

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
MONROE, LOUISIANA**

**ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

MANAGEMENT'S DISCUSSION AND ANALYSIS

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
(A Component Unit of Ouachita Parish Police Jury)
Management's Discussion and Analysis
For The Fiscal Year Ended December 31, 2017 And 2016

As management of the East Ouachita Recreation District No. 1 of the Parish of Ouachita, State of Louisiana ("District"), we provide readers of the District's financial statements this narrative overview and analysis of the financial activities of the District, for the year ended December 31, 2017. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- The net position of our governmental activities increased by \$782,349 or 10.64%.
- The total net position is comprised of the following:
 - (1) Net investment in capital assets of \$2,386,161 that included property and equipment, net of accumulated depreciation (\$4,081,346).
 - (2) Unrestricted net position of \$6,464,993 that represents the portion available to maintain continuing obligations to citizens and creditors.
- Revenues of our governmental activities totaled \$1,961,349, a increase of 10.61% from the prior year total of \$1,773,126, while expenditures totaled approximately \$1,470,683, an increase of 21.0% from the prior year total of \$1,214,954.
- Approximately \$536,051 was expended in the current year primarily for capital expenditures on construction in progress, and land for ballfield improvements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's basic financial statements consist of the following components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements
4. Required supplementary information, and
5. Other supplementary information, which is in addition to the basic financial statements themselves.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
(A Component Unit of Ouachita Parish Police Jury)
Management's Discussion and Analysis
For The Fiscal Year Ended December 31, 2017 And 2016

1. Government-Wide Financial Statements

Government-wide financial statements are designed by GASB statement 34 to change the way in which governmental financial statements are presented. It now provides readers a concise “entity-wide” Statement of Net Position and Statement of Activities. These statements include all assets and liabilities using the accrual basis of accounting in a manner similar to a private-sector business.

- A. The statement of net position presents information on all of the District’s assets and liabilities using the accrual basis of accounting. The difference between the assets and liabilities is reported as net position. The net position is segregated between net investment in capital assets, restricted net position, or unrestricted net position. These categories are determined by the nature or source of the net position. Amounts available in unrestricted net position may be utilized for continued operation and maintenance of recreation facilities or programs in the future. Over time, increase or decrease in net position may serve as a useful indicator of whether the financial position of the District is improving or weakening.
- B. The statement of activities presents information showing how the government’s net position changed during the most recent fiscal year. This statement shows the difference between expenditures and revenues for recreation activities and the general revenues of the District. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow.

2. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law and by bond covenants. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District consist of one category: governmental funds.

- A. Governmental funds are used to account for most of the District’s basic services as reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs.
- B. The District maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund.
- C. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the conversion from governmental funds to governmental activities.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
(A Component Unit of Ouachita Parish Police Jury)
Management's Discussion and Analysis
For The Fiscal Year Ended December 31, 2017 And 2016

Our auditor has provided assurance in the independent auditor's report, located immediately following this MD&A, that the Basic Financial Statements are fairly stated. The auditor regarding this Management's Discussion and Analysis and the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS AS A WHOLE

The District's net position increased by \$782,349 compared to a \$749,994 increase in the prior year.

NET ASSETS

A condensed comparative summary of the Statement of Net Position is presented in Table A.

Table A
Condensed Statement of Net Position

	<u>FY 2017</u>	<u>FY 2016</u>	<u>Dollar Change</u>	<u>Total % Change</u>
Current Assets	\$10,822,042	\$6,054,347	\$4,767,695	78.7%
Capital Assets	<u>2,386,161</u>	<u>2,031,714</u>	<u>354,447</u>	<u>17.4%</u>
Total Assets	<u>13,208,203</u>	<u>8,086,061</u>	<u>5,122,142</u>	<u>63.3%</u>
Long-Term Debt	4,300,528	120	4,300,408	3583673.3%
Other Liabilities	<u>56,521</u>	<u>17,136</u>	<u>39,385</u>	<u>229.8%</u>
Total Liabilities	<u>4,357,049</u>	<u>17,256</u>	<u>4,339,793</u>	<u>25149.5%</u>
Net Investment in Capital Assets	2,386,161	2,031,713	354,448	17.4%
Restricted	0	120	(120)	(100.0)%
Unrestricted	<u>6,464,993</u>	<u>6,036,972</u>	<u>428,021</u>	<u>7.1%</u>
Total Net Position	<u>\$8,851,154</u>	<u>\$8,068,805</u>	<u>\$782,349</u>	<u>9.7%</u>

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
(A Component Unit of Ouachita Parish Police Jury)
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Net position may serve over time as a useful indicator of a government's financial position. The District's assets exceeded its liabilities at the close of the current year by \$8,851,154 (net position) compared to \$8,068,805 at the prior year-end. Of this amount, \$6,464,993 is unrestricted net position. This represents 73.0% of net position and its resources that are available to be used to meet the District's ongoing obligation to citizens and creditors. The District's unrestricted net position increased by \$428,021 during the year, largely from increased revenues.

The District has total assets of \$13,208,203 compared to \$8,086,061 at the prior year-end. Of the total assets \$2,386,161 are net investment in capital assets compared to \$2,031,713 at the end of 2016.

The District, in 2017, issued tax revenue bonds for \$4,300,000 to improve the facilities at Osterland Recreation Center. The project is scheduled for completion in 2019.

