

Livingston Recreation District Number Five

Annual Financial Statements

As of and for the 16 months ended May 1, 2018
With Supplemental Information Schedules



BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Livingston Recreation District Number Five
Annual Financial Statements
As of and for the 16 months ended May 1, 2018
With Supplemental Information Schedules

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Independent Accountant's Review Report

To the Board of Commissioners
Livingston Recreation District Number Five
Livingston, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Recreation District Number Five, Livingston Louisiana, a component unit of Livingston Parish Council, as of and for the 16 months ended May 01, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Going Concern

As discussed in Note 2, the District has been dissolved and as such will not continue as a going concern. Our conclusion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 29 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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 and for placing the basic financial statements

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Board of Commissioners
Livingston Recreation District Number Five
Independent Accountant's Review Report
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in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We reviewed such required supplementary information, and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information, and, accordingly, we do not express an opinion on it.

Management has omitted the management's discussion and analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Other Supplementary Information

The supplemental information contained in the schedules listed as Other Supplemental Information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the responsibility of management. We have reviewed such supplementary information, and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information, and, accordingly, we do not express an opinion on it.

Schedule of Findings and Responses

During procedures necessary to perform the review engagement, certain conditions came to our attention that we consider to be material weaknesses and instances of noncompliance with laws, regulations, contracts or grant agreements and which are described in the accompanying schedule of findings and responses.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

February 12, 2019

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Basic Financial Statements

Government-Wide Financial Statements

**Livingston Recreation District Number Five
Statement of Net Position
As of May 1, 2018**

Statement A

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 321,650
Receivables, Net:	
Ad Valorem Taxes	-
Prepaid Insurance	-
Utility Deposits	-
Total Current Assets	321,650
Restricted Assets:	
Restricted Cash and Cash Equivalents	-
Total Restricted Assets	-
Capital Assets:	
Land	-
Capital Assets, Net	-
Total Capital Assets	-
Total Assets	321,650
Liabilities	
Current Liabilities:	
Accounts Payable	48,893
Due To Other Governments	272,757
Total Current Liabilities	321,650
Long Term Liabilities:	
Bonds Payable	-
Total Long Term Liabilities	-
Total Liabilities	321,650
Net Position	
Net Investment in Capital Assets	-
Restricted for:	
Capital Projects, Debt Service, and Park Rentals	-
Unrestricted	-
Total Net Position	\$ -

See accompanying notes and independent accountant's review report.

Statement B

**Livingston Recreation District Number Five
Statement of Activities
For the 16 months ended May 1, 2018**

		Program Revenues			Net (Expenses) Revenues and Changes of Primary Government Governmental Activities
	Expenses	Charges for Services	Net (Expenses) Revenues		Governmental Activities
Governmental Activities					
General Government	\$ 72,193	\$ -	\$ (72,193)	\$	(72,193)
Recreation	486,725	84,988	(401,737)		(401,737)
Total Governmental Activities	558,918	84,988	(473,930)		(473,930)
General Revenues:					
Taxes:					
Ad Valorem Taxes					351,915
Interest Income					155
Loss on disposal of operations					(1,531,023)
Total General Revenues and Special Items					(1,178,953)
Change in Net Position					(1,652,883)
Total Net Position - Beginning					1,652,883
Total Net Position - Ending				\$	-

See accompanying notes and independent accountant's review report.

Basic Financial Statements

Fund Financial Statements

**Livingston Recreation District Number Five
Balance Sheet, Governmental Funds
As of May 1, 2018**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and Equivalents	\$ 321,650	\$ -	\$ 321,650
Receivables, Net:			
Ad Valorem Taxes	-	-	-
Prepaid Insurance	-	-	-
Utility Deposits	-	-	-
Restricted Cash	-	-	-
Total Assets	<u>\$ 321,650</u>	<u>\$ -</u>	<u>\$ 321,650</u>
 Liabilities and Fund Balances			
Liabilities:			
Accounts Payable	48,893	-	48,893
Due to Other Governments	<u>272,757</u>	-	<u>272,757</u>
Total Liabilities	<u>321,650</u>	<u>-</u>	<u>321,650</u>
 Deferred Inflows of Resources:			
Ad Valorem Taxes	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
 Fund Balances:			
Nonspendable Fund Balances	-	-	-
Unassigned Fund Balances	-	-	-
Restricted Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 321,650</u>	<u>\$ -</u>	<u>\$ 321,650</u>

See accompanying notes and independent accountant's review report.

