Financial Report

Terrebonne Parish Recreation District No. 11

Houma, Louisiana

For the year ended December 31, 2016

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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. 11,
Houma, Louisiana.

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Terrebonne Parish Recreation District No. 11, 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

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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 respective financial position of the governmental activities and each major fund of Terrebonne Parish Recreation District No. 11 as of December 31, 2016, and the respective changes in financial position thereof 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 10, the Schedule of Funding Progress for the OPEB Plan on page 42, and the Schedule of the District's Proportionate Share of Net Pension Liability on page 43 and the Schedule of the District's Contributions on page 44 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 District's basic financial statements. The accompanying supplementary information on page 45 is presented for purposes of additional analysis and is not 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. 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 accompanying supplementary 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 April 20, 2017 on our consideration of Terrebonne Parish Recreation District No. 11's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana
April 20, 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Parish Recreation District No. 11

Management's Discussion and Analysis of the Terrebonne Parish Recreation District No. 11's (the District) 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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2016 by $4,771,331 (net position), which represents a 26.65% increase from last fiscal year.

The District's revenue increased $326,087 (or 17.73%) primarily due to recovery of FEMA disaster claims and reimbursements from the state for the Mechanicville Gym Project.

The District's expenses increased $54,666 (or 4.94%) due to increases in culture and recreation.

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 the 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 to engage in activities which would promote recreation and any related activity designed to encourage recreation and promote the general health and well being.

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. All of the funds of the District are governmental funds.

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 the governmental fund and governmental activities.

The District maintains two individual governmental funds. 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 and the Debt Service 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 11 -15 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $4,771,331.

Receivables and due from other governmental units total $1,320,114 and primarily represent receivables for ad valorem taxes assessed in November 2016 and state revenue sharing to be collected in 2017. Deferred outflows of resources are related to pensions.

The liabilities associated with the District are accounts payable and accrued expenditures, due to Terrebonne Parish Consolidated Government and long-term obligations. Long-term obligations consist of net pension liabilities, and other post employment benefits. Deferred inflows of resources include unavailable revenue related to ad valorem taxes assessed in 2016 which will be recognized as revenue in 2017 and pensions.

Condensed Statements of Net Position

	December 31,		Dollar	Total Percent
	2016	2015	Change	Change
Current and other assets	$ 3,028,472	$ 2,728,381	$ 300,091	11.00%
Capital assets	3,393,369	2,721,000	672,369	24.71%
Deferred outflows of resources	26,561	14,410	12,151	84.32%
Total assets and deferred outlfows of resources	6,448,402	5,463,791	984,611	18.02%
Current liabilities	116,766	6,906	109,860	1590.79%
Long-term obligations	149,287	244,978	(95,691)	-39.06%
Deferred inflows of resources	1,411,018	1,444,423	(33,405)	-2.31%
Total liabilities	1,677,071	1,696,307	(19,236)	-1.13%
Net position:				
Net investment in capital assets	3,393,369	2,601,000	792,369	30.46%
Unrestricted	1,377,962	1,166,484	211,478	18.13%
Total net assets	$ 4,771,331	$ 3,767,484	$ 1,003,847	26.65%

Current and other assets increased due to an increase in the amount of cash and cash equivalents at the end of the year. Capital assets increased primarily due to additions to the Mechanicville Gym Project in the current year. The increase in current liabilities is due to unpaid capital expenditures incurred on the Mechanicville Gym Project. The decrease in long-term obligations is due to paying off the principal of the certificates of indebtedness in the current year.

Governmental Activities

Governmental activities increased the District's net position by $1,003,847. Key elements of this increase are reported on the following page:

Condensed Changes in Net Position

	For the Year Ended December 31, 2016	2015	Dollar Change	Total Percent Change
Revenues:				
Ad valorem taxes	$ 1,450,346	$ 1,442,255	$ 8,091	0.56%
Intergovernmental	654,607	145,436	509,171	350.10%
Charges for services	48,891	61,092	(12,201)	-19.97%
Miscellaneous	11,889	190,863	(178,974)	-93.77%
Total revenues	2,165,733	1,839,646	326,087	17.73%
Expenses:				
General government	55,156	60,575	(5,419)	-8.95%
Culture and recreation	1,106,130	1,042,518	63,612	6.10%
Debt Service	600	4,127	(3,527)	-85.46%
Total expenses	1,161,886	1,107,220	54,666	4.94%
Increase in net position	1,003,847	732,426	271,421	37.06%
Net position beginning of year	3,767,484	3,035,058	732,426	24.13%
Net position end of year	$ 4,771,331	$ 3,767,484	$ 1,003,847	26.65%

Intergovernmental revenue increased due to an increase in FEMA reimbursements and reimbursements from the state for the Mechanicville Gym Project.