CHANGES IN NET POSITION

The governmental activities of the District include recreation, i.e. activities buildings, tennis, and baseball and softball fields. Property taxes fund most of these governmental activities.

A condensed comparative summary of the Statement of Activities is presented in Table B. This table shows the District's expenditures related to the functions/programs associated with its governmental activities. The table gives an indication of how the District's resources are utilized and the source of the resources.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
(A Component Unit of Ouachita Parish Police Jury)
Management's Discussion and Analysis
For The Fiscal Year Ended December 31, 2017 And 2016

Table B
Condensed Statement of Activities

	<u>FY 2017</u>	<u>FY 2016</u>	<u>Dollar Change</u>
Governmental Activities Recreation			
Program expense			
Operating costs	\$986,785	\$882,028	\$104,757
Interest expense	0	0	0
Depreciation	<u>181,602</u>	<u>188,278</u>	<u>(6,676)</u>
Total program expenses	1,168,387	1,070,306	98,081
Program revenues			
Charges for services and grants	<u>186,173</u>	<u>180,538</u>	<u>5,635</u>
Net Program Expenses Before General Revenues	982,214	889,768	92,446
General Revenues			
Ad valorem taxes	1,688,820	1,586,416	102,404
Other revenues	29,308	26,891	2,417
Interest income earned	<u>46,435</u>	<u>26,455</u>	<u>19,980</u>
Total General Revenue	<u>1,764,563</u>	<u>1,639,762</u>	<u>124,801</u>
Change in Net Position	782,349	749,994	32,355
Beginning Net Position	<u>8,068,805</u>	<u>7,318,811</u>	<u>749,994</u>
Ending Net Position	<u>\$8,851,154</u>	<u>\$8,068,805</u>	<u>\$782,349</u>

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
(A Component Unit of Ouachita Parish Police Jury)
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Operating costs for the recreation activities of the District increased to \$1,168,387 compared to \$1,070,306 in 2016. Depreciation expense for 2017 was \$181,602, a decrease of \$6,674 from 2016 depreciation expense. This was the result of a change in capital expenditures.

As indicated above, ad valorem tax revenue is the largest revenue source for the District comprising 97% and 97% of general revenues for 2017 and 2016. During the years ended December 31, 2017 and 2016, property taxes of 7.48 mills and 7.48 mills were levied on property inside of the District boundaries, respectively. The District's gross tax assessed for 2017 increased by \$94,956 to \$1,714,550 compared to \$1,619,594 for 2016.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As previously stated, the District maintains one governmental fund, the General Fund. The District's governmental fund reported ending balances of \$10,727,533 and \$5,995,400 for the fiscal years ended 2017 and 2016. This is an increase of \$4,732,133 from the prior year-end. The increase was due to debt proceeds received to fund a major capital renovation at the Osterland property.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District adopts an annual budget for its General Fund. A budget comparison schedule has been included for the General Fund to demonstrate compliance with the legally adopted budget. An analysis of significant budget variances in the General Fund is as follows:

1. Revenues:
 - There were some variations between the final budgeted revenues and the actual amounts realized for 2017 for revenues due to increased ad valorem tax received.

2. Expenditures:
 - Actual expenditures were significantly less than budget, primarily in capital expenditures. These expenditures were postponed to future periods to coincide with planned upgrades for 2018 and 2019.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
(A Component Unit of Ouachita Parish Police Jury)
Management's Discussion and Analysis
For The Fiscal Year Ended December 31, 2017 And 2016

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2017 and 2016, the District had \$5,690,104 and \$5,166,273 invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles (See table below).

	<u>FYE 2017</u>	<u>FYE 2016</u>
Buildings	\$3,961,635	\$3,961,635
Office equipment	14,758	14,758
Janitorial	3,284	3,284
Recreational equipment	376,942	376,942
Concessions	4,244	4,244
Auto	85,108	85,108
Baseball field equipment	469,033	469,033
Baseball field lights	109,895	109,895
Fence	61,918	61,918
Construction in progress	<u>603,287</u>	<u>79,456</u>
Totals	<u>\$5,690,104</u>	<u>\$5,166,273</u>

This year's major additions included construction in progress for major ballfield renovations, and land for ballfield improvements.

Debt

At year end, the District had a \$4,300,000 balance in limited tax bonds. Bonds are secured by the 7.48 ad valorem tax millage and are due in annual payments from 2018 to 2026.

ECONOMIC FACTORS

The District's revenues consist of ad valorem taxes, state revenue sharing, and recreation program fees. The Board of Commissioners actively monitors revenues and expenses and evaluates the costs of proposed expansion projects. Currently the Board is preparing land for baseball and softball fields. They actively solicit parish government and state government aid whenever possible to help with the cost of these projects.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Delia Sivils, Secretary-Treasurer of the East Ouachita Recreation District #1, 710 Holland Drive, Monroe, Louisiana.

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
East Ouachita Recreation District Number One
Ouachita Parish
State of Louisiana
Monroe, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the East Ouachita Recreation District Number One of the Parish of Ouachita, State of Louisiana, a component unit of Ouachita Parish Police Jury, as of and for the year ended December 31, 2017, 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 each major fund of the East Ouachita Recreation District Number One of the Parish of Ouachita, State of Louisiana, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

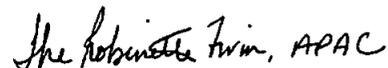
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 7 and 25 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurances.

