

**JACKSON PARISH
RECREATION DISTRICT
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2018**

Jackson Parish Recreation District
Jonesboro, Louisiana

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Jackson Parish Recreation District
Jonesboro, Louisiana

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Jackson Parish Recreation District

P. O. Box 315
Jonesboro, LA 71251

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended December 31, 2018

The Management's Discussion and Analysis of the Jackson Parish Recreation District provides an overview and overall review of the District's financial activities for the year ended December 31, 2018. The intent of the MD&A is to look at the District's financial performance as a whole. It should, therefore be read in conjunction with this report.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. Certain comparative information is presented to provide an over-view of the District's operations.

Government-Wide Financial Statements

- The Statement of Net Position presents all of the District's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the District's 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 the current 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. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

- The services provided by the District are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's governmental fund is the General Fund (primary operating fund). These statements provide a short-term view of the District's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the District.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2018</u>	<u>2017</u>
ASSETS:		
Current Assets-		
Cash & Cash Equivalents	\$ 548,939	\$ 385,028
Inventory	11,291	10,303
Prepaid Expenses	20,059	22,333
Revenue Receivable	<u>884,560</u>	<u>1,076,248</u>
Total Current Assets	<u>\$1,464,849</u>	<u>\$1,493,912</u>
Noncurrent Assets-		
Net Pension Asset	\$ 23,300	\$ 0
Capital Assets (Net)	<u>4,574,471</u>	<u>4,663,251</u>
Total Noncurrent Assets	<u>\$4,597,771</u>	<u>\$4,663,251</u>
Total Assets	<u>\$6,062,620</u>	<u>\$6,157,163</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 52,468</u>	<u>\$ 98,754</u>
LIABILITIES:		
Current Liabilities-		
Accounts Payable	\$ 3,129	\$ 9,077
Payroll Payables	13,206	20,359
Certificates of Indebtedness	<u>0</u>	<u>102,000</u>
Total Current Liabilities	<u>\$ 16,335</u>	<u>\$ 131,436</u>
Long-Term Liabilities-		
Net Pension Liability	\$ 0	\$ 77,394
Compensated Absences	<u>12,043</u>	<u>12,262</u>
Total Long-Term Liabilities	<u>\$ 12,043</u>	<u>\$ 89,656</u>
Total Liabilities	<u>\$ 28,378</u>	<u>\$ 221,092</u>
DEFERRED INFLOWS OF RESOURCES:	<u>\$ 71,451</u>	<u>\$ 14,218</u>
NET POSITION:		
Net Investment in Capital Assets	\$4,574,470	\$4,663,251
Unrestricted	<u>1,440,789</u>	<u>1,357,356</u>
Total Net Position	<u>\$6,015,259</u>	<u>\$6,020,607</u>

Summary of Statement of Activities

	<u>2018</u>	<u>2017</u>
REVENUES:		
Charges for Services	\$ 314,849	\$ 279,992
Capital Grants	3,500	9,000
General Revenues-		
Taxes	926,285	1,173,188
Interest	679	306
Non-employer Pension Revenue	2,334	2,776
Miscellaneous	<u>20,215</u>	<u>17,555</u>
Total Revenues	\$1,267,862	\$1,482,817
EXPENDITURES:		
Recreation	<u>1,273,210</u>	<u>1,325,531</u>
Change in Net Position	\$ <u>(5,348)</u>	\$ <u>157,286</u>

- The District's assets exceeded its liabilities by \$6,015,259 (Net Position) for the year. For the prior year, assets exceeded liabilities by \$6,020,607.
- Unrestricted Net Position of \$1,440,789 represents the portion available to maintain the District's obligation to both citizens and creditors. This is an increase of \$83,433 from prior year.
- During 2018, the District spent \$231,216 on acquiring capital assets, including a handicap parking area and new cart path at the golf course.

General Fund Budgetary Highlights

The District continues to receive sufficient revenue to provide recreational services to the citizens of the parish. Actual revenues were 8.4% less than budgeted amounts. Expenditures varied from budgeted amounts by less than the 5% variance allowed by the Local Government Budget Act.

Economic Factors and Next Year's Budget

The District has prepared its 2019 budget for the General Fund, taking into consideration the revenues and expenditures from prior year and any projected services and costs that may occur in 2019.