Culture and recreation expenses increased primarily due to additional repairs and maintenance at parks and ballfields.

Debt service decreased due to a decrease in interest charges in the current year. The District paid off their long-term debt during the year ended December 31, 2016.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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, unrestricted 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 governmental funds reported an ending fund balance of $1,503,984, an increase of $221,954 in comparison with the prior year. An unassigned fund balance of $1,503,984 is available for spending at the District's discretion.

General Fund Budgetary Highlights

The budget was amended twice during the year. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues
- Increased taxes by $13,000 to better approximate cash receipts.
- Decreased intergovernmental by $116,100; $90,000 for expected recoveries from FEMA; $23,000 for Terrebonne Parish Consolidated Government's assistance with summer camps and $3,100 for state revenue sharing.
- Charges for services decreased $9,799 to reflect summer camp registration fees collected.

Expenditures
- Decreased capital outlay by $125,000 for projects planned but not completed prior to year end.
- Decreased personal services by $38,654 to adjust for Terrebonne Parish Consolidated Government monitoring payroll and employees.
- Decreased supplies and materials by $7,500 due to needing less materials than anticipated.
- Other services and charges decreased $44,861 because of less than expected utility costs.
- Repairs and maintenance increased $76,700 due to more repairs and maintenance costs incurred around the parks than anticipated.

During the year, revenues and expenditures exceeded budgetary estimates.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets for its governmental activities as of December 31, 2016, amounts to $3,393,369 (net of accumulated depreciation). This investment in capital assets includes land, construction in process, buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and vehicles (see table below).

	2016	2015
Land	$ 175,021	$ 175,021
Construction in process	783,006	92,398
Buildings	2,483,522	2,479,672
Improvements other than buildings	2,434,945	2,260,265
Machinery and equipment	578,959	566,186
Furniture and fixtures	94,881	86,258
Vehicles	27,415	27,415
Totals	$ 6,577,749	$ 5,687,215

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

- Construction in process includes engineering and construction fees for the Mechanicville Gym Project
- Concrete slab at the Adult Softball Complex
- Fall protection project for swing sets
- Limestone parking area at Westside Gym

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

Long-term Obligations

At December 31, 2016, the District had $149,287 in long-term obligations. This includes the District's obligation of $132,180 for other postemployment benefits; see further explanation of this obligation in Note 7, Exhibit F of the financial statements. The net pension liability was increased by $8,568 during 2016 to a balance of $17,107 as of December 31, 2016. More detailed information about the District's net pension liability is presented in Note 8, Exhibit F of this report.

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:

- The ad valorem tax revenue budgeted is the estimated amount of the November 2016 tax assessment, which the District will receive, for the most part, in January 2017.

- Interest revenues are budgeted with an anticipation of a decrease in interest rates due to investing in LAMP fund and with the expenditures of several large-dollar items in 2017 which can result in fewer funds available for investing purposes.

- Insurance/FEMA proceeds are being budgeted at $600,000 of revenues to be collected as a result of existing FEMA claims carried over from the damages incurred during Hurricane Gustav. The District has filed several Work Project Reports with Homeland Security/LAPA and is waiting the receipt of said revenues before year end 2017.

- Expenditures have been budgeted carefully to include the bare necessity of operating costs i.e., utilities, repairs, employee wages, etc. and are basically anticipated to remain in line with 2016 with the exception of capital expenditures and payroll.

- Capital expenditures include $500,000 for specific items/projects designated by the Board for specific items/projects in addition to payments made to complete the Mechanicville Classroom Building Project. The District qualified for State provided Capital Outlay Funds in the amount of $750,000 for this project with the District's obligation being the $200,000. The project is expected to be completed in early January 2017.

- The Parish's Cost of Living Increase Guidelines are followed for any pay increase to the District employees for the year 2017. The Board has budgeted for a normal year of repairs and maintenance. The insurance expenses have been adjusted to reflect increases in costs of providing necessary coverage as well as increased health insurance coverage for employees.

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. 11, P.O. Box 4294, Houma, Louisiana 70361.