**Livingston Recreation District Number Five
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of May 1, 2018**

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

Fund Balances, Total Governmental Funds (Statement C)	\$	-
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Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.

Governmental capital assets net of depreciation		-
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Long-term liabilities including bonds payable, are not due and payable in the current period and, therefore, the liabilities along with any issuance costs are not reported in the governmental funds.

Bonds Payable		-
Accrued Interest		-

Ad Valorem taxes collected after year-end, but not available soon enough to pay for current expenditures		-
--	--	---

Net Position of Governmental Activities (Statement A)	\$	-
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See accompanying notes and independent accountant's review report.

Statement E

Livingston Recreation District Number Five
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the 16 months ended May 1, 2018

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues			
Ad Valorem Taxes	\$ 407,933	\$ -	\$ 407,933
Interest	151	4	155
Parks and Recreation	84,988	-	84,988
Donations	-	-	-
Total Revenues	<u>493,072</u>	<u>4</u>	<u>493,076</u>
Expenditures			
General Government			
Intergovernmental Payments for Pension	14,674	-	14,674
Other operating	2,729	-	2,729
Professional Fees	54,047	-	54,047
Supplies	743	-	743
Recreation			
Contract Labor	35,575	-	35,575
Insurance	7,794	-	7,794
Other operating	-	614	614
Repairs and Maintenance	217,493	-	217,493
Supplies	50,325	-	50,325
Utilities	39,747	-	39,747
Capital Outlays	-	-	-
Debt Service			
Principal	-	180,000	180,000
Interest	-	6,643	6,643
Total Expenditures	<u>423,127</u>	<u>187,257</u>	<u>610,384</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>69,945</u>	<u>(187,253)</u>	<u>(117,308)</u>
Other Financing Sources (Uses)			
Operating Transfers In	-	178,993	178,993
Operating Transfers (Out)	(178,993)	-	(178,993)
Total Other Financing Sources (Uses)	<u>(178,993)</u>	<u>178,993</u>	<u>-</u>
Special Item			
Loss on disposal of operations	(273,407)	-	(273,407)
Net Change in Fund Balances	<u>(382,455)</u>	<u>(8,260)</u>	<u>(390,715)</u>
Fund Balances, Beginning	<u>382,455</u>	<u>8,260</u>	<u>390,715</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes and independent accountant's review report.

**Livingston Recreation District Number Five
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the 16 months ending May 1, 2018**

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

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ (390,715)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets:		
Capital expenditures - General Fund	\$	-
Less:		
Transfer of capital assets to other taxing districts	(1,257,616)	
Current year depreciation	<u>(130,195)</u>	(1,387,811)

Repayment of long-term debt principal is an expenditure in governmental funds but the repayment reduces long-term liabilities in the statement of net assets.

Principal payments - certificates of indebtedness - Bonds	180,000
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Current year collection of deferred inflows of resources for ad valorem taxes collected after prior year end, but not available soon enough to pay for current expenditures changed by the following amount.	(56,018)
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Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These differences consist of:

Payment of prior year accrued bond interest	1,661
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Change in Net Position of Governmental Activities, Statement B \$ (1,652,883)

See accompanying notes and independent accountant's review report.

Basic Financial Statements

Notes to the Financial Statements

Livingston Recreation District Number Five
Notes to the Financial Statements
As of and for the 16 months ended May 1, 2018

Introduction

The Livingston Recreation District Number Five was created by the Livingston Parish Council under the provisions of LRS 33:4562-4566, to provide playgrounds and other facilities which promote recreation and the general health and well-being of area youths. The District previously accomplished its goals through recreational facility improvements and maintenance and through cooperative activities with local governmental units. The District was governed by a board of seven commissioners who are appointed by the Livingston Parish Council. These commissioners served without compensation and were not reimbursed for expenses. The District included the areas of Colyell, Satsuma, and the Town of Livingston.

Governmental Accounting Standards Board (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 District was considered a component unit of the Livingston Parish Council.