Contacting the District

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the District at P. O. Box 315, Jonesboro, LA 71251.

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the
Jackson Parish Recreation District
Jonesboro, LA 71251

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund information of the Jackson Parish Recreation District (District), a component unit of the Jackson Parish Police Jury, as of and for the year ended December 31, 2018, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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 major fund information of the District as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as required supplementary information in the Table of Contents are presented for purposes of additional analysis and is not a required part of the basic financial statements.

We have applied certain limited procedures to the Management's Discussion and Analysis 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 introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions, and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report dated May 7, 2019, on the results of the statewide agreed-upon procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

May 7, 2019

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Jackson Parish Recreation District
Statement of Net Position
December 31, 2018

	<u>Governmental Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 548,939
Inventory	11,291
Prepaid Expenses	20,059
Revenue Receivable	<u>884,560</u>
Total Current Assets	<u>\$1,464,849</u>
Noncurrent Assets-	
Net Pension Asset	\$ 23,300
Capital Assets (Net)	<u>4,574,471</u>
Total Noncurrent Assets	<u>\$4,597,771</u>
Total Assets	<u>\$6,062,620</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 52,468</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 3,129
Payroll Payables	<u>13,206</u>
Total Current Liabilities	<u>\$ 16,335</u>
Noncurrent Liabilities-	
Compensated Absences	<u>\$ 12,043</u>
Total Liabilities	<u>\$ 28,378</u>
DEFERRED INFLOWS OF RESOURCES:	<u>\$ 71,451</u>
NET POSITION:	
Net Investment in Capital Assets	\$4,574,470
Unrestricted	<u>1,440,789</u>
Total Net Position	<u>\$6,015,259</u>

See notes to financial statements.

Jackson Parish Recreation District
Statement of Activities
December 31, 2018

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Recreation-					
Personnel	\$ 337,460	\$ 0	\$0	\$ 0	\$ (337,460)
Programs	345,073	253,729	0	3,500	(87,844)
Concessions	53,080	61,120	0	0	8,040
Operations	<u>537,597</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(537,597)</u>
 Total Governmental Activities	 <u>\$1,273,210</u>	 <u>\$314,849</u>	 <u>\$0</u>	 <u>\$3,500</u>	 <u>\$ (954,861)</u>
		General Revenues:			
					\$ 926,285
					679
					2,334
					<u>20,215</u>
				Total General Revenues	\$ <u>949,513</u>
				Change in Net Position	\$ (5,348)
				Net Position January 1, 2018	<u>6,020,607</u>
				Net Position December 31, 2018	<u>\$ 6,015,259</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Jackson Parish Recreation District
Balance Sheet-Governmental Fund
December 31, 2018

	<u>General Fund</u>
ASSETS:	
Cash & Cash Equivalents	\$ 548,939
Inventory	11,291
Prepaid Expenses	20,059
Revenue Receivables	<u>884,560</u>
Total Assets	<u>\$1,464,849</u>
LIABILITIES:	
Accounts Payable	\$ 3,129
Payroll Liabilities	<u>13,206</u>
Total Liabilities	<u>\$ 16,335</u>
FUND BALANCE:	
Nonspendable- Prepaid Expenses	\$ 20,060
Unassigned	<u>1,428,454</u>
Total Fund Balance	<u>\$1,448,514</u>
Total Liabilities & Fund Balance	<u>\$1,464,849</u>

See notes to financial statements.

Jackson Parish Recreation District
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
December 31, 2018

Total Fund Balance for the Governmental Fund at December 31, 2018	\$ 1,448,514
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Fund. Those assets consist of:	
Land, Equipment, Buildings, and Vehicles	6,646,965
Less: Accumulated Depreciation	(2,072,495)
Deferred Outflows of Resources used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet:	52,468
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the Governmental Fund:	
Net Pension (Liability) Asset	23,301
Accrued Compensated Absences	(12,043)
Deferred Inflows of Resources are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet:	<u>(71,451)</u>
Total Net Position of Governmental Activities at December 31, 2018	<u>\$ 6,015,259</u>

See notes to financial statements.

