

**Shenandoah Estates Crime Prevention  
and Improvement District**

Baton Rouge, Louisiana

*Compiled Financial Statements  
and Supplementary Information*

Year Ended December 31, 2017

William D. Mercer, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION

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## WILLIAM D. MERCER, CPA

A PROFESSIONAL ACCOUNTING  
CORPORATION

To the Board of Commissioners  
Shenandoah Estates Crime Prevention and Improvement District  
Baton Rouge, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities and each major fund of the Shenandoah Estates Crime Prevention and Improvement District as of and for the year ended December 31, 2017, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and activities. Accordingly, the financial statements are not designed for those who are not informed about such matters.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This information is the representation of management. This information was subject to my compilation engagement; however, I have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

### **Supplementary Information**

The schedule of compensation, benefits, and other payments to agency head on page 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to my compilation engagement; however, I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

*WILLIAM D. MERCER, CPA (APR)*

Baton Rouge, Louisiana  
June 8, 2018

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SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended December 31, 2017

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Our discussion and analysis of Shenandoah Estates Crime Prevention and Improvement District's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the year ended December 31, 2017.

FINANCIAL HIGHLIGHTS

The financial statements included in this report provide insight into the financial status for the year. Based upon the operations of 2017, the District's net position increased by \$ 105,361, and resulted in ending net position of \$ 193,607, or an increase of 119.4 percent.

Total spending for the governmental activity was \$ 92,735 for the year, which was \$ 105,207 less than the property assessments received for this activity, \$ 197,942. Expenditures for capital assets totaled \$ 21,781 for the year.

The interest earned on checking accounts and delinquent collections was \$ 154 for the year.

USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities found on pages 8 and 9 provide information about the financial activities of the District and illustrate a longer-term view of the District's finances. Fund financial statements start on page 10. For governmental type activities, these statements illustrate how these services were financed in the short-term and what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's significant funds.

REPORTING THE DISTRICT AS A WHOLE, THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

Our analysis of the District as a whole begins on page 8. These statements help to illustrate the status of the District resulting from the year's activities. The statements include all assets and liabilities using the accrual basis of accounting. In this method, all of the current year's revenues and expenses are taken into account regardless of when cash is paid or received.

The District's net position is determined by examining the difference in assets and liabilities. The two statements report the District's net position and any changes in it. Examining the District's net position is an effective way to determine the financial status of the District. Increases and decreases in net position are an indicator of the District's overall increasing or decreasing financial performance.

In the Statement of Net Position and Statement of Activities, the District reports only governmental type activities. The majority of the District's activities are of this type, and parcel fees finance most of the activities.

#### REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS, FUND FINANCIAL STATEMENTS

The analysis of the District's sole fund begins on page 10. The fund financial statements provide detailed information about the most significant fund rather than the District as a whole.

The District uses a governmental type fund. Most of the District's services are reported in the governmental fund, which focuses on how money flows into and out of that fund and the balance left at year-end that is available for spending. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to fund the District's programs, including acquisition of capital assets. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation located after the Statement of Revenues, Expenses, and Changes in Fund Balance.

#### THE DISTRICT AS A WHOLE

The District's net position increased \$ 105,361 as a result of this year's operations, resulting in ending net position of \$ 193,607, or an increase of 119.4 percent. The balance in net position represents the accumulated results of all past years' operations. Unrestricted net position (the part of net position that can be used to finance daily operations without legal restrictions or obligations) changed from a \$ 54,545 surplus to a \$147,797 surplus at year-end. The District can use these funds to finance the continuing operations of the office. This means that if we had to pay off all of our bills today, we would have \$ 147,797 left.