Other Information

The schedule of board member compensation and compensation of executive director schedules are presented for purposes of additional analysis as required by Act 706 of the 2017 Legislative Session amending Louisiana R.S. 24:513A(3) and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate to the underlying accounting data used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated June 28, 2018 on our consideration of East Ouachita Recreation 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering East Ouachita Recreation District's internal control over financial reporting and compliance.



The Robinette Firm, A Professional Accounting Corporation

Monroe, Louisiana
June 28, 2018

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

BASIC FINANCIAL STATEMENTS

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

STATEMENT OF NET POSITION
DECEMBER 31, 2017

ASSETS

Current Assets:

Cash and investments	\$ 9,231,120
Ad valorem tax receivable, net of allowance for doubtful accounts of \$3,857	1,583,185
State revenue sharing receivable	7,706
Interest Receivable	<u>31</u>
Total Current Assets	<u>10,822,042</u>

Noncurrent Assets:

Capital assets, net of accumulated depreciation	1,608,758
Land	<u>777,403</u>
Total Assets	<u><u>\$13,208,203</u></u>

LIABILITIES

Current Liabilities:

Accounts payable	\$ 8,089
Accrued Expenses	48,432
Current maturities of bonds payable	<u>435,000</u>
Total Current Liabilities	<u>491,521</u>

Due in more than one year:

Compensated Absences	528
Bonds Payable	<u>3,865,000</u>
Total Liabilities	<u>4,357,049</u>

NET POSITION

Net investment in capital assets	2,386,161
Unrestricted	<u>6,464,993</u>
Total Net Position	<u>8,851,154</u>

TOTAL LIABILITIES, NET POSITION

\$13,208,203

See accompanying notes to the financial statements.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

FUNCTIONS / PROGRAMS

GOVERNMENTAL ACTIVITIES:

General Government -Recreation	<u>\$1,168,387</u>
Total Governmental Activities	1,168,387

PROGRAM REVENUES:

Charges for services	186,173
Grants and Contributions	<u>-</u>
Net Governmental Activities	982,214

GENERAL REVENUES:

Ad valorem taxes	1,688,820
Revenue sharing	23,207
Investment earnings	46,435
Other	<u>6,101</u>
Total General Revenues	<u>1,764,563</u>

CHANGE IN NET POSITION	782,349
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NET POSITION, BEGINNING OF YEAR	<u>8,068,805</u>
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NET POSITION, END OF YEAR	<u>\$8,851,154</u>
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See accompanying notes to the financial statements.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**BALANCE SHEETS
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

ASSETS	Governmental Funds
Cash	\$ 9,231,120
Receivables	<u>1,552,934</u>
Total assets	<u>\$10,784,054</u>
LIABILITIES	
Accounts payable	\$ 8,089
Accrued expenses	<u>48,432</u>
Total liabilities	<u>56,521</u>
EQUITY AND OTHER CREDITS	
Fund balances:	
Committed for capital projects	7,765,424
Unassigned	<u>2,962,109</u>
Total equity and other credits	<u>10,727,533</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$10,784,054</u>
RECONCILIATION TO STATEMENT OF NET POSITION:	
TOTAL FUND EQUITY, GOVERNMENTAL FUNDS	\$10,727,533
Differences in reporting for the statement of net position	
Net investment in capital assets	2,386,161
Property tax accrual	37,988
Liability for compensated absences	(528)
Long-term debt	<u>(4,300,000)</u>
Net Adjustment	<u>(1,876,379)</u>
TOTAL NET POSITION, GOVERNMENT-WIDE	<u>\$ 8,851,154</u>

See accompanying notes to the financial statements.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>General Fund</u>
REVENUES	
Ad valorem taxes	\$1,699,433
Intergovernmental State of LA Revenue Sharing	23,207
Miscellaneous	
Concessions	23,817
Membership dues	15,755
Registration fees	146,601
Interest	46,435
Other	<u>6,101</u>
Total revenues	<u>1,961,349</u>
EXPENDITURES	
Current:	
Administration	129,978
Athletics	108,727
Operations and maintenance	157,083
Salaries and benefits	446,871
Concessions	16,856
Capital outlay	536,051
Debt service:	
Principal retirement	-
Interest and fiscal	<u>75,117</u>
Total charges	<u>1,470,683</u>
Excess of Revenues Over (Under) Expenditures	<u>490,666</u>
Other Financing Sources (Uses)	
Bond proceeds	4,300,000
Bond issuance costs	<u>(58,533)</u>
Total other financing sources (uses)	<u>4,241,467</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>4,732,133</u>
FUND BALANCE, DECEMBER 31, 2016	<u>5,995,400</u>
FUND BALANCE, DECEMBER 31, 2017	<u>\$10,727,533</u>

See accompanying notes to the financial statements.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

INTRODUCTION

The East Ouachita Recreation District Number One, Monroe, Louisiana, (the "District") was established by the Ouachita Parish Police Jury in 1978, under Louisiana Revised Statute (LSA-RS), for provision of a public recreation center. The District is operated by a board of commissioners which is appointed by the Ouachita Parish Police Jury. The District operates three recreation facilities; Swartz-Lakeshore, Osterland and Sterlington.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the East Ouachita Recreation District Number One is considered a component unit of Ouachita Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the East Ouachita Recreation District Number One. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The East Ouachita Recreation District Number One reports the following governmental fund:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Deposits and Investments