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

Terrebonne Parish Recreation District No. 11

December 31, 2016

	General Fund	Debt Service Fund	Total	Adjustments (Exhibit B)	Statement of Net Postion
Assets and deferred outflows of resources					
Cash and cash equivalents	$ 1,708,358		$ 1,708,358		$ 1,708,358
Receivables:					
Taxes	790,264		790,264		790,264
Due from other governmental units	529,850		529,850		529,850
Capital assets:					
Non-depreciable	-		-	$ 958,027	958,027
Depreciable, net of accumulated depreciation	-		-	2,435,342	2,435,342
Total current assets	3,028,472		3,028,472	3,393,369	6,421,841
Deferred Outflows of Resources	-		-	26,561	26,561
Total assets and deferred outflows of resources	$ 3,028,472	$ -	$ 3,028,472	3,419,930	6,448,402
Liabilities and deferred inflows of resources					
Accounts payable and accrued expenditures	$ 115,513		$ 115,513	-	115,513
Due to Terrebonne Parish Consolidated Government	1,253		1,253	-	1,253
Long term obligations:					
Due in more than one year	-		-	149,287	149,287
Total liabilities	116,766		116,766	149,287	266,053
Deferred Inflows of Resources					
Unavailable revenues property taxes	1,407,722		1,407,722	-	1,407,722
Pensions	-		-	3,296	3,296
Total deferred outflows of resources	1,407,722		1,407,722	3,296	1,411,018
Total liabilities and deferred inflows of resources	1,524,488		1,524,488	152,583	1,677,071
Fund Balance/Net Position					
Fund Balance :					
Unassigned	1,503,984		1,503,984	(1,503,984)	-
Total liabilities and fund balance	$ 3,028,472	$ -	$ 3,028,472		
Net position:					
Net investment in capital assets				3,393,369	3,393,369
Unrestricted				1,377,962	1,377,962
Total net position				$ 4,771,331	$ 4,771,331

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 11

December 31, 2016

Fund Balance - Governmental Fund		$ 1,503,984
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	$ 6,577,749	
Less accumulated depreciation	(3,184,380)	3,393,369
Deferred outflows of resources used in governmental activities are not financial resources and are not reported in governmental funds		26,561
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.		
Other postemployment benefit obligations	(132,180)	
Net pension liability	(17,107)	(149,287)
Deferred inflows of resources are not due and payable in the current period and are not reported in governmental funds		(3,296)
Net Position of Governmental Activities		$ 4,771,331

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. 11

For the year ended December 31, 2016

	General Fund	Debt Service Fund	Total	Adjustments (Exhibit D)	Statement of Activities
Revenues					
Taxes	$ 1,450,346		$ 1,450,346		$ 1,450,346
Intergovernmental:					
FEMA reimbursements	243,561		243,561		243,561
State of Louisiana:					
Capital grants	339,574		339,574		339,574
State revenue sharing	38,472		38,472		38,472
Terrebonne Parish Consolidated Government	33,000		33,000		33,000
Charges for services	48,891		48,891		48,891
Miscellaneous:					
Interest	11,439		11,439		11,439
Other	450		450	$	450
Total revenues	2,165,733		2,165,733	-	2,165,733
Expenditures/Expenses					
Current:					
General government:					
Ad valorem tax adjustment	6,037		6,037		6,037
Ad valorem tax deductions	49,119		49,119		49,119
Total general government	55,156		55,156		55,156
Culture and recreation:					
Personal services	277,047		277,047	11,676	288,723
Supplies and materials	27,886		27,886	-	27,886
Other services and charges	201,995		201,995	-	201,995
Repairs and maintenance	369,361		369,361	-	369,361
Depreciation and impairment	-		-	218,165	218,165
Total culture and recreation	876,289		876,289	229,841	1,106,130
Debt Service:					
Principal retirement	-	$ 120,000	120,000	(120,000)	-
Interest and fiscal charges	-	1,800	1,800	(1,200)	600
Total debt service	-	121,800	121,800	(121,200)	600
Capital outlay	890,534	-	890,534	(890,534)	-
Total expenditures/expenses	1,821,979	121,800	1,943,779	(781,893)	1,161,886
Excess (deficiency) of revenues over expenditures	343,754	(121,800)	221,954	781,893	1,003,847
Other Financing Sources (Uses)					
Transfers in	-	121,800	121,800	(121,800)	-
Transfers out	(121,800)	-	(121,800)	121,800	-
Total other financing sources (uses)	(121,800)	121,800	-	-	-
Excess of Revenues and Other Financing Sources Over Expenditures	221,954	-	221,954	(221,954)	-
Change in Net Position	-	-	-	1,003,847	1,003,847
Fund Balance/Net Position					
Beginning of year	1,282,030	-	1,282,030	2,485,454	3,767,484
End of year	$ 1,503,984	$ -	$ 1,503,984	$ 3,267,347	$ 4,771,331

See notes to financial statements.