**Table 1**  
**Net Position**

Current and other assets	\$	147,797
Capital assets		<u>45,810</u>
Total assets	\$	<u><u>193,607</u></u>
Current and other liabilities	\$	-
Long-term liabilities		<u>-</u>
Total liabilities	\$	<u><u>-</u></u>
Net position:		
Invested in capital assets	\$	45,810
Unrestricted		<u>147,797</u>
Total net position	\$	<u><u>193,607</u></u>

The District’s total revenues for the year increased \$ 183,559, or 1,262.6 percent. This included \$ 197,942 in parcel fees and \$ 154 in interest income. The total cost of all programs and services was \$ 92,735 with no new programs added this year.

Please refer to “Impact of August 2016 Flooding” on page 7.

**Table 2**  
**Changes in Net Position**

Revenues:		
Parcel fees	\$	197,942
Other		<u>154</u>
Total revenues		198,096
Expenses		<u>92,735</u>
Increase in net position	\$	<u><u>105,361</u></u>

THE DISTRICT’S FUNDS

As previously mentioned, the District uses funds to help control and manage money for particular purposes. At the completion of the year, the District’s governmental fund reported an unrestricted fund balance of \$145,540. This reflects an increase of \$ 94,018 from last year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

*Capital Assets*

At the end of the year, the District has \$ 45,810 invested in capital assets, consisting principally of security equipment. Additions to capital assets totaled \$ 21,781 this year.

**Table 3**  
**Capital Assets at Year End**  
**(Net of Accumulated Depreciation)**

Equipment \$ 45,810

*Long-Term Liabilities*

At year end, the District had no obligations under long-term liabilities.

IMPACT OF AUGUST 2016 FLOODING

The August 2016 flooding in East Baton Rouge Parish and surrounding parishes caused by heavy and extended rainfalls included damages to a limited number of properties in Shenandoah Estates, but a substantial number of properties in East Baton Rouge Parish. As a result, the East Baton Rouge Parish Assessor was compelled to delay finalizing the property tax rolls until revaluations of damaged properties were completed. Annual property tax bills were not released until January 2017, and collections normally made in December of the preceding year and remitted to the District in January were delayed.

This did not affect the total amounts collected during 2017, as the District's receipts are based on a fixed fee, rather than assessed value. However, receipts in January 2017 were only \$ 4,450 as compared to \$ 114,260 in January 2018, which were collected and remitted without delay.

The delay in 2017 collections is the largest factor in the increase in the District's fund balance from December 31, 2016 to December 31, 2017.

PARCEL FEE INCREASE

As authorized in the renewal proposition approved by a majority of the qualified voters within the Shenandoah Estates Crime Prevention and Improvement District on November 21, 2016, the Board of Commissioners in its regularly scheduled public meeting on March 21, 2017, voted to increase the amount of the annual parcel fee from \$ 50 to \$ 75. This fee increase resulted in additional collections of approximately \$ 38,000 in December 2017, and was a major factor in the increase in the District's fund balance in 2017.

The increase assures the financial commitment to safety and security will be maintained and can be expanded, if required, and allows the District to broaden its focus to include other improvements benefitting the Shenandoah Estates community.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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 Fred Godwin, Treasurer, P.O. Box 77926, Baton Rouge, Louisiana 70879.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

STATEMENT OF NET POSITION

December 31, 2017

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<u>ASSETS</u>	
Cash and equivalents	\$ 31,280
Parcel fees receivable	114,260
Prepaid expenses	2,257
Capital assets, net of depreciation	<u>45,810</u>
 TOTAL ASSETS	 <u>193,607</u>
 <u>LIABILITIES</u>	
Accrued expenses	<u>-</u>
 <u>NET POSITION</u>	
Investment in capital assets	45,810
Unrestricted	<u>147,797</u>
 TOTAL NET POSITION	 \$ <u><u>193,607</u></u>

See accountant's compilation report.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