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the East Ouachita Recreation District Number One's investment policy allow the entity to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Accounts Receivable

Uncollectible amounts due for ad valorem taxes are recognized as uncollectible using the allowance method. The allowance for doubtful accounts at December 13, 2016 for receivables recorded in the government wide financial statements is \$3,857.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., curbs, sidewalks, drainage, lighting, and similar items), are reported in the applicable governmental or business-type activities columns 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 East Ouachita Recreation District Number One maintains a threshold level of \$400 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Land improvements and infrastructure assets	15-25 years
Buildings and building improvements	30-40 years
Furniture, fixtures and equipment	5-10 years
Vehicles	3-5 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.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget Practices

The Board of Commissioners adopts an annual budget for the General Fund. The annual budget is prepared in accordance with the cash basis of accounting. A public hearing was held on December 13, 2016, to discuss the budget. The budget was approved by the Board on that day. Upon approval of the Board of Commissioners, budgeted amounts can be transferred within expense categories.

Compensated Absences

The District has the following policy relating to vacation and sick leave:

All full-time employees earn fifteen days of vacation leave each year, plus one day per year added after the 11th year of employment. Vacation time can be accumulated up to twenty days. Employees earn five to ten days of sick leave each year. Unused sick leave can be sold back at a rate of 2 days for 1 day of pay at the end of the calendar year.

The District's recognition and measurement criteria for compensated absences follows:

Governmental accounting standards provide that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

An accrual for earned sick leave is made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies. Unused sick leave is calculated at the rate it is purchased at the end of the year.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. With the implementation of GASB 65, items previously reported as assets and liabilities, bond issuance costs are now expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are expensed in the governmental funds.

Fund Balance

GASB has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

1. Nonspendable fund balances are associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of decision-making authority).
4. Assigned fund balances are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balances are the residual classification for the District's general fund and include all spendable amounts not contained in the other classifications.

The District's practice is to apply expenditures against nonspendable, restricted, committed, assigned, and unassigned fund balances, in that order.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

As of December 31, 2017, the District did not have any nonspendable, restricted, or assigned fund balances. Committed funds include amount for capital projects in the amount of \$7,765,424.

Net Position

GASB Statement No. 34, Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments, required reclassification of net assets into three separate components. GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

1. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount. At December 31, 2017 the District had no outstanding debt, deferred outflows of resources, or deferred inflows of resources.
2. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
3. Unrestricted net position - The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances GASB requires a government to delay the recognition of decreases in net position as expenditures or increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources or deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or deferred outflows as of December 31, 2017.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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 statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Reconciliations of Government-wide and Fund Financial Statements

The following reconciles the fund balances of governmental funds to the government-wide statement of net position:

Capital assets and depreciation	\$ 2,386,161
Property tax accrual	37,988
Liability for compensated absences	(528)
Long-term debt	<u>(4,300,000)</u>
Net adjustment	<u>\$(1,876,379)</u>

The following reconciles the net changes in fund balance-total governmental funds to the changes in net position of governmental activities:

Property taxes receivable	\$ (3,825)
Depreciation	(181,602)
Capital outlay	536,051
Compensated absence accrual	(408)
Other financing sources, net	<u>(4,300,000)</u>
Net adjustment	<u>\$(3,949,784)</u>

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the accounts of the political subdivision.

At December 31, 2017, the District had cash and cash equivalents (book balances) totaling \$9,231,120 as follows:

Demand deposits	\$9,231,120
Savings accounts	<u>0</u>
Total	<u>\$9,231,120</u>

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a written policy for custodial credit risk; however, their practice is to require banks to pledge securities equal to the amount on deposit with the bank less the applicable federal deposit insurance.

These deposits are stated at cost, which approximates market. 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 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. At December 31, 2017, the District had \$9,384,250 in deposits (collected bank balances). These deposits are secured from risk by \$274,998 of federal deposit insurance and \$8,998,042 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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 District that the fiscal agent has failed to pay deposited funds upon demand.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 3 - RECEIVABLES

The following is a summary of receivables at December 31, 2017:

Taxes:		
Ad valorem taxes (net of allowance for bad debts of \$3,857)		\$1,583,185
State of Louisiana - Revenue Sharing		7,706
Other		<u>31</u>
Total		<u>\$1,590,922</u>

Property taxes which are delinquent over one year are written off.