Exhibit D

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

Terrebonne Parish Recreation District No. 11

For the year ended December 31, 2016

Net Change in Fund Balance - Governmental Fund		$ 221,954
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 useful lives and reported as depreciation expense.		
Capital outlay	$ 890,534	
Depreciation expense	(218,165)	672,369
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Principal payment		120,000
Some expenditures reported in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest payable		1,200
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.		
Other postemployment benefit obligations	(15,741)	
Pension Expense	4,065	(11,676)
Change in Net Position of Governmental Activities		$ 1,003,847

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 11

For the year ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Taxes	$ 1,385,000	$ 1,398,000	$ 1,450,346	$ 52,346
Intergovernmental:				
FEMA reimbursement	175,000	85,000	243,561	158,561
State of Louisiana:				
Capital grants	-	-	339,574	339,574
State revenue sharing	41,600	38,500	38,472	(28)
Terrebonne Parish Consolidated Government	56,000	33,000	33,000	-
Charges for services	66,000	56,201	48,891	(7,310)
Miscellaneous:				
Interest	800	8,000	11,439	3,439
Other	1,000	300	450	150
Total revenues	1,725,400	1,619,001	2,165,733	546,732
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment	20,000	20,000	6,037	13,963
Ad valorem tax deductions	25,000	25,000	49,119	(24,119)
Total general government	45,000	45,000	55,156	(10,156)
Culture and recreation:				
Personal services	325,900	287,246	277,047	10,199
Supplies and materials	40,000	32,500	27,886	4,614
Other services and charges	247,900	203,039	201,995	1,044
Repairs and maintenance	314,000	390,700	369,361	21,339
Total culture and recreation	927,800	913,485	876,289	37,196
Capital outlay	500,000	375,000	890,534	(515,534)
Total expenditures	1,472,800	1,333,485	1,821,979	(488,494)
Excess of revenues over expenditures	252,600	285,516	343,754	58,238
Other Financing Sources (Uses)				
Transfers out	(121,800)	(121,800)	(121,800)	-
Excess of Revenues Over Expenditures	130,800	163,716	221,954	58,238
Fund Balances				
Beginning of year	1,011,061	1,282,030	1,282,030	-
End of year	$ 1,141,861	$ 1,445,746	$ 1,503,984	$ 58,238

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Terrebonne Parish Recreation District No. 11

December 31, 2016

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Recreation District No. 11 (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 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 an 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 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (continued)

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.

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 funds 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 are the governmental funds 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 not accounted for and reported in another fund. The General Fund is always a major fund.

Debt Service Fund - The Debt Service Fund is used to account for and report the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs. The Debt Service Fund is reported as a major fund.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 position. 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 2016 tax levy is recorded as unavailable revenue in the District's 2016 financial statements. Charges for services are recorded when earned since they are measurable and available. Management has determined interest income earned in the current period is susceptible to the accrual method. Other 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 expenditure must be approved by the Board. The District amended its budget twice during the year so actual revenues would not be less than budgeted and actual expenditures would not be greater than budgeted.

All budgeted amounts which 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 contain no 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) Investments

Investments during the year consisted of investments in Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC – registered mutual funds to use amortized cost rather than fair value to report net position to compute share prices if certain conditions are met.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 $500 or more 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. Capital assets with an estimated historical cost amounted to approximately $515,275 or 7.83% of the total cost of capital assets. 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.

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	10 - 40 years
Improvements other than buildings	5 - 20 years
Machinery and equipment	5 - 20 years
Furniture and fixtures	5 - 10 years
Vehicles	5 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) Long-Term Obligations

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Long-Term Obligations (continued)

Government-wide Financial Statements:

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of certificates of indebtedness, other postemployment benefit obligations, and net pension liability.

Fund Financial Statements:

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principle and interest are reported as expenditures.

j) Unavailable Revenues

The District reports unavailable revenue as deferred inflows of resources when resources associated with imposed non exchange revenue transactions are received or reported as a receivable before the period for which property taxes are levied or 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) Vacation and Sick Leave

Accumulated vacation and sick leave are recorded as expenditures in the fund financial statements of the period in which paid.

Employees can earn 96 hours or 136 hours of vacation leave, depending on their length of employment. Accumulated vacation leave is due to the employee at the time of termination or death. The vacation policy provides that employees are to take vacation within one year of being earned, with no carry-forward provisions. Employees earn 56 hours sick leave per year and are permitted to accumulate a maximum of 480 hours. Sick leave does not vest with employees at separation of employment.

There is no material unpaid vacation and sick leave to be recognized in the government wide statements at December 31, 2016.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana (the System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

m) Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District has pension related deferred outflows.

n) Deferred Inflows of Resources

In addition to liabilities, the statement of net position and balance sheets 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from the collection of ad valorem taxes and pension related deferred inflows in the District's government-wide statements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

o) 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Fund Equity(continued)

b. Restricted net position– 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 net position – All other net position that does 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.