The Livingston Recreation District Number Five Ad Valorem Tax renewal of fifteen mills assessed on all property subject to taxation within the boundaries of the District was defeated in the March 25, 2017 election. Therefore, the District was unable to renew the ad valorem tax which expired December 31, 2017. On April 26, 2018, the Livingston Parish Council passed an ordinance creating two new taxing recreation districts within the boundaries of the Livingston Recreation District Number Five and dissolved the Livingston Recreation District Number Five. See Note 2 for further information.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the component unit. 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 District did not have any business-type activities. Governmental activities were supported by ad valorem tax collections dedicated for support of recreational activities and projects.

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 were 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are presented as separate columns in the fund financial statements. Both the general and debt service funds are presented as major funds. The District did not have proprietary or fiduciary funds.

Livingston Recreation District Number Five

Notes to the Financial Statements As of and for the 16 months ended May 1, 2018

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The District's financial statements were prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The District applied all Governmental Accounting Standards Board (GASB) pronouncements as described in the following paragraphs.

These financial statements were presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net assets (or balance sheet), and a statement of activities. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The District also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, that required capital contributions to the District to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provided guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net position by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net position by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amended the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements 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. The definition and reporting of net position is further described in *Footnote J – Net Position and Fund Equity*.

The District also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The application of this standard to long-term debt offerings of the District is more fully described in *Footnote I – Long-Term Debt Offerings*.

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

Governmental fund financial statements were reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues were recognized as soon as they were both measurable

Livingston Recreation District Number Five

Notes to the Financial Statements As of and for the 16 months ended May 1, 2018

and available. Revenues were 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 sixty days of the end of the current fiscal period. Expenditures generally were recorded when a liability was incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, were recorded only when payment was due.

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

The District reported the following major governmental funds:

The General Fund was the District's primary operating fund. It accounted for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounted for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations. The Debt Service Fund was maintained for the Certificate of Indebtedness, Series 2009 issued December 10, 2009.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, were payments-in-lieu of taxes and other charges between the government's 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 included 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 were reported as general revenues rather than as program revenues. Likewise, general revenues included all taxes.

When both restricted and unrestricted resources were available for use, it was the District's policy to use restricted resources first, then unrestricted resources as they were needed.

C. Deposits and Investments

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

Investments for the District, when held, were reported at fair market value. The state investment pool, LAMP, operates in accordance with state laws and regulations. The reported value of the pool was the same as the fair value of the pool shares. As of May 01, 2018, the District held no investments.

Livingston Recreation District Number Five

**Notes to the Financial Statements
As of and for the 16 months ended May 1, 2018**

D. Receivables and Payables

Activity between funds that were representative of lending/borrowing arrangements outstanding at the end of the fiscal year were referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds were reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities were reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, were offset by a fund balance reserve account in applicable governmental funds to indicate that they were not available for appropriation and were not expendable available financial resources.

All trade and property tax receivables were shown net of an allowance for uncollectible amounts.

Property taxes were levied on a calendar year basis and become due on January 1 of each year. Due to the flood disaster in 2016, the assessed values of some properties decreased. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
General and Recreation	14.52 mills	15.00 mills

On July 18, 2008, the property tax millage was renewed and was approved beginning in year 2008 and ending with the year 2017. The Ad Valorem Tax renewal of fifteen mills assessed on all property subject to taxation within the boundaries of the District was defeated in the March 25, 2017 election. This tax was not renewed. On May 1, 2018, the District was dissolved, split into two new taxing recreation districts, and called for new recreation millages in an election for the current and expanded areas within Livingston Parish. The new planned recreation districts have separate boards of commissioners.

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Restricted Assets

Certain proceeds of specific revenue sources that were legally restricted to expenditures for specific purposes were classified as restricted assets because their use was limited to specific expenditures. There were no restricted assets held at May 1, 2018.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) were reported in the applicable governmental or business-type activities columns in the

Livingston Recreation District Number Five

**Notes to the Financial Statements
As of and for the 16 months ended May 1, 2018**

government-wide financial statements. Capital assets were capitalized at historical cost or estimated cost if historical cost was not available. Donated assets were recorded as capital assets at their estimated fair market value at the date of donation. The District maintained a threshold level of \$500 or more for capitalizing capital assets.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Equipment	7 - 20 Years
Recreational Facility Improvements	20 - 30 Years

H. Compensated Absences

The District did not have any employees which accumulated or vested benefits during the year ended May 1, 2018.