Jackson Parish Recreation District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
December 31, 2018

	General <u>Fund</u>
Revenues:	
Ad Valorem Taxes	\$ 926,285
Grant Income	3,500
Fees, Charges & Commissions for Services-	
Baseball & Softball	55,867
Basketball	11,910
Golf Course	184,967
Concessions	61,120
Other Programs	985
Miscellaneous-	
Interest	679
Other	<u>20,215</u>
Total Revenues	<u>\$1,265,528</u>
Expenditures:	
Culture & Recreation-	
Baseball & Softball	\$ 107,680
Basketball	34,619
Concessions	53,079
Golf Course	176,626
Archery	9,900
Volleyball	8,224
Other Programs	8,023
Operating	216,388
Salaries & Related Expenditures	332,522
Capital Outlay	<u>231,216</u>
Total Expenditures	<u>\$1,178,277</u>
Excess of Revenues over Expenditures	\$ 87,251
Other Financing Uses:	
Debt Service Principal & Interest Payments	<u>(103,214)</u>
Excess of Revenues and Other Uses over Expenditures	\$ (15,963)
Fund Balance-Beginning of Year	<u>1,464,476</u>
Fund Balance-End of Year	<u>\$1,448,513</u>

See notes to financial statements.

Jackson Parish Recreation District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
for the Year Ended December 31, 2018

Net Change in Fund Balance- Governmental Fund	\$ (15,963)
The Change in Net Position reported for Governmental Activities in the Statement of Activities is different because:	
Decreases in accrued compensated absences are reflected as an increase in expenses on the Statement of Activities, but are not reported in the Governmental Funds.	219
Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of Capital Assets recorded in the current period is	231,216
Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These timing differences are summarized below:	
Certificates of Indebtedness Payments	102,000
Non-Employer Pension Revenue	2,334
Pension Expense	(5,158)
Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	<u>(319,996)</u>
Change in Net Position of Governmental Activities	<u>\$ (5,348)</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

Introduction:

The Jackson Parish Recreation District (the Recreation District) created March 21, 2001, as provided by Louisiana Revised Statute 33:4562, is located in Jackson Parish in northeast Louisiana. The Recreation District is governed by seven board members, appointed by the Jackson Parish Police Jury to act as the governing authority. The terms of the board members are five years and vacancies are filled by the Jackson Parish Police Jury.

The Recreation District was established to provide recreational programs and facilities for the residents of the parish funded by ad valorem taxes and program revenues.

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

As the governing authority of the parish, for reporting purposes, the Jackson Parish Police Jury (Police Jury) is the financial reporting entity for Jackson Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Jackson Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

Because the Police Jury appoints the organization's governing body, and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury, the Recreation District was determined to be a component unit of the Jackson Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Recreation District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Recreation District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. FUND ACCOUNTING-

The accounts of the Recreation District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Recreation District has one fund, which is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The fund of the Recreation District is described below:

Governmental Fund-

General Fund - used to account for all financial resources, except those required to be accounted for in another fund.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Recreation District as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Recreation District considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred.

The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts and certificates of deposit of the Recreation District.

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Recreation District maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

F. CAPITAL ASSETS (CONTINUED)-

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 useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-10 years

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

G. 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 (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

H. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows or financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

I. EQUITY CLASSIFICATIONS-

In the 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.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

I. EQUITY CLASSIFICATIONS (CONTINUED)-

- b. Restricted net position - consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - all other resources that do not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund has an unassigned fund balance of \$1,428,454. If applicable, the Recreation District would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

J. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

K. BUDGET-

Prior to the beginning of each fiscal year, the Recreation District adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Recreation District are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Recreation District will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Recreation District that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Recreation District's name.

For reporting purposes, cash and cash equivalents includes demand deposits, time deposits. At December 31, 2018, the Recreation District had cash and cash equivalents (collected bank balances) totaling \$570,595, of which \$450,399 was secured by FDIC insurance and the remaining \$120,196 was secured by pledged securities.

3. Inventories:

Concession supplies are expensed when purchased. The amount on hand is not material to the financial statements. Inventory at the golf course pro shop is recorded at cost.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

4. Ad Valorem Taxes:

The Recreation District levies taxes on real and business personal property located within the boundaries of Jackson Parish. Property taxes are levied by the Recreation District on property values assessed by the Assessor and approved by the State of Louisiana Tax Commission.