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. Commitments may be established, modified, or rescinded only through resolutions approved by the District's Board of Commissioners.

d. Assigned – amounts that do not meet the criteria to be classified or either restricted or committed but that are intended to be used for specific purposes. Assigned amounts are determined by a majority vote of the Board. Assignment may be established, modified or rescinded by the Chairman of the Board of Commissioners or his representative.

e. Unassigned – all other spendable amounts.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Fund Equity(continued)

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.

p) 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.

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) New GASB Statements (continued)

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.

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) New GASB Statements (continued)

Statement No. 75, *"Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions."* This statement replaces the requirements of GASB Statement No. 45 and 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. 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) New GASB Statements (continued)

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.

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) New GASB Statements (continued)

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 effective for fiscal years beginning after June 15, 2017. However, due to the nature of the topic covered, GASB is allowing the option of early implementation for single topics. Management has not yet determined the effect of this Statement on the financial statements.

Note 2 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit 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 deposits (cash) 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 Amount
Cash	$ 363,202	$ 320,233

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, which reflects state law. As of December 31, 2016, $99,861 of the District's bank balance of $363,202 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, and are deemed to be held in the District's name by state statues.

At December 31, 2016, cash in excess of the FDIC insurance was adequately collateralized in accordance with state law, by securities held by an unaffiliated bank for the account of the District. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

governments, considers there securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial band 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:

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

Note 2 -DEPOSITS AND INVESTMENTS (Continued)

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 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 $1,387,875 and are reported as cash equivalents.

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Cash on hand	$ 250
Reported deposits	320,233
Reported investments	1,387,875
Total cash and cash equivalents	$ 1,708,358

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 of Terrebonne. Assessed values are established by the 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 $10.00 per $1,000 of assessed valuation on property within Recreation District No. 11 for the purpose of constructing, maintaining and operating recreational facilities within the District. As indicated in Note 1c, taxes levied November 1, 2016 are for budgeted expenditures in 2017 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	$	26,448
Terrebonne Parish Tax Collector - December, 2016 collections remitted to the District in January, 2017 Ad valorem Taxes		503,402
Total	$	529,850

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	$ 175,021			$ 175,021
Construction in process	92,398	$ 690,608	$ -	783,006
Total capital assets not being depreciated	267,419	690,608	-	958,027
Capital assets being depreciated:				
Buildings	2,479,672	3,850	-	2,483,522
Improvements other than buildings	2,260,265	174,680	-	2,434,945
Machinery and equipment	566,186	12,773	-	578,959
Furniture and fixtures	86,258	8,623	-	94,881
Vehicles	27,415	-	-	27,415
Total capital assets being depreciated	5,419,796	199,926	-	5,619,722
Less accumulated depreciation for:				
Buildings	(1,759,071)	(47,868)	-	(1,806,939)
Improvements other than buildings	(813,625)	(122,882)	-	(936,507)
Equipment	(320,665)	(35,362)	-	(356,027)
Furniture and fixtures	(47,762)	(11,257)	-	(59,019)
Vehicles	(25,092)	(796)	-	(25,888)
Total accumulated depreciation	(2,966,215)	(218,165)	-	(3,184,380)
Total capital assets being depreciated, net	2,453,581	(18,239)	-	2,435,342
Total capital assets, net	$ 2,721,000	$ 672,369	$ -	$ 3,393,369

Major capital assets acquired in 2016 include the concrete slab at the Adult Softball Complex, the fall protection project for swing sets, and the limestone parking area at the Westside Gym.

Note 5 - CHANGES IN CAPITAL ASSETS (Continued)

As of December 31, 2016, construction in progress consisted of architectural and engineering fees and construction costs on the Mechanicville Gym Project.

Note 6 - LONG-TERM OBLIGATIONS

During the year ended December 31, 2016, the District paid the remaining principal totaling $120,000 on the Certificates of Indebtedness bearing interest of 2.58% through March 1, 2016. The debt was paid primarily from ad valorem tax revenues.

Through December 31, 2016, the District has recognized obligations in the amount of $132,180 for other postemployment benefits as further described in Note 7.

Through December 31, 2016, the District has recognized obligations in the amount of $17,107 for the defined benefit pension plans as further described in Note 8.

The following is a summary of the debt transactions of the District for the year ended December 31, 2016:

	Payable January 1, 2016	Issuances	Obligations Retired	Payable December 31, 2016	Due Within One year
Certificates of Indebtedness Series 2009	$ 120,000	$ -	$ 120,000	$ -	$ -
Other postemployment benefits	116,439	15,741	-	132,180	-
Defined benefit pension plan	8,539	8,568	-	17,107	-
Total	$ 244,978	$ 24,309	$ 120,000	$ 149,287	$ -