Year Ended December 31, 2017

	Expenses	Charges For Services	Net Revenue (Expense)
<b>Functions/programs:</b>			
Public safety/crime prevention	\$ 83,063	\$ -	\$( 83,063)
Depreciation	<u>9,672</u>	<u>-</u>	<u>( 9,672)</u>
<b>Total governmental activities</b>	<u>92,735</u>	<u>-</u>	<u>( 92,735)</u>
<b>General revenues:</b>			
Parcel fees			197,942
Interest			<u>154</u>
<b>Total General Revenues</b>			<u>198,096</u>
<b>Change in net position</b>			105,361
<b>Net position, beginning of year</b>			<u>88,246</u>
<b>Net position, end of year</b>			\$ <u>193,607</u>

See accountant's compilation report.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

BALANCE SHEET – GOVERNMENTAL FUND

December 31, 2017

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<u>ASSETS</u>		
Cash	\$	31,280
Parcel fees receivable		114,260
Prepaid expenses		<u>2,257</u>
TOTAL ASSETS		<u>147,797</u>
 <u>LIABILITIES</u>		
Accrued expenses		<u>-</u>
 <u>FUND BALANCE</u>		
Nonspendable		2,257
Unrestricted		<u>145,540</u>
TOTAL FUND BALANCE	\$	<u><u>147,797</u></u>

See accountant's compilation report.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET TO  
THE STATEMENT OF NET POSITION  
December 31, 2017

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Fund balances – Governmental Fund	\$	147,797
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund, These assets consist of:		
Costs of capital assets		78,059
Accumulated depreciation	(	<u>32,249)</u>
NET POSITION OF GOVERNMENTAL ACTIVITY	\$	<u>193,607</u>

See accountant's compilation report.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Year Ended December 31, 2017

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REVENUES:

General revenues:

Parcel fees	\$ <u>197,942</u>
Total general revenues	<u>197,942</u>

Miscellaneous revenue:

Interest earned	<u>154</u>
Total miscellaneous revenue	<u>154</u>

Total Revenues	<u>198,096</u>
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EXPENDITURES:

Current operations:

General government:

Bank charges	40
Legal and professional fees	1,537
Office expense	<u>138</u>
Total general government	<u>1,715</u>

Public safety:

Collection expenses	2,635
Contracted security services	64,415
Improvements	689
Insurance	4,301
Maintenance contract	3,300
Miscellaneous	1,652
Postage	130
Telephone	926
Utilities	1,442
Website expense	<u>1,858</u>
Total public safety	<u>81,348</u>

See accountant's compilation report.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

Year Ended December 31, 2017

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Capital outlay:	
Security equipment	<u>21,781</u>
Total capital outlay	<u>21,781</u>
 Total Expenditures	 <u>104,844</u>
 Excess (deficiency) of revenues over expenditures	 93,252
 OTHER FINANCING SOURCES (USES):	
Capital lease related debt incurred	<u>-</u>
Total other financing sources (uses)	<u>-</u>
 Net change in fund balance	 93,252
 FUND BALANCE, beginning of year	 <u>54,545</u>
 FUND BALANCE, end of year	 \$ <u><u>147,797</u></u>

See accountant's compilation report.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2017

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Net change in fund balance – governmental fund	\$ 93,252
Amounts reported for governmental activity in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense	
Capital outlay	21,781
Depreciation expense	( 9,672)
Change in net position of governmental activity	\$ <u>105,361</u>

See accountant's compilation report.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS

Year Ended December 31, 2017

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There were no findings for the year ended December 31, 2017.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Year Ended December 31, 2017

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There were no findings noted for the prior year ended December 31, 2016, in the accountant's report dated June 28, 2017.

SUPPLEMENTARY INFORMATION

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD  
Year Ended December 31, 2017

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Agency Head: Chester Welch, Chairperson

<b>Purpose:</b>	<b>Amount:</b>
Salary	None
Benefits – insurance	None
Benefits – retirement	None
Benefits – other	None
Car allowance	None
Vehicle provided by government	None
Per diem	None
Reimbursements	\$ 58
Travel	None
Registration fees	None
Conference travel	None
Continuing professional education fees	None
Housing	None
Unvouchered expenses	None
Special needs	None

The agency is managed by a board of commissioners, all of whom serve without compensation.

See accountant's compilation report.