The Jackson Parish Sheriff's office bills and collects property taxes for the Recreation District. Collections are remitted to the Recreation District monthly. The Recreation District recognizes property tax revenues when levied.

Property Tax Calendar

Assessment date	January 1
Levy date	November 15
Total taxes due	December 31
Penalties and interest added	January 31
Lien date	January 31
Tax sale	May 16

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2018. Total assessed value was \$234,219,700 in 2018. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$20,982,950 of the assessed value in 2018. For the year ended December 31, 2018, taxes of 4.63 mills were levied on the property.

The five largest taxpayers and their assessed valuation are as follows:

<u>Taxpayer</u>	<u>Assessed Value</u>
Compass Energy Operating, LLC	\$41,847,030
ETC Tiger Pipeline, LLC	38,492,880
Westrock CP, LLC	21,454,760
Regency Intrastate Pipeline	20,536,710
Enable Gas Transmission, LLC	10,469,180

5. Receivables:

The following is a summary of receivables at December 31, 2018:

<u>Class of Receivable</u>	<u>General Fund</u>
Taxes-Ad Valorem	<u>\$884,560</u>

Substantially all receivables are considered to be fully collectible; therefore, no allowance for uncollectible accounts is used.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

6. Operating Leases:

The Recreation District entered into an operating lease with Fairway Carts, Inc. for the rental of thirteen EZGO golf carts at the amount of \$63 per cart per month. The term of this lease shall be for a period of two years, beginning September 1, 2015 and ending August 31, 2017. The lease was renewed in 2017, with monthly payments of \$945. Total lease payments in 2018 totaled \$11,340.

In September 2017, the District entered into an operating lease with Wells Fargo for the rental of a riding mower at the amount of \$350 per month for seventy-two months. Total lease payments in 2018 totaled \$3,850.

Combined future lease payment obligations for the years ending December 31 are as follows:

2019	\$11,760
2020	4,200
2021	4,200
2022	4,200
2023	<u>3,500</u>
Total	<u>\$27,860</u>

7. Compensated Absences:

All full-time employees earn annual leave at rates varying from twelve to twenty-one days each year depending upon length of service. Employees of the Recreation District shall not accrue more than twenty-one days of annual leave. Upon termination, no employees shall be paid for accrued annual leave. In addition, all full-time employees earn twelve to twenty-one days of sick leave each year depending on length of service. Sick leave can accumulate without limitation. Upon separation of employment, employees will be paid for a maximum of twenty days of unused sick leave at the employee's current rate of pay. Upon retirement, employees may elect to receive pay for up to twenty-five days of unused sick leave at the employee's current rate of pay.

The following is a summary of the accrual of compensated absences for the year ended December 31, 2018:

Beginning Balance	Additions	Deletions	Ending Balance
<u>\$12,262</u>	<u>\$0</u>	<u>(\$219)</u>	<u>\$12,043</u>

8. Post-Employment Benefits

The Recreation District does not provide any post-employment benefits; therefore, no disclosure for GASB 45 is required.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

9. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2018, is as follows:

Governmental Activities	Balance <u>01-01-18</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12-31-18</u>
Capital Assets Not Depreciated:				
Land	\$ 737,055	\$ 0	\$ 0	\$ 737,055
Construction in Progress	<u>26,245</u>	<u>35,361</u>	<u>(0)</u>	<u>61,606</u>
Total Assets Not Depreciated	<u>\$ 763,300</u>	<u>\$ 35,361</u>	<u>\$ (0)</u>	<u>\$ 798,661</u>
Capital Assets Depreciated:				
Athletic Equipment	\$ 150,651	\$ 0	\$ 0	\$ 150,651
Vehicles	60,747	0	0	60,747
Buildings	2,231,037	5,800	(1,350)	2,235,487
Grounds Equipment	125,961	17,165	0	143,126
Kitchen Equipment	15,880	4,332	0	20,212
Land Improvements	2,817,184	159,434	(8,325)	2,968,293
Office Equipment	22,531	0	(2,767)	19,764
Outdoor Equipment	<u>248,347</u>	<u>9,124</u>	<u>(7,446)</u>	<u>250,025</u>
Total Assets Depreciated	<u>\$5,672,338</u>	<u>\$ 195,855</u>	<u>\$(19,888)</u>	<u>\$5,848,305</u>
Total Assets	<u>\$6,435,638</u>	<u>\$ 231,216</u>	<u>\$(19,888)</u>	<u>\$6,646,966</u>
Less, Accumulated Depreciation:				
Athletic Equipment	\$ 75,755	\$ 18,549	\$ 0	\$ 94,304
Vehicles	56,418	4,327	0	60,745
Buildings	381,267	88,965	(1,350)	468,882
Grounds Equipment	99,075	12,208	0	111,283
Kitchen Equipment	9,285	2,778	0	12,063
Land Improvements	979,193	159,662	(8,325)	1,130,530
Office Equipment	12,888	2,420	(2,767)	12,541
Outdoor Equipment	<u>158,506</u>	<u>31,087</u>	<u>(7,446)</u>	<u>182,147</u>
Total Depreciation	<u>\$1,772,387</u>	<u>\$ 319,996</u>	<u>\$(19,888)</u>	<u>\$2,072,495</u>
Net Capital Assets	<u>\$4,663,251</u>	<u>\$ (88,780)</u>	<u>\$ (0)</u>	<u>\$4,574,471</u>

Depreciation expense of \$319,996 was charged to the recreation function.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

10. Pension Plan:

Plan Description

The District contributes to Parochial Employees' Retirement System of Louisiana (System) which is 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 and pays persons serving the parish. Act 765 of the year 1979, established by the 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 System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically, and other general laws of the State of Louisiana. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.persla.org.

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

- | | |
|---|---|
| <ul style="list-style-type: none"> • At any age • At age 55 • At age 60 • At age 65 | <ul style="list-style-type: none"> after 30 or more years of creditable service after 25 years of creditable service after 10 years of creditable service after 7 years of creditable service |
|---|---|

For employees hired after January 1, 2007:

- | | |
|---|---|
| <ul style="list-style-type: none"> • At age 55 • At age 62 • At age 67 | <ul style="list-style-type: none"> after 30 years of creditable service after 10 years of creditable service after 7 years of creditable service |
|---|---|

Any member of Plan B can retire providing he/she meets one of the following criteria:

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

For employees hired prior to January 1, 2007:

- At age 55 after 30 years of creditable service
- At age 60 after 10 years of creditable service
- At age 65 after 7 years of creditable service

For employees hired after January 1, 2007:

- At age 55 after 30 years of creditable service
- At age 62 after 10 years of creditable service
- At age 67 after 7 years of creditable service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Generally, the monthly amount of the retirement allowance of any member of Plan B shall consist of an amount equal to two percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor's Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. DROP is an option for that member who is eligible for normal retirement.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and have at least five years of creditable service or if hired after January 1, 2007, have seven years of creditable service, and are not eligible for normal retirement and have been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

For Plan B, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and have at least five years of creditable service or if hired after January 1, 2007, have seven years of creditable service, and are not eligible for normal retirement and have been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

Cost-of-Living Increases

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (LA R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2017, the actuarially determined contribution rate was 9.35% of member's compensation for Plan A and 6.75% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2017 was 11.50% for Plan A and 8.00% for Plan B.

According to state statute, the System also receives $\frac{1}{4}$ 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 employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer revenue is \$2,334.

The District's contractually required composite contribution rate for the year ended December 31, 2018 was 11.50% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District were \$24,054 for the year ended December 31, 2018.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the District reported an asset of \$23,301 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2017 and the total pension liability (Asset) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date. The District's proportion of the Net Pension Liability (Asset) 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, 2017, the District's proportion was .03139%, which was a decrease of .06897% from its proportion measured as of December 31, 2016.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

For the year ended December 31, 2018, the District recognized pension expense of \$29,202 minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$(300).