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in the general fixed assets account group for the fiscal year:

	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2017</u>
Buildings	\$3,961,635	\$ 0	\$ 0	\$3,961,635
Office equipment	14,758	0	0	14,758
Janitorial	3,284	0	0	3,284
Recreation equipment	376,942	0	0	376,942
Concessions	4,244	0	0	4,244
Auto	85,108	0	0	85,108
Baseball field equipment	469,033	0	0	469,033
Baseball field lights	109,895	0	0	109,895
Fence	61,918	0	0	61,918
Construction in Progress - Concession Stand	54,911	13,800	0	68,711
Construction in Progress - Recreation Improvement	<u>24,545</u>	<u>510,031</u>	<u>0</u>	<u>534,576</u>
Total	<u>\$5,166,273</u>	<u>\$523,831</u>	<u>\$ 0</u>	<u>\$5,690,104</u>
Accumulated depreciation	<u>3,899,744</u>	<u>181,602</u>	<u>0</u>	<u>4,081,346</u>
Net capital assets	<u>\$1,266,529</u>			<u>\$1,608,758</u>
Land	<u>\$ 765,184</u>	<u>\$ 12,220</u>	<u>\$ 0</u>	<u>\$ 777,403</u>

Depreciation expense of \$181,602 was charged to the general government, recreation function in the statement of activities.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS

At December 31, 2017, bonds payable consisted of the following individual issues:

	Interest Rate <u>%</u>	Issue <u>Date</u>	Maturity <u>Date</u>	<u>Outstanding</u>
Limited Tax Bond Series 2017	2.23	4/12/2017	3/1/2026	\$4,300,000
				<u>\$4,300,000</u>

Transactions for the year ended December 31, 2017 are summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Limited Tax Bond Series 2017	-	4,300,000	-	4,300,000	435,000
	<u>\$ -</u>	<u>\$4,300,000</u>	<u>\$ -</u>	<u>\$4,300,000</u>	<u>\$ 435,000</u>

The annual aggregate maturities for the years subsequent to December 31, 2017 are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 435,000	\$ 91,040	\$ 526,040
2019	445,000	81,228	526,228
2020	455,000	71,193	526,193
2021	465,000	60,934	525,934
2022	480,000	50,398	530,398
2021-2023	<u>2,020,000</u>	<u>85,409</u>	<u>2,105,409</u>
Total	<u>\$4,300,000</u>	<u>\$ 440,202</u>	<u>\$4,740,202</u>

Ad valorem taxes are pledged to the Limited Tax Bond-2017 Series. Interest expense amounted to \$75,117 for the year ended December 31, 2017.

At December 31, 2017, employees of the District have accumulated and vested \$528 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. A summary of changes in long-term obligations is as follows:

	<u>Compensated Absences</u>
Balance, December 31, 2016	\$ 120
Additions	-
Deletions	<u>408</u>
Balance, December 31, 2017	<u>\$ 528</u>

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 6 - LEVIED TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish in October or November and are actually billed to the taxpayers in December. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year received.

The Parish of Ouachita bills and collects property taxes for the District using the assessed values determined by the tax assessor of the State of Louisiana.

For the year ended December 31, 2017, taxes of 7.48 mills were levied on property with assessed valuations totaling \$281,384,409 and were dedicated as follows:

	<u>Authorized Mileages</u>	<u>Levied Mileages</u>
General Fund, Operation and Maintenance	7.48	7.48 Mills

Total taxes levied were \$1,714,550 for 2017 and \$1,619,594 for 2016.

NOTE 7 - RISK MANAGEMENT

In the ordinary course of business the District is at risk for property damage, liability, theft and worker's compensation. The District provides insurance coverage through the oversight entity, the Ouachita Parish Police Jury and commercial insurance companies. As a participant in the Police Jury's commercial insurance program the District also participates in the self-insurance fund maintained by the Police Jury. The District's annual contribution to the self-insurance fund is determined by the insurance company and their exposure for loss is limited to that amount.

NOTE 8 - SUBSEQUENT EVENTS

The District has begun construction on a new athletic field complex at the Osterland Center. Construction cost incurred to date amounts to \$533,076. The total estimated cost of the project is \$8.3 million and is estimated to be completed in January, 2019.

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 28, 2018, which is the date the financial statements were available to be issued.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

Property tax revenues include amounts withheld by the Sheriff to make “on-behalf payments for fringe benefits” which represent the District’s pro-rata share of retirement plan contributions for other governmental units. Because the District is one of several governmental agencies receiving proceeds from a property tax assessment, it has to bear a pro-rata share of the pension expense relating to the public employees who participate in the Parochial Employees Retirement System. The District’s pro-rata share of the required contribution (\$51,242) that was withheld by the Sheriff from property tax collections to satisfy the District’s obligation has been included as “Administration” in the expenditures of the General fund in these financial statements. The District has also increased its property tax revenues by the same amount of the expenditure.

NOTE 10 - ECONOMIC DEPENDENCE

The District’s main source of revenue is ad valorem taxes assessed on the taxpayers of East Ouachita Parish. There are two major taxpayers that exceed 10% of the total assessment. These taxpayers are in the utility industry and manufacturing industry, and represent 48% of the total assessment for the district.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**BUDGET COMPARISON SCHEDULE
BUDGET (NON-GAAP BASIS) AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Favorable (Unfavorable)
REVENUES				
Ad valorem taxes	\$1,621,769	\$1,500,000	\$1,500,000	\$ 121,769
State of LA Revenue Sharing	23,295	0	0	23,295
Concessions	23,817	42,000	42,000	(18,183)
Membership dues	15,755	13,500	13,500	2,255
Registration fees	146,601	135,000	135,000	11,601
Interest	46,401	15,000	15,000	31,401
Other	<u>6,101</u>	<u>8,500</u>	<u>8,500</u>	<u>(2,399)</u>
Total revenues	<u>1,883,742</u>	<u>1,714,000</u>	<u>1,714,000</u>	<u>169,739</u>
EXPENDITURES				
Current:				
Administration	80,402	94,000	94,000	(13,598)
Athletics	112,086	219,000	219,000	(106,914)
Operations and maintenance	158,546	336,000	336,000	(177,454)
Salaries and benefits	446,050	560,000	560,000	(113,950)
Concessions	16,864	30,000	30,000	(13,136)
Capital outlay	529,084	475,000	475,000	54,084
Debt Service	<u>37,024</u>	<u>0</u>	<u>0</u>	<u>37,024</u>
Total charges	<u>1,380,056</u>	<u>1,714,000</u>	<u>1,714,000</u>	<u>(333,944)</u>
Excess of Revenues Over (Under) Expenditures	<u>503,686</u>	<u>0</u>	<u>0</u>	<u>503,686</u>
Other Financing Sources (Uses)	<u>4,241,467</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>1,241,467</u>
Total other financing sources (Uses)	<u>4,241,467</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>1,241,467</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	4,745,153	0	0	4,745,153
FUND BALANCE, DECEMBER 31, 2016	<u>4,485,967</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>1,485,967</u>
FUND BALANCE, DECEMBER 31, 2017	<u>\$9,231,120</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$9,231,120</u>