I. Long-Term Debt Offerings

In the government-wide financial statements, long-term debt and other long-term obligations were reported as liabilities in the applicable governmental activities statement of net position. The District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, were revised. This standard was intended to compliment GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows or Resources, and Net Position*. If applicable, bond premiums and discounts continued to be amortized over the life of the bonds using the effective interest method. Bonds payable were reported net of the applicable bond premium or discount. Under GASB Statement No. 65, if applicable for any new debt issue, debt issuance costs other than prepaid insurance costs should be recognized as an expense in the period incurred. Any prepaid insurance costs of any new debt issuance should be reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.

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

J. Net Position and Fund Equity

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,

Livingston Recreation District Number Five

Notes to the Financial Statements As of and for the 16 months ended May 1, 2018

rather than net assets. GASB Statement No. 63, for the government-wide financial statements, required the following components of net position:

- **Net Investment in Capital Assets** - This component of net position included capital assets, net of accumulated depreciation, reduced by the outstanding balance of any bonds, or indebtedness attributable to the acquisition, construction, or improvement of those assets. If there were significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds was not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt was included in the same net asset calculation as unspent proceeds.
- **Restricted Net Position** - This component of net position consisted of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** - This component of net position consisted of net position that did not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity was classified as fund balance. The District adopted GASB 54 for the year ended December 31, 2011. This statement provided more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources could have been used.

- **Nonspendable.** These were amounts that could not be spent either, because they were in a nonspendable form or because they were legally or contractually required to be maintained intact.
- **Restricted.** These were amounts that could be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that were externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These were amounts that could be used only for specific purposes determined by a formal decision of the highest level of decision making authority. To be reported as committed amounts they could not be used for any other purpose unless the government took the same highest level action to remove or change the constraint.
- **Assigned.** These were amounts that did not meet the criteria to be classified as restricted or committed, but were intended to be used for specific purposes.
- **Unassigned.** These were all other spendable amounts that were available for any purpose. Positive amounts were reported only in the general fund.

Livingston Recreation District Number Five

Notes to the Financial Statements As of and for the 16 months ended May 1, 2018

K. Extraordinary and Special Items

Extraordinary items were transactions or events that were both unusual in nature and infrequent in occurrence. Special items were transactions or events within the control of the District, which were either unusual in nature or infrequent in occurrence.

L. 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

M. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Dissolution of District

On April 26, 2018, the Livingston Parish Council passed Ordinance Number 18-126, creating two new taxing recreation districts within the boundaries of the Livingston Recreation District Number Five and the District was dissolved as of May 1, 2018. The ordinance dissolving the Livingston Recreation District Number Five by the Livingston Parish Council established Recreation District No. 5 South of the Parish of Livingston and Recreation District No. 7 of the Parish of Livingston as well as two separate boards appointed by the Livingston Parish Council. On August 16, 2018, The Livingston Parish Council also passed Ordinance 18-242 distributing and transferring the remaining funds from Livingston Recreation District Number Five by allocating thirty-eight and a half percent (38.5%) to Recreation District No. 5 South and allocating sixty-one and a half percent (61.5%) to Recreation District No. 7. Recreation District No. 5 South will be awarded the ball park that is located in their District's boundaries, and all movable property will stay in the perspective District that it is located in transferring ownership from Livingston Recreation District Number Five to the each newly formed Recreation District where it is stationed.

Settlement of remaining cash receipts and disbursements to the two new districts was settled in accordance with the ordinance. See Note 12 for further information.

Livingston Recreation District Number Five

Notes to the Financial Statements As of and for the 16 months ended May 1, 2018

3. Stewardship, Compliance and Accountability

The District's budget procedures were defined in state law, Louisiana Revised Statutes 39:1301-14. The major requirements of the Local Government Budget Act are summarized as follows:

- 1) The District must adopt a budget each year for the general fund and each special revenue fund, if applicable.
- 2) The chairman must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District has jurisdiction. The proposed expenditures were less than \$500,000; therefore a public hearing was not required.
- 3) All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The 2017 budget was adopted on December 14, 2016, and the 2018 budget was adopted on December 11, 2017.
- 4) Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The budget was amended before fiscal year end.
- 5) The budget for the General Fund was adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, the Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).
- 6) The District had budget variances that resulted in unfavorable variances in violation of the Local Government Budget Act for the 16 months ended May 01, 2018. The District's expenditures were under budgeted by more than 5% due to the dissolution of the District and transferring of residual cash and fixed assets to the newly created recreation taxing districts. See Note 2 for further information on the dissolution of the Livingston Recreation District Number Five and Finding 2018-C1 for further on the budget noncompliance.