At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$15,084
Changes in assumption	29,410	0
Net difference between projected and actual earnings on pension plan investments	0	53,833
Changes in employer's proportion of beginning net pension liability	4	2,335
Differences between employer contributions and proportionate share of employer contributions	0	199
Subsequent Period Contributions	23,054	0
Total	\$52,468	\$71,451

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31:	
2019	\$ 2,393
2020	(4,277)
2021	(18,816)
2022	(21,336)
Total	\$(42,036)

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017 is as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years.
Investment Rate of Return	6.75%, net of investment expense, including inflation.
Inflation Rate	2.50% per annum.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Table was selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
	Experience study performed on plan data for the period January 1, 2010 through December 31, 2014.
Salary Increases	5.25% (2.50% Inflation, 2.75% Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 6.75% for Plans A and B. 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 calculated 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.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (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 7.62% for the year ended December 31, 2017. The 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real Assets	2%	0.12%
Total	100%	5.62%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.62%

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the Net Pension Liability (Asset) using the discount rate of 6.75%, as well as what the District's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer's proportionate share of net pension liability (asset)	\$114,884	\$(23,301)	\$(146,346)

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Annual Financial Report at www.persla.org.

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$10,088, which is the legally required contribution due at December 31, 2018. This amount is recorded in accrued expenses.

11. Certificates of Indebtedness:

During the year ended December 31, 2014, Certificates of Indebtedness, Series 2014 in the amount of \$400,000 were issued to provide additional funds for the purchase of 179 acres of land. Certificates in the amount of \$340,000 were purchased by Red River Bank and carry an interest rate of 0.95%. Certificates totaling \$60,000 were purchased by the Louisiana Public Facilities Authority with a zero rate of interest. The certificates are payable from a pledge of revenues to be derived by the Recreation District from the levy and collection of a special tax of 4.63 mills to be levied through 2017. Payment of principal is due March 1 each year with interest payments following on September 1.

Balance 12/31/17	\$ 102,000
Principal Payments	(102,000)
Balance 12/31/18	<u>\$ 0</u>

Interest in the amount of \$1,213 was paid in 2018.

12. Compensation Paid Commission Members:

Board members receive \$40 per diem for reimbursement of travel expenses for each meeting he or she attends.

Chris Womack	\$ 360
Ricky Cash	320
Rodney Potts, Jr.	200
Ronald Washington	200
Daren Alexander	<u>280</u>
Total	<u>\$1,360</u>

13. Litigation and Claims:

Management has advised that there is no litigation pending against the Recreation District at December 31, 2018.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2018

14. Subsequent Events:

Management has evaluated events through May 7, 2019, the date which the financial statements were available for issue. The following items were noted that needed to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTAL INFORMATION

Jackson Parish Recreation District
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Ad Valorem	\$ 1,116,050	\$ 1,116,050	\$ 926,285	\$ (189,765)
Intergovernmental	-	-	3,500	3,500
Fees for Services & Programs	125,000	129,000	129,882	882
Golf Course	139,000	135,000	184,967	49,967
Interest	1,000	1,000	679	(321)
Miscellaneous	-	-	20,215	20,215
Total Revenues	<u>\$ 1,381,050</u>	<u>\$ 1,381,050</u>	<u>\$ 1,265,528</u>	<u>\$ (115,522)</u>
EXPENDITURES:				
Office & Administration	\$ 322,360	\$ 322,360	\$ 170,002	\$ 152,358
Recreation Programs	159,000	159,000	168,447	(9,447)
Golf Course	130,700	130,700	158,503	(27,803)
Concessions	69,000	69,000	53,079	15,921
Payroll & Related Benefits	382,000	382,000	332,522	49,478
Telephone & Utilities	63,000	63,000	64,508	(1,508)
Capital Outlay	45,300	315,000	231,216	83,784
Total Expenditures	<u>\$ 1,171,360</u>	<u>\$ 1,441,060</u>	<u>\$ 1,178,277</u>	<u>\$ 262,783</u>
Excess of Revenues over Expenditures	\$ 209,690	\$ (60,010)	\$ 87,251	\$ 147,261
OTHER FINANCING SOURCES (USES):				
Debt Service Principal & Interest	<u>(98,789)</u>	<u>(98,789)</u>	<u>(103,214)</u>	<u>(4,425)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 110,901	\$ (158,799)	\$ (15,963)	\$ 142,836
Fund Balance- Beginning of Year	<u>1,464,476</u>	<u>1,464,476</u>	<u>1,464,476</u>	<u>-</u>
Fund Balance- End of Year	<u>\$ 1,575,377</u>	<u>\$ 1,305,677</u>	<u>\$ 1,448,513</u>	<u>\$ 142,836</u>

See independent auditor's report.