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO BUDGET COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 - RECONCILIATION OF ACTUAL RESULTS TO BUDGETARY BASIS

The budget for the year ended December 31, 2017 was prepared on a cash basis. The following schedule reflects the adjustments necessary to convert actual results from a GAAP basis to the cash basis for purposes of budget comparison in the financial statements.

General Fund:	<u>GAAP</u> <u>Basis</u>	<u>Receivables</u>	<u>Payables</u>	<u>Cash</u> <u>Basis</u>
Revenues				
Ad valorem tax	\$1,699,433	\$(1,596,439)	\$ 1,518,775	\$1,621,769
State of LA - Revenue Sharing	23,207	(7,706)	7,794	23,295
Concessions	23,817	0	0	23,817
Membership dues	15,755	0	0	15,755
Registration fees	146,601	0	0	146,601
Interest	46,435	(31)	0	46,401
Other	<u>6,101</u>	<u>0</u>	<u>0</u>	<u>6,101</u>
Total revenues	<u>1,961,349</u>	<u>(1,604,176)</u>	<u>1,526,569</u>	<u>1,883,742</u>
Expenditures				
Current				
Administration	129,978	923	(50,499)	80,402
Athletics	108,727	3,359	0	112,086
Operations	157,083	2,180	(717)	158,546
Salaries	446,871	9,517	(10,338)	446,050
Concessions	16,856	1,157	(1,149)	16,864
Capital Outlay	536,051	0	(6,967)	529,084
Debt Service	<u>75,117</u>	<u>0</u>	<u>(38,093)</u>	<u>37,024</u>
Total expenditures	<u>1,470,683</u>	<u>17,136</u>	<u>(107,763)</u>	<u>1,380,056</u>
Other Financing Sources				
Bond Proceeds	4,300,000	0	0	4,300,000
Bond Issuance Costs	<u>(58,533)</u>	<u>0</u>	<u>0</u>	<u>(58,533)</u>
Fund Balance, Beginning of year	<u>\$5,995,400</u>	<u>\$ 17,136</u>	<u>\$(1,526,569)</u>	<u>\$4,485,967</u>

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**OTHER SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2017**

I. COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Board members received no compensation for the year ended December 31, 2017.

II. COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

Agency Head Name:
Willie E. Crain, Jr.

Salary	\$65,000
Benefits - Insurance	4,259
Phone Allowance	650

**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**

Board of Commissioners
East Ouachita Recreation District Number One
Ouachita Parish
State of Louisiana
Monroe, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Controller General of the United States, the financial statements of the governmental activities and major fund of East Ouachita Recreation District Number One of the Parish of Ouachita, State of Louisiana, a component unit of Ouachita Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise East Ouachita Recreation District's basic financial statements and have issued our report thereon dated June 28, 2018.

Internal Control over Financial Reporting

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

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

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

Board of Commissioners
East Ouachita Recreation District Number One
of the Parish of Ouachita,
State of Louisiana
Monroe, Louisiana

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. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as item 2017-1, to be a significant deficiency.

Compliance and Other Matters

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

East Ouachita Recreation District's Response to Findings

The East Ouachita Recreation District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. 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 result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Robinette Firm, APAC

The Robinette Firm, A Professional Accounting Corporation

Monroe, Louisiana
June 28, 2018

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section I. Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to Financial Statements

Internal Control

Material Weakness __Yes No Significant Deficiency Yes __No

Compliance

Compliance Material to Financial Statements __Yes No

b. Not applicable

c. Not applicable

Section II. Financial Statement Findings

Material Weakness

None

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section II. Financial Statement Findings (Continued)

Significant Deficiencies

2017-1 Controls over receipts

CONDITION: The District receives cash at each of its 3 centers for concessions, rentals and membership fees. A cash register is used to provide control over the receipts. During our tests we noted several instances of employees not following procedures which weaken controls over cash at the centers. In addition, we noted several instances of receipts held for an unreasonable amount of time.

CAUSE OF CONDITION: Employee error and training

CRITERIA: Each shift should total the cash register tape and retain for evidence of the amount received on that shift. The tape total should be reconciled to the cash received and the outgoing and incoming employee need to sign to verify the amount collected. In instances when no cash is received, a zero tape should be retained to document that no money was received. In an instance where the money collected differs from the tape, an explanation should be given and verified. The cash register tapes should not be altered for any differences. Money should be deposited promptly to prevent the loss of funds.