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The District administers a single employer defined benefit healthcare plan (the Plan). The Plan provides for the payment of medical, dental and life insurance premiums for eligible employees, retirees and their dependents as approved by the Board of Commissioners. The District funds the entire premium for all benefits to employees. District employees retiring with at least ten years of permanent full-time creditable service with the District shall be eligible to participate in the Plan approved by the Board of Commissioners under the following vesting schedule as adopted for retirements on or after January 1, 2005 and before January 1, 2013: 10 years of service, 27.5%; 11 to 15 years of service, 27.5% plus 2.75% per year; 16 to 20 years of service, 41.25% plus 3.75% per year of service between 16 and 20; 21 years or more of service, 60% plus

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

4.25% per year of service over 20, limited to 80.0% of the premium. For District employees retiring after December 31, 2012 eligibility shall be 30 years of service and age 55. The District's premium subsidy percentage for the year ending December 31, 2016 and thereafter shall be 80%. A retired employee may provide dependent hospitalization coverage at applicable dependent rates. To be eligible for coverage after retirement, retired employees must be eligible for retirement under the Parochial Employees' Retirement System, see Note 8. The District does not issue a publicly available financial report on the Plan.

Funding Policy

The District fully funds required premiums based on pay-as-you-go financing requirements. For fiscal year 2016 the District did not pay any premiums for the retirees.

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB costs for the year, the premiums actually paid and the District's net OPEB obligation.

Annual required contribution (ARC)	$ 15,826
Interest on net OPEB obligation	4,075
Adjustment to ARC	(4,160)
Annual OPEB cost	15,742
Contributions made	-
Increase in net OPEB obligation	15,741
Beginning of year	116,439
End of year	$ 132,180

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

The District's annual OPEB cost, the percentage of annual OPEB premiums paid, and the net OPEB obligation as of December 31, 2016, and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Paid	OPEB Obligation
12/31/2014	14,924	0.00%	101,526
12/31/2015	14,913	0.00%	116,439
12/31/2016	15,741	0.00%	132,180

Funded Status and Funding Progress

As of January 1, 2016, the most recent actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was $220,235. Covered payroll for eligible employees was $101,815 and the total UAAL represents 216.3 percent of covered payroll.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and eligible employees and retirees) and include the types of benefits provided at the time of each valuation and on the historical pattern of sharing benefit costs between the employer and eligible employees and retirees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

In January 1, 2016 actuarial valuations, the entry age-normal actuarial cost method was used. The actuarial assumptions included a 3.5 percent investment rate of return (discount rate), a 3.0 percent expected increase in payroll and annual medical cost trend rate of 7.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after five years. The annual dental cost trend was initially 3.5 percent, reduced by decrements to an ultimate rate of 3.0 percent after three years. Zero trends were assumed for valuing life insurance. Other assumptions include (1) expenses per participant per month are expected to increase with inflation at 2.5 percent per annum, (2) 60 percent of employees will choose to continue basic life insurance benefits, (3)

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

family coverage includes a spouse and no children, and (4) male spouses are three years older than females. The RPH-2014 Employee Mortality Table was used for pre-retirement, while post-retirement used RPH-2014 Healthy Annuitant Mortality Table. Generational with protection scale MP-2015 was applied to the tables. The UAAL is being amortized over an open 30 year period using the level percent of payroll method with an assumption that payroll increases by 3 percent per year. The remaining amortization period at January 1, 2016 was 21 years.

Note 8 - DEFINED BENEFIT PENSION PLAN

Plan Description. The District contributes to Plan B of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs persons serving the parish. Act 765 of the year 1979, Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Retirement System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically and other general laws of the State of Louisiana.

Benefits Provided. The System provides retirement, deferred retirement, disability and death benefits. Retirement benefits are generally equal to 2.0% of the member's final average compensation multiplied by the years of creditable service. For members hired prior to January 1, 2007 they may retire with full benefits at age 55 upon completing 30 years of service, retire at age 60 after completing 10 years of service or retire at age 65 after completing 7 years of service. For members hired after January 1, 2007 they may retire with full benefits at age 55 after completing 30 years of service, retire at age 62 after completing 10 years of service or retire at age 67 after completing 7 years of service.

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years. During the three year period, employer contributions continue but employee contributions cease. The monthly service retirement allowance the employee would have received had the person elected to terminate is paid into the DROP Fund. The election to participate in DROP is irrevocable once participation begins. Upon termination of employment a participant in DROP may receive a lump sum equal to payments into the participant's

Note 8 - DEFINED BENEFIT PENSION PLAN (Continued)

account, an annuity or a roll over to an Individual Retirement Account. Members hired before January 1, 2007 with 5 or more years of service who becomes disabled may receive retirement benefits determined in the same manner as retirement benefits. Members hired after January 1, 2007 with 7 or more years of service who become disabled may receive retirement benefits determined in the same meaner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's years of creditable service and compensation and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State Legislature.