Jackson Parish Recreation District
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2018

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Employer's Proportion of the Net Pension Liability (Asset)	.0029597%	0.037418%	0.037579%	0.03139%
Employer's Proportionate Share of the Net Pension Liability (Asset)	8,079	98,495	77,394	(23,301)
Employer's Covered Employee Payroll	214,530	222,861	192,604	200,468
Employer's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	4%	44%	40%	(11.62)%
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	99.15%	92.23%	94.15%	101.98%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report.

Jackson Parish Recreation District
Schedule of Employer Contributions
For the Year Ended December 31, 2018

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Contributions	\$ 28,857	\$ 31,107	\$ 24,076	\$ 23,054
Contributions in Relation to Contractually Required Contribution	\$ 28,857	\$ 31,107	\$ 24,076	\$ 23,054
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Employer's Covered Employee Payroll	\$214,530	\$222,861	\$192,604	\$200,468
Contributions as a Percentage of Covered Employee Payroll	15.35%	13.96%	12.50%	11.50%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended December 31, 2018.

See independent auditor's report.

Jackson Parish Recreation District
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2018

Agency Head Name: Tommy Smith, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$62,173
Benefits- Retirement	7,150
Benefits- Medicare	902
Reimbursements	<u>0</u>
Total	<u>\$70,225</u>

See independent auditor's report.

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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 Members of the
Jackson Parish Recreation District
Jonesboro, LA, 71251

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund of the Jackson Parish Recreation District (District) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 7, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings as item 2018-002, which we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an 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* which is described in the accompanying schedule of audit findings as item 2018-001.

Jackson Parish Recreation District's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

May 7, 2019

Jackson Parish Recreation District
Schedule of Audit Findings
Year Ended December 31, 2018

I. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Jackson Parish Recreation District.
2. There was one significant deficiency in internal control noted during the audit of the financial statements.
3. There was one instance of noncompliance material to the financial statements of the Jackson Parish Recreation District disclosed during the audit.

II. Findings in Accordance with Governmental Auditing Standards

Compliance-

2018-001 Compliance with Local Government Budget Act

Criteria - Louisiana Revised Statute 39:1311 states that total actual revenues and other sources should not fail to meet total budgeted revenues and other sources by more than 5%.

Condition - Actual revenues were less than budgeted revenues by more than the 5% variance allowed.

Effect - The budget cannot be used as an effective management tool to control expenditures.

Cause - The Jackson Parish Recreation District did not amend the budget appropriately to be in compliance with state revised statutes.

Recommendation - It is recommended that the District institute procedures to ensure the budget is amended appropriately whenever actual revenues are less than budgeted revenues by more than 5% and/or actual expenditures are more than budgeted expenditures by more than the 5% allowed.

Management's Response - We will establish procedures to ensure that the budget is amended appropriately when revenues or expenditures obtain a 5% or more unfavorable variance.

Internal Control-

2018-002 Segregation of Duties

Criteria - The Recreation District should have employees available to execute the ongoing duties related to financial matters.

Condition - Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties.

Effect - Intentional or unintentional errors could be made and not detected within the accounting system.

Jackson Parish Recreation District
Schedule of Audit Findings
Year Ended December 31, 2018

Cause - Due to a lack of funds, the Recreation District does not have a sufficient number of employees to adequately separate accounting duties.

Recommendation - Since the costs associated with establishing an appropriate system of internal control should not outweigh the benefits derived from it, we do not have a recommendation to make.

Management's Response - It is not economically feasible to add a sufficient number of employees to adequately segregate accounting duties.

III. Prior Year Findings

None identified.

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INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES

To the Board of Directors
Jackson Parish Recreation District
Jonesboro, LA, 71251

We have performed the procedures enumerated below, which were agreed to by Jackson Parish Recreation District (the “District”) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA’s Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The District is responsible for those C/C areas identified in the SAUPs.

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

Our procedures and associated findings are enumerated below.