EFFECT: Controls over receipts have been weakened.

RECOMMENDATION: Management should require employees to total the cash register at the end of each shift and retain all tapes as audit evidence of the money collected. Training should be provided to existing employees to improve compliance with financial policies. In addition, we recommend that all money be deposited in a timely manner.

CORRECTIVE ACTION PLAN: We will provide additional training for employees to improve compliance with controls over receipts and to make deposits in a more timely manner.

Responsible person: Gene Crain, Executive Director

Section III. Federal Award Findings and Questioned Costs

Not Applicable

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana
STATUS OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Financial Statement Findings:

2016-1. Controls Over Receipts

STATUS: See finding 2017-1

Compliance Findings:

No prior year findings.

MANAGEMENT LETTER

Board of Commissioners
East Ouachita Recreation District Number One
Monroe, LA 71203

In planning and performing our audit of the financial statements of East Ouachita Recreation District for the year ended December 31, 2017, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. The following recommendations are submitted to assist in improving the District's ability to report data consistent with the assertions of management in the financial statements.

MLC -1 REVIEW OF GENERAL LEDGER POSTINGS

CONDITION: We noted numerous general ledger posting errors which required reclassification entries upon audit.

CAUSE OF CONDITION: Employee error and training

CRITERIA: Budget comparisons and financial reporting to the Board rely on accurate posting of financial transactions in the general ledger.

EFFECT: Revenues and expenditures could be misstated in budget reports and monthly financial reports.

RECOMMENDATION: We recommend additional training be conducted for the accounting clerk. In addition, the review process for monthly financial reports should include a review of detail posting as well.

CORRECTIVE ACTION PLAN: We will provide additional training and oversight.

Responsible person: Gene Crain, Executive Director

Board of Commissioners

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We appreciate the opportunity to present these comments for your consideration. We are prepared to discuss them at your convenience and to provide such assistance in their implementation as you may desire.

The Robinette Firm, APAC

The Robinette Firm, A Professional Accounting Corporation

Monroe, Louisiana

June 28, 2018

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of East Ouachita Recreation District Number One and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by East Ouachita Recreation District Number One and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained the entity's written policies and procedures and reported whether those written policies and procedures address each of the following financial/business functions (or reported that the entity does not have any written policies and procedures), as applicable:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

Comment: No exceptions were noted in the procedures performed.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Comment: We noted that the policy does not specify procedures for adding vendors to the vendor list. The purchasing policy does not include requirements for documentation to be maintained for bids and pricing quotes.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

Written Policies and Procedures (Continued)

- c) ***Disbursements***, including processing, reviewing, and approving
Comment: No written policies for disbursements were identified.
- d) ***Receipts***, including receiving, recording, and preparing deposits
Comment: No written policies for receipts were identified.
- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Comment: No exceptions were noted in the procedures performed.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
Comment: No written policies for contracting were identified.
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
Comment: No written policies for credit cards were identified.
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
Comment: No written policies for travel and expense reimbursement were identified.
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
Comment: No written policies for ethics were identified.
- j) ***Debt Service***, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Comment: No written policies for debt service were identified.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

Board (or Finance Committee, if applicable)

1. We obtained and reviewed the board/committee minutes for the fiscal period, and:
 - a) We reported whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Comment: We noted per, inquiry with management, the board is scheduled to meet every month, but due to inability to reach a quorum, only 7 official meetings were held in 2017.
 - b) We reported whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Comment: No exceptions were noted in the procedures performed.
 - c) We reported whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Comment: No exceptions were noted in the procedures performed.

Bank Reconciliations

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

Comment: No exceptions were noted in the procedures performed.
2. Using the listing provided by management, we selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

Bank Reconciliations (Continued)

- a) Bank reconciliations have been prepared;

Comment: No exceptions were noted in the procedures performed.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation;

Comment: We noted that all reconciliations tested for the year had no evidence of being reviewed by management/board member.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Comment: We noted reconciling items were identified that have been outstanding for more than 6 months; there is no evidence the district has researched the items to resolve the outstanding items.

Collections

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

Comment: No exceptions were noted in the procedures performed.

2. Using the listing provided by management, we selected all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

Comment: No exceptions were noted in the procedures performed.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

Collections (Continued)

- a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and reported whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Comment: We noted the same person is responsible for depositing cash in the bank and recording the related transactions. The bank accounts are reconciled by an unrelated person. We noted no other exceptions.

- b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Comment: No exceptions were noted in the procedures performed.

- c) We selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Comment: We noted documentation did not adequately support cash collections for 10 of 12 cash collections. Eleven of 12 deposits were not timely. The deposits were held from 5 to 31 days.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

Collections (Continued)

3. We obtained existing written documentation (e.g. policy manual, written procedure) and reported whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Comment: We noted the policy does not differentiate between the person responsible for completeness of collections from the person responsible for actual collections.

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

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

Comment: No exceptions were noted in the procedures performed.