Livingston Recreation District Number Five

**Notes to the Financial Statements
As of and for the 16 months ended May 1, 2018**

4. Cash and Cash Equivalents

At May 01, 2018, the District has cash and cash equivalents (book balances) as follows:

	May 1, 2018
Demand Deposits	\$ <u>321,650</u>
	\$ <u>321,650</u>

These demand deposits are within one bank, are stated at cost, and approximate market value. 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 May 1, 2018, the District had \$322,025 in deposits (collected bank balances), entirely consisting of demand deposits. The demand deposits were secured from risk by \$250,000 of federal deposit insurance and \$72,025 of pledged securities. The \$72,025 of deposits is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities were 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.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District did not have a formal policy for custodial risk. However, 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.

5. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. The major receivable balance for the governmental activities and on the fund financials is for ad valorem taxes and totals \$- at May 01, 2018. The District was dissolved as of May 1, 2018 and had no receivables. See Note 1 for further information.

Livingston Recreation District Number Five

**Notes to the Financial Statements
As of and for the 16 months ended May 1, 2018**

6. Capital Assets

Capital assets and depreciation activity as of and for the year ended May 1, 2018 for governmental activities is as follows:

Governmental Activities Capital Assets:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 40,000	\$ -	\$ (40,000)	\$ -
Total Capital Assets Not Being Depreciated	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>
Capital Assets Being Depreciated:				
Equipment	149,105	-	(149,105)	-
Recreational Facility Improvements	1,911,951	-	(1,911,951)	-
Total Capital Assets Being Depreciated	<u>2,061,056</u>	<u>-</u>	<u>(2,061,056)</u>	<u>-</u>
Less Accumulated Depreciation for:				
Equipment	85,667	15,535	(101,202)	-
Recreational Facility Improvements	627,578	114,660	(742,238)	-
Total Accumulated Depreciation	<u>713,245</u>	<u>130,195</u>	<u>(843,440)</u>	<u>-</u>
Total Capital Assets Being Depreciated, Net	<u>1,347,811</u>	<u>(130,195)</u>	<u>(1,217,616)</u>	<u>-</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 1,387,811</u>	<u>\$ (130,195)</u>	<u>\$ (1,257,616)</u>	<u>\$ -</u>

Depreciation was charged to governmental functions as follows:

Recreational Facilities Maintenance	\$ 130,195
	<u>\$ 130,195</u>

There were no additions for the 16 months ended May 1, 2018. The decreases were due to the dissolution of the District and transferring of fixed assets to the newly created taxing recreation districts. See Note 2 for further information.

7. Interfund Transfers

The following is a detailed list of interfund transfers reported in the fund financial statements on May 1, 2018:

Interfund Transfers	Transfers In	Transfers Out
General Fund		
Debt Service Fund	\$ -	\$ 178,993
Debt Service Fund		
General Fund	<u>178,993</u>	<u>-</u>
Total Interfund Transfers	<u>\$ 178,993</u>	<u>\$ 178,993</u>

The reason for the interfund transfers was to transfer funds to the debt service fund for the payment of debt obligations.

Livingston Recreation District Number Five

**Notes to the Financial Statements
As of and for the 16 months ended May 1, 2018**

8. Accounts, Salaries, and Other Payables

The Governmental Fund payables at May 1, 2018 are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Governmental Funds Payable				
Accounts Payable	\$ 48,893	\$ -	\$ -	\$ 48,893
Pension Deductions from Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -
Total Government Funds Payable	<u>\$ 48,893</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,893</u>

Accounts payable totaling \$48,893 were residual operating expenditures of the Livingston Recreation District Number Five as of May 1, 2018.