Contributions. According to state statute, contributions for all employers are actuarially determined each year. For the year ending December 31, 2015, the actuarial employer contribution rate was 6.91% of member's compensation. However, the actual rate for the fiscal year ending December 31, 2015 was 9.00%.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Contributions to the System were made at the rate of 8.00% of covered payroll and amounted to $6,899 for the year ended December 31, 2016.

Pension Liabilities. At December 31, 2016, the District reported a liability of $17,107 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2015, the District's proportion was 0.0861%, which was an decrease of 0.0220% from its proportion measured as of December 31, 2014.

Pension Expense. For the year ended December 31, 2016, the District recognized pension expense of $2,834.

Note 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources
Difference between expected and actual experience	$ -	$ (3,287)
Net difference between projected and actual earnings on pension plan investments	17,661	-
Change in proportionate share	-	(9)
Change in assumptions	2,001	-
Contributions subsequent to the measurement date	6,899	-
	$ 26,561	$ (3,296)

The District reported $6,899 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ending December 31st,	Amount
2017	$ 3,978
2018	3,976
2019	4,910
2020	3,502
Total	$ 16,366

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2015 are as follows:

Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Method
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	7.00%, net of investment expense
Projected Salary Increases	5.25% (2.50% Inflation, 2.75% merit)
Mortality Rates	RP-2000 Healthy Annuitant Sex Distinct Tables projected to 2031 using Scale AA were selected for annuitant and beneficiary mortality. For employees, the RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females was selected. The RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and inlcudes previously granted cost of living increases. The present values do no inlcude provisions for potential future increases not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing method (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.55% for the year ended December 31, 2015.

Note 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2015 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	34.00%	1.06%
Equity	51.00%	3.56%
Alternatives	12.00%	0.74%
Real assets	3.00%	0.19%
Total	100.00%	5.55%
Inflation		2.00%
Expected Arithmetic Nominal Rate		7.55%

Discount Rate. The discount rate used to measure the collective pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the collective net pension liability using the discount rate of 7.00%, as well as what the Office's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
District's proportionate share of the net pension asset (liability)	$ (45,280)	$ (17,107)	$ 9,926

Pension Plan Fiduciary Net Position. The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on their financial statements for the year ended December 31, 2015. Access to the audit report can be found on the System's website, www.persla.org or on the Louisiana Legislative Auditor's website, www.lla.la.gov.

Note 9 - 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 participates in the Parish's risk management program for general liability, workers' compensation, group insurance, property and auto liability. No settlements were made during the year that exceeded the District's insurance coverage. The District's premiums for general liability are based on such factors as its operations and maintenance budget, exposure and claims experience. The Premiums for workers' compensation based on a fixed percentage of payroll. The District's premiums for group health insurance are based on a fixed rate per employee. The premiums for auto liability are based on the claims experience, vehicle type and mileage. The premiums for property are based on the District's property value to the total of all the property value covered. 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:

Policy	Coverage Limits
Physical Plant	$65,000,000
General and Automobile Liability	$10,000,000
Workers' Compensation	Statutory

Coverage for claims in excess of the stated limits above are to be funded first by assets of the Parish's risk management internal service fund, $4,731,868 for general liability, worker's compensation, and property insurance at December 31, 2015, then secondly by the District. The Parish is self-insured for the first $175,000 of each claim relating to group health insurance. The aggregate deductible of all group claims relating to group insurance for 2015 was $16,194,282. Insurance contracts cover excess liability on individual claims. Coverage for group health claim liabilities are to be funded first by the assets of the Parish's group health internal services fund, $1,825,534 at December 31, 2015, then secondly by the District. Worker's compensation claims in excess of $500,000 are covered under an insurance contact 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 during the year ended December 31, 2016 totaled $85,135.

Note 10 - RELATED PARTY FEES AND EXPENDITURES

In addition to the placement of various insurances, the District utilizes the Parish for the processing of payroll and purchasing of operating expenditures. The following is a summary of expenditures (excluding insurance) the District paid the Parish as reimbursement of costs:

Note 10 - RELATED PARTY FEES AND EXPENDITURES (Continued)

Personal services	$228,922
Supplies and materials	6,594
Other services and charges	1,917
Repairs and maintenance	924
Total	$238,357

Note 11 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 2016:

Board Members	Meetings Attended	Per Diem
Vincent Fusilier	10	$ 250
Randy Galliano	11	275
Amos Mosely	12	300
Arleen Simmons	12	300
C.J. Stoufflet	12	300
Jonathon Foret	12	300
Shannon Eaton	12	300
Total		$ 2,025

Note 12 - STATE OF LOUISIANA TAX ABATEMENTS

The District's ad valorem tax revenues were reduced by $36,645 under agreements entered into with the State of Louisiana.