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

Comment: We noted 2 disbursements tested did not have a purchase order.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

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

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

Comment: *We noted the person responsible for processing payments currently has the ability to add vendors to the entity's purchasing/disbursement system.*

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

Comment: *No exceptions were noted in the procedures performed.*

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

Comment: *We noted that unused checks are not maintained in a locked location with access restricted to those persons that do not have signatory authority.*

6. If a signature stamp or signature machine is used, we inquired of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. We reported any exceptions.

Comment: *Not Applicable*

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

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

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

Comment: No exceptions were noted in the procedures performed.

2. Using the listing prepared by management, we randomly selected 4 cards (100% of credit and debit cards) that were used during the fiscal period, rotating cards each year.
3. We obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. We selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) We reported whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Comment: No exceptions were noted in the procedures performed.

- b) We reported whether finance charges and/or late fees were assessed on the selected statements.

Comment: No exceptions were noted in the procedures performed.

4. Using the monthly statements or combined statements selected under #2 above, we obtained supporting documentation for all transactions for each of the 4 cards selected (i.e. each of the 4 cards should have one month of transactions subject to testing).

- c) For each transaction, we reported whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

Credit Cards/Debit Cards/Fuel Cards/P-Cards (Continued)

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Comment: We noted that 1 charge of 26 charges did not include a list of individuals participating in a meal.

- d) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and we reported any exceptions.

Comment: No exceptions were noted in the procedures performed.

- e) For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and we reported any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception

Comment: No exceptions were noted in the procedures performed.

Travel and Expense Reimbursement

1. We obtained from management a listing of all travel and related expense reimbursements, by person (include a total for each person), during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. We obtained management's representation that the listing or general ledger is complete.

Comment: No exceptions were noted in the procedures performed.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

Travel and Expense Reimbursement (Continued)

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

Comment: No exceptions were noted in the procedures performed.

3. Using the listing or general ledger from #1 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) We compared expense documentation to written policies and reported whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, we compared to the GSA rates (#2 above) and we reported each reimbursement that exceeded those rates.
 - b) We reported whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
 - c) We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

Travel and Expense Reimbursement (Continued)

- d) We reported whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: No exceptions were noted in the procedures performed.

Contracts

1. We obtained a listing of all contracts in effect during the fiscal period (Include Vendor Information and total paid for fiscal period) or, alternately, obtain the general ledger and sort/filter for contract payments. We obtained management's representation that the listing or general ledger is complete.

Comment: No exceptions were noted in the procedures performed.

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

- a. We reported whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b. We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. We reported whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Comment: No exceptions were noted in the procedures performed.

3. We reported whether the contract was amended. If so, we reported the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Comment: No exceptions were noted in the procedures performed.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

Contracts (Continued)

4. We selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.

Comment: No exceptions were noted in the procedures performed.

5. We obtained/reviewed contract documentation and board minutes and reported whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Comment: No exceptions were noted in the procedures performed.

Payroll and Personnel

1. We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and we obtained management's representation that the listing is complete. We randomly selected five employees/officials, obtained their personnel files, and:
 - a) We reviewed compensation paid to each employee during the fiscal period and reported whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) We reviewed changes made to hourly pay rates/salaries during the fiscal period and reported whether those changes were approved in writing and in accordance with written policy.

Comment: No exceptions were noted in the procedures performed.

2. We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
 - a) We reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

Payroll and Personnel (Continued)

- b) We reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) We reported whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Comment: We noted that all salaried employees lack documentation for daily attendance and leave requirements.

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

Comment: Not applicable

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

Comment: No exceptions were noted in the procedures performed.

Ethics (excluding nonprofits)

- 1. Using the five randomly selected employees/officials from procedure #1 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management and we reported whether the entity maintained documentation to demonstrate that required ethics training was completed.

Comment: We noted that all personnel files selected did not maintain documentation demonstrating that required ethics training was completed. Per inquiry of management, we determined that board members and employees received the required 1 hour yearly training.

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Ethics (excluding nonprofits) (Continued)

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

Comment: No exceptions were noted in the procedures performed.

Debt Service (excluding nonprofits)

1. If debt was issued during the fiscal period, we obtained supporting documentation from the entity, and we reported whether State Bond Commission approval was obtained.

Comment: No exceptions were noted in the procedures performed.

2. If the entity had outstanding debt during the fiscal period, we obtained supporting documentation from the entity and reported whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Comment: No exceptions were noted in the procedures performed.

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

Comment: Not applicable

Other

1. We inquired of management whether the entity had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and reported whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Comment: No exceptions were noted in the procedures performed.

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Other (Continued)

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

Comment: We noted that one location, Osterland, did not have the notice posted as required by R.S. 24523.1. We made a recommendation for it to be posted at each recreation center, and on the District's website.

3. If we observed or otherwise identified any exceptions regarding management's representations in the procedures above, we reported the nature of each exception.

Comment: No exceptions were noted in the procedures performed.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

The Robinette Firm, APAC

The Robinette Firm, A Professional Accounting Corporation

Monroe, Louisiana
June 28, 2018

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
MONROE, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

MANAGEMENTS RESPONSE:

East Ouachita Recreation District's management has reviewed the Independent Accountants' Report on Applying Agreed-upon Procedures. Management is in agreement with the report as provided by The Robinette Firm, APAC. In addition, the District will implement changes/additions to policies and/or procedures where necessary to meet the expectations in the report.

Contact Person: Gene Crain, Executive Director