9. Long-Term Debt

The following is a summary of long-term debt transactions for the fiscal year ending May 01, 2018:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Long-Term Debt					
Certificates of Indebtedness, Series 2009	\$ 180,000	\$ -	\$ (180,000)	\$ -	\$ -
Ending Balance	<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$ (180,000)</u>	<u>\$ -</u>	<u>\$ -</u>

On December 10, 2009, the Livingston Recreation District Number Five issued \$715,000 Certificate of Indebtedness, Series 2009 of Recreation District No. 5 of the Parish of Livingston, State of Louisiana. The Certificate of Indebtedness was issued at an annual interest rate of 3.69 percent with annual principal payments due beginning May 1, 2010, through May 1, 2018, and semi-annual interest payments due May 1 and November 1 of each year through May 1, 2018. Interest expense for the year included in debt service expenditures for governmental activities totaled \$6,643. As of May 1, 2018, this Certificate of Indebtedness was paid in full.

10. Contingent Liabilities

At May 1, 2018, the District was not involved in any outstanding litigation or claims.

Livingston Recreation District Number Five

**Notes to the Financial Statements
As of and for the 16 months ended May 1, 2018**

11. Subsequent Events

Settlement of Remaining Cash Receipts and Disbursements after 5/1/2018			
		District Number 5 South	District Number 7
Cash Balance as of 5/1/2018	\$ 275,711		
Payables as of 5/1/2018	(48,893)		
Subsequent Cash Receipts Received	8,770		
Subtotal remaining cash to disburse	235,588	\$ 90,701	\$ 144,887
Subsequent Disbursements Paid	(47,179)	(34,959)	(12,220)
Cash disbursed 2/12/2019	\$ 188,409	\$ 55,742	\$ 132,667

Settlement of remaining cash receipts and disbursements to the two districts above was settled in accordance with the ordinance. District Number 5 South received \$55,742 and District Number 7 received \$132,667 from the operating account as shown. Accounts payable has also been paid, and all cash has been disbursed as of February 12, 2019. Livingston Recreation District Number Five also had a parks and rental cash account which solely belonged to District Number 5 South. None of the subsequent receipts and disbursements are included above and in the settlement schedule and the amount disbursed was \$45,939. Subsequent events have been evaluated by management through February 12, 2019, the date the financial statements were available for issuance. No other events were noted that require recording or disclosure in the financial statements for the 16 months ended May 01, 2018.

Required Supplemental Information (Part II)

Livingston Recreation District Number Five
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the 16 months ended May 1, 2018

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Revenues				
Ad Valorem Taxes	\$ 660,000	\$ 316,600	\$ 407,933	\$ 91,333
Interest	217	52	151	99
Parks and Recreation	-	-	84,988	84,988
Total Revenues	<u>660,217</u>	<u>316,652</u>	<u>493,072</u>	<u>176,420</u>
Expenditures				
General Government				
Intergovernmental Payments for Pension	17,333	17,333	14,674	2,659
Other operating	1,333	1,183	2,729	(1,546)
Professional Fees	28,300	25,400	54,047	(28,647)
Supplies	1,200	2,100	743	1,357
Recreation				
Contract Labor	-	-	35,575	(35,575)
Insurance	5,500	-	7,794	(7,794)
Other operating	5,101	401	-	401
Repairs and Maintenance	72,333	65,333	217,493	(152,160)
Supplies	1,067	67	50,325	(50,258)
Utilities	9,800	-	39,747	(39,747)
Capital Outlays	-	-	-	-
Total Expenditures	<u>141,967</u>	<u>111,817</u>	<u>423,127</u>	<u>(311,310)</u>
Excess Revenues (Expenditures)	<u>518,250</u>	<u>204,835</u>	<u>69,945</u>	<u>(134,890)</u>
Other Financing Sources (Uses)				
Operating Transfers (Out)	(114,300)	(273,500)	(178,993)	94,507
Donations-Restricted	-	21,000	-	(21,000)
Total Other Financing Sources (Uses)	<u>(114,300)</u>	<u>(252,500)</u>	<u>(178,993)</u>	<u>73,507</u>
Special Item				
Loss on disposals of operations	-	-	(273,407)	(273,407)
Total Special Item	<u>-</u>	<u>-</u>	<u>(273,407)</u>	<u>(273,407)</u>
Net Change in Fund Balances	<u>403,950</u>	<u>(47,665)</u>	<u>(382,455)</u>	<u>(334,790)</u>
Fund Balances, Beginning	<u>382,455</u>	<u>382,455</u>	<u>382,455</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 786,405</u>	<u>\$ 334,790</u>	<u>\$ -</u>	<u>\$ (334,790)</u>