Written Policies and Procedures

1. We obtained and inspected the entity’s written policies and procedures and observed whether those written policies and procedures address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
 - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - ***Disbursements***, including processing, reviewing, and approving.
 - ***Receipts***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - a) *Procedure Results- The entity does not have any written policies and procedures for the functions above.*

Board (or Finance Committee, if applicable)

2. We obtained and inspected the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
 - Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - For governmental entities, obtained the prior year audit report and observed the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.
 - a) *Procedure Results- No exceptions noted.*

Bank Reconciliations

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We identified the entity's main operating account. We selected the entity's main operating account and randomly selected four additional accounts (or all if less than five). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
- Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
 - Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated, electronically logged); and
 - Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
- a) *Procedure Results – We noted one exception. There was no evidence of when bank reconciliations were prepared.*

Collections

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected the required amount of deposit sites (up to five).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties were properly segregated at each collection location such that:
- Employees that are responsible for cash collections do not share cash drawers/registers.
 - Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under “Bank Reconciliations” above. We obtained supporting documentation for each of the deposits selected and:
 - We observed that receipts are sequentially pre-numbered.
 - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - We traced the deposit slip total to the actual deposit per the bank statement.
 - We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - We traced the actual deposit per the bank statement to the general ledger.
 - a) *Procedure Results – The following exceptions were noted: The same person at each collection site collects the money and makes the deposit. The office manager posts all deposits to the general ledger, in addition to collecting money and making deposits. Receipt documentation was not provided for two of the 6 deposits sampled. None of the six deposits sampled were deposited timely.*

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

8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
9. For each location selected under #8 above, we obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
 - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management’s representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
 - We observed that the disbursement matched the related original invoice/billing statement.

- We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
 - a) *Procedure Results – The Office Manager performs all of the functions in item #9 by herself, except she does not make any purchases or place orders.*

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

11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), and obtained supporting documentation, and:
 - We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.
 - a) *Procedure Results – There was no notation of review and approval of supporting documentation. An original receipt was not provided for one of the credit card statements that were sampled.*

Travel and Expense Reimbursement

14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected five reimbursements, and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
 - If reimbursed using a per diem, we agreed the reimbursement rate to those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- We observed that each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.
- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

a) Procedure Results – Not required due to no exceptions in this category in the prior year.

Contracts

15. We obtained from management a listing of all agreements/contracts for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, and:

- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment.
- We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

a) Procedure Results – Not required due to no exceptions in this category in the prior year.

Payroll and Personnel

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

17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:

- We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- We observed that supervisors approved the attendance and leave of the selected employees/officials.
- We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected the two employees/officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations. If applicable, we agreed the hours to the employees/officials' cumulative leave records and the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.
- a) *Procedure Results – Not required due to no exceptions in this category in the prior year.*

Ethics (excluding nonprofits)

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:
- We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - We observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.
- a) *Procedure Results – The Director is the only employee who completed ethics training.*

Debt Service (excluding nonprofits)

21. We obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. We selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.
- a) *Procedure Results – Not required due to no exceptions in this category in the prior year.*

Other

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
- a) *Procedure Results – We noted no exceptions; management represented that they are not aware of any misappropriations.*

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

a) Procedure Results – We noted no exceptions.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Statewide Agreed-Upon Procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Jackson Parish Recreation District and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than the specified parties.

Respectfully,

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

May 7, 2019

Jackson Parish Recreation District
Management's Response to Exceptions to
Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2018

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

- Item 1: Management will develop written policies and procedures to implement for all the necessary financial functions.
- Item 3: Management will amend its procedures to require evidence of when bank reconciliations are completed.
- Item 5: Due to limited resources, management considers it not feasible to have enough staff so that the person collecting cash is not responsible for depositing the cash in the bank, recording the transaction, or reconciling the bank account.
- Item 7: Management will implement procedures to enforce the policy that all collections from each location are deposited on a daily basis. Management will implement procedures to ensure appropriate supporting documentation is obtained for all deposits.
- Item 9: The person responsible for processing payments is not prohibited from adding vendors to the District's purchasing system. The accounting system does not allow for this level of user restriction, but is monitored by management.
- Item 12: Management will implement procedures to ensure that the monthly credit card statements and supporting documentation are reviewed and approved in writing.
- Item 13: Management will implement procedures to ensure original receipts or other supporting documentation is obtained for all credit card charges.
- Item 20: Management will ensure that the proper ethics training is obtained and documented for compliance.