Note 13 - 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 April 20, 2017, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS FOR THE OPEB PLAN

Terrebonne Parish Recreation District 11

December 31, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered payroll (c)	Percentage of Covered Payroll ((b-a)/c)
1/1/2012	-	$ 166,212	$ 166,212	0.00%	$ 192,127	91.7%
1/1/2014	-	163,422	163,422	0.00%	178,260	91.7%
1/1/2016	-	220,235	220,235	0.00%	101,815	216.3%

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Terrebonne Parish Recreation District No. 11

December 31, 2016

	2016	2015
District's proportion of the net pension liability	0.0861%	0.1081%
District's proportionate share of the net pension liablity	$ 17,107	$ 8,539
District's covered-employee payroll	$ 86,235	$ 106,032
District's proportionate share of the net pension liablity as a percentage of its covered-employee payroll	19.838%	8.05%
Plan fiduciary net position as a percentage of the total pension liability	93.48%	99.89%

SCHEDULE OF DISTRICT CONTRIBUTIONS

Terrebonne Parish Recreation District No. 11

December 31, 2016

	2016	2015
Contractually required contributions	$ 6,899	$ 9,543
Contributions in relation to the contractually required contribution	(6,899)	(9,543)
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ 86,235	$ 106,032
Contributions as a percentage of covered-employee payroll	8.00%	9.00%

SUPPLEMENTARY INFORMATION SECTION

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

Terrebonne Parish Recreation District No. 11

December 31, 2016

Agency Head Name: Amos Mosely

Purpose	Amount
Salary	$ -
Benefits - insurance	-
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	300
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
	$ 300

Note: The Chairman of the District's Board of Directors functions as Chief Executive Officer because the District did not have an employee in that position. The District did use an employee of the Terrebonne Parish Consolidated Government (the Parish) to perform certain duties of the Chief Executive Officer for which the Parish was reimbursed $10,800. Amos Mosely functions as the Chairman of the District's Board of Directors and receives per diem.

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. 11,
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 each major fund of Terrebonne Parish Recreation District No. 11, State of Louisiana (the District) a component unit of Terrebonne Parish Consolidated Government 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 April 20, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable

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possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and responses as item 2016-001.

Terrebonne Parish Recreation District No. 11's Response to Finding

The District's response to the finding identified in our audit is described in management's corrective action plan on page 51. The District's response was not subject to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
April 20, 2017.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne Parish Recreation District No. 11

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	_X_ no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ yes	_X_ none reported
Noncompliance material to financial statements noted?	_X_ yes	____ no

b) Federal Awards

Terrebonne Parish Recreation District No. 11 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

Compliance

2016-001 Budget Authority and Control

Criteria - Louisiana Revised Statue 39:1311 requires the chief executive or administrative officer must advise the governing authority when actual revenue and other sources are less than budget by 5% or more, or when actual expenditures and other uses exceed budget by 5% or more.

Condition - Actual expenditures and other uses exceeded budget by amounts representing 5% or more of the final budget.

Cause - State capital grants received were incorrectly coded to reduce capital expenditures paid.

SCHEDULE OF FINDINGS AND RESPONSES
(continued)

Terrebonne Parish Recreation District No. 11

For the year ended December 31, 2016

Section II Financial Statement Findings (Continued)

2016-001 Budget Authority and Control (continued)

Effect - The public was denied notification of the increased spending in the year the expenditures were incurred.

Recommendation - The financial statements and budgets should report all cash receipts and disbursements at gross value without offset.

Views of Responsible Officials - We agree with the finding and recommended procedures have been implemented.

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. 11

For the year ended December 31, 2016

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control.

15-01 **Recommendation** – We recommend that the District use pre-numbered purchase orders which will describe items and quantities requested, signed by the person making the request and approved in writing by a designated official prior to commitment to the purchase.

Management's response – Management uses pre-numbered purchase orders in order to document the provement of goods and services after the purchase has been performed. **Resolved.**

Compliance

15-02 **Recommendation** - We recommend that the District keep a system of reminders and/or have more than one person be responsible for the posting of notices in the newspaper to ensure state law requirements are met.

Management's response – Management will set reminders at dates before the meetings and have more than one person responsible for initiating and posting the notices. **Resolved.**

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 11 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

A management letter was not issued in connection with the audit for the year ended December 31, 2015.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Recreation District No. 11

For the year ended December 31, 2016

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses or significant deficiencies were reported 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

2016-001 Budget Authority and Control

Recommendation - The financial statements and budgets should report all cash receipts and disbursements at gross value without offset.

Management's Response - We have stressed to the budget preparer to report the gross value of all cash receipts and disbursements in the financial statements and budgets.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 11 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.