Other Supplemental Information

Schedule 2**Livingston Recreation District Number Five
Schedule of Board Members
For the 16 months ended May 1, 2018**

<u>Name and Title / Contact Number</u>	<u>Address</u>	<u>Term Renewal</u>
Ronnie McLin, Chairman (225) 686-2418	19044 McLin Road Livingston, LA 70754	5/23/2021
Ronnie Lambert (225) 573-6959	21820 Judge Smiley Road Livingston, LA 70754	5/23/2019
Trent Acosta (225) 603-7026	18602 Jones Road Livingston, LA 70754	5/23/2020
Matthew Fussell (225) 773-3916	26299 South Satsuma Road Livingston, LA 70754	5/23/2018

Each director is appointed by the Livingston Parish Council. The Board was appointed on a staggered term basis starting on May 23, 1996. All reappointments after initial terms will be for five years. No compensation was paid to these board members.

See independent accountant's review report.

**Livingston Recreation District Number Five
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the 16 months ended May 1, 2018**

Agency Head Name: Ronnie McLin, Chairman

<u>Purpose</u>	<u>Amount</u>
The total compensation, reimbursements, and benefits, including but not limited to travel, housing, unvouchered expenses, per diem, and registration fees was:	\$ -
	<u> </u>
	<u> </u>

See independent accountant's review report.

Livingston Recreation District Number Five

Schedule 4

Schedule of Current Year Findings and Responses
For the 16 months ended May 1, 2018

Reference Number 2018-C1 (Budget Control-Noncompliance)

Criteria:

Louisiana Revised Statute 39:1311 requires that total expenditures and other uses must not exceed budgeted expenditures and other uses by 5% or more and revenues and other sources must meet budgeted revenue and other sources by 5% or more.

Condition:

The District's actual total expenditures were above the total budgeted expenditures by five percent or more.

Cause:

The District had an approved 16-month engagement. However, the District did not amend the budget for the allocation of residual District funds to the new taxing recreation districts formed by the Livingston Parish Council ordinance. Although the Livingston Parish Council did not approve the allocation percentages for the two new taxing recreation districts until after the dissolution effective date of May 1, 2018, the District could not amend their budget to reflect the residual total funds as an expenditure in the budget.

Effect:

Apparent noncompliance with the above referenced statute.

Recommendation:

None due to dissolution of the District.

Response by Management:

The District is dissolved and the board is aware of the budget finding for the 16 months ended May 1, 2018.

Description of Action Taken: The District was dissolved as of May 1, 2018.

Anticipated Completion Date: Resolved.

Contact Person:

Ronnie McLin, Chairman
19044 McLin Road
Livingston, LA 70754
225-686-2418

Schedule of Current Year Findings and Responses
For the 16 months ended May 1, 2018

Reference Number 2018-C2 (Audit Filing Requirement-Noncompliance)

Criteria:

The District is subject to requirements as defined in LRS 24:513(a) for filing financial audit reports or review reports. The deadline for filing is six months after the end of the entity's fiscal year. The District must comply with statutory and contractual deadlines for filing review reports, but must also ensure that sufficient time is available to complete procedures required in accordance with Government Auditing Standards.

Condition:

The District did not file its annual review report by the statutory or contractual deadline. The District was approved by the Legislative Auditor for a 16-month review report due to dissolution; however, the review report was not filed within six months of the approved 16-month reporting period.

Cause:

The District was in the process of dissolving by ordinance.

Effect:

Apparent noncompliance with the above referenced statute.

Recommendation:

None due to dissolution of the District.

Response by Management:

The District is dissolved and the board is aware of the late filing requirement finding for the 16 months ended May 1, 2018.

Description of Action Taken: The District was dissolved as of May 1, 2018.

Anticipated Completion Date: Resolved.

