2015.

No significant deficiencies were reported during the audit for the year ended December 31, 2015.

##### **Compliance**

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2015.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Recreation District No. 9 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2015 and therefore is exempt from the audit requirements under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

#### **Section III Management Letter**

15-01 **Recommendation** – We recommend the District contact the Parish Attorney to determine the necessary actions needed to correct the May 2015 published minutes.

**Management's Response** – The District consulted the Parish Bond Attorney. The Bond Attorney suggested that the typographical error in the May 2015 published minutes be placed on the agenda of the next Board meeting. A motion will be made to correct the typographical error and will be republished after acceptance. The District will follow the suggestions of the Parish Bond Attorney. **Resolved.**



# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

## **Terrebonne Parish Recreation District No. 9**

For the year ended December 31, 2016

### **Section I Internal Control and Compliance Material to the Financial Statements**

#### **Internal Control**

No material weaknesses were noted during the audit for the year ended December 31, 2016.

No significant deficiencies were reported during the audit for the year ended December 31, 2016.

#### **Compliance**

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2016.

### **Section II Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Recreation District No. 9 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2016 and therefore is exempt from the audit requirements under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended December, 31, 2016.