Contact Person:

Ronnie McLin, Chairman
19044 McLin Road
Livingston, LA 70754
225-686-2418

Livingston Recreation District Number Five

Schedule 5

**Schedule of Prior Year Findings and Responses
For the 16 months ended May 1, 2018**

Reference Number: 2016-1 Timely Deposits (Material Weakness and Noncompliance)

Year Initial Finding Occurred: Fiscal Year Ending December 31, 2016.

Description of Finding: The District, before August 2016, received mainly ad valorem revenue monthly from the Livingston Parish Assessor's office. The check was usually dated around the first of the month and mailed out to recipients. The District timely deposited these checks into the fiscal agent bank except one instance where two months of ad valorem was deposited at one time. In August 2016, the District began operating the Colyell Park and collecting park rental fees and other money, but not depositing the funds timely. A bank account for park rentals and recreation was not established until December 2016 at which time these accumulated funds were deposited. While the Board reviews financial information during monthly Board meetings, the parks and recreation detailed transaction information was incomplete and third-party bank account source documentation was not provided even though it was requested by the board from the District's secretary.

Corrective Action Taken: The District hired a new secretary with experience in parks and recreation operations and working knowledge of the accounting system as well as governmental accounting. Timely deposits were made and monitored as well as internal controls, procedures and policies.

Current Year Status: Resolved

Contact Person:
Ronnie McLin, Chairman
19044 McLin Road
Livingston, LA 70754
225-686-2418

Bruce C. Harrell, CPA
Kristi U. Bergeron, CPA
Jessica H. Jones, CPA
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Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Commissioners
Livingston Recreation District Number Five
P.O. Box 284
Livingston, Louisiana 70754

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Livingston Recreation District Number Five and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the 16 months ended May 1, 2018, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with 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 the 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.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$154,450, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Response: There were no expenditures exceeding the threshold which were required to be bid.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the code of ethics).

Response: Management provided a list.

3. Obtain a list of all employees paid during the fiscal year.

Response: The District did not have employees.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

Response: This District did not have employees.

BRUCE HARRELL & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Accounting Corporation

To the Board of Commissioners
Livingston Recreation District Number Five
Livingston, Louisiana
Page 2

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Response: Management provided us with the required lists above. The District had no employees. There were no names that appeared on both lists.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Response: Management provided us with a copy of the original budget and amendments.

7. Trace the budget adoption and amendments to the minute book.

Response: We traced the budget and amendments to the minutes and noted no exceptions.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by five percent or more or if actual expenditures exceed budgeted amounts by five percent or more.

Response: We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues were in compliance; however, expenditures exceeded budgeted amounts by more than five percent. The District did not account in the budget for the disbursement of remaining funds to the newly created taxing districts as a result of disposal of operations. See Finding 2018-C1 for further information.

Accounting and Reporting

9. Randomly select six disbursements made during the period under examination and obtain documentation from management. Compare the selected disbursements to the supporting documentation, and:
 - a. Trace payments to supporting documentation as to proper amount and payee;
 - b. Determine if payments were properly coded to the correct fund and general ledger account;
 - c. Determine whether disbursements were approved in accordance with management's policies and procedures

Results: We examined supporting documentation for the six disbursements and reviewed proper amount and payee; disbursements were properly coded to the correct fund and general ledger account; and disbursements were approved by the Board of Commissioners.

Meetings

10. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:28 (the open meetings law).

BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

To the Board of Commissioners
Livingston Recreation District Number Five
Livingston, Louisiana
Page 3

Response: The District properly complied with the requirements of the open meetings law.

Debt

11. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

Response: There was no new debt issued for the 16 months ended May 1, 2018.

Advances and Bonuses

12. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

Response: The District had no employees.

State Audit Law

13. The District provided for a timely report in accordance with R.S. 24:513.

Response: The District did not file a timely review report. See Finding 2018-C2 for further information.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Livingston Recreation District Number Five and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

February 12, 2019

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

For: Livingston Recreation District Number Five

August 14, 2018

Bruce Harrell & Company, CPAs
P.O. Box 45
909 Avenue G
Kentwood, LA 70444

In connection with your review of our financial statements as of May 1, 2018 and for the period January 1, 2017 through May 1, 2018, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of August 14, 2018.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief financial officer.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No

James M. Ginn

~~President~~
Chairman

8-15-18

Date