

**Shenandoah Estates Crime
Prevention and
Improvement District**

Baton Rouge, Louisiana

Year Ended December 31, 2018

*Compiled Financial Statements
and Supplementary Information*

William D. Mercer, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

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WILLIAM D. MERCER, CPA

A PROFESSIONAL ACCOUNTING
CORPORATION

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

Management is responsible for the accompanying financial statements of the governmental activities and each major fund of the Shenandoah Estates Crime Prevention and Improvement District as of and for the year ended December 31, 2018, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This information is the representation of management. This information was subject to my compilation engagement; however, I have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Supplementary Information

The schedule of compensation, benefits, and other payments to agency head on page 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to my compilation engagement; however, I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

William D Mercer, CPA (CPAC)

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June 19, 2019

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SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT
Baton Rouge, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended December 31, 2018

Our discussion and analysis of Shenandoah Estates Crime Prevention and Improvement District's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the year ended December 31, 2018.

FINANCIAL HIGHLIGHTS

The financial statements included in this report provide insight into the financial status for the year. Based upon the operations of 2018, the District's net position increased by \$ 20,187, and resulted in ending net position of \$ 213,794, or an increase of 10.43 percent.

Total spending for the governmental activity was \$ 110,673 for the year, which was \$ 24,246 less than the property assessments received for this activity, \$ 134,919. Expenditures for capital assets totaled \$ 17,722 for the year.

The interest earned on checking accounts and delinquent collections was \$ 182 for the year.

USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities found on pages 9 and 10 provide information about the financial activities of the District and illustrate a longer-term view of the District's finances. Fund financial statements start on page 11. For governmental type activities, these statements illustrate how these services were financed in the short-term and what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's significant funds.

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

Our analysis of the District as a whole begins on page 9. These statements help to illustrate the status of the District resulting from the year's activities. The statements include all assets and liabilities using the accrual basis of accounting. In this method, all of the current year's revenues and expenses are taken into account regardless of when cash is paid or received.

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

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

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

The analysis of the District's sole fund begins on page 11. The fund financial statements provide detailed information about the most significant fund rather than the District as a whole.

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

THE DISTRICT AS A WHOLE

The District's net position increased \$ 20,187 as a result of this year's operations, resulting in ending net position of \$ 213,794, or an increase of 10.43 percent. The balance in net position represents the accumulated results of all past years' operations. Unrestricted net position (the part of net position that can be used to finance daily operations without legal restrictions or obligations) changed from a \$ 147,797 surplus to a \$166,329 surplus at year-end. The District can use these funds to finance the continuing operations of the office. This means that if we had to pay off all of our bills today, we would have \$ 166,329 left.

Table 1
Net Position

Current and other assets	\$	166,329
Capital and intangible assets		<u>47,465</u>
Total assets	\$	<u><u>213,794</u></u>
Current and other liabilities	\$	-
Long-term liabilities		<u>-</u>
Total liabilities	\$	<u><u>-</u></u>
Net position:		
Invested in capital and intangible assets	\$	47,465
Unrestricted		<u>166,329</u>
Total net position	\$	<u><u>213,794</u></u>

The District's total revenues for the year decreased \$ 62,845 or 31.7 percent. This included \$ 134,919 in parcel fees, \$ 182 in interest income, and \$ 150 in voluntary contributions. The total cost of all programs and services was \$110,623 with no new programs added this year.

Please refer to "Impact of August 2016 Flooding" on page 8.

Table 2
Changes in Net Position

Revenues:		
Parcel fees	\$	134,919
Other		<u>332</u>
Total revenues		135,251
Expenses	(110,673)
Loss on disposal of assets		<u>(4,391)</u>
Increase in net position	\$	<u><u>20,187</u></u>

THE DISTRICT'S FUNDS

As previously mentioned, the District uses funds to help control and manage money for particular purposes. At the completion of the year, the District's governmental fund reported an unrestricted fund balance of \$161,885. This reflects an increase of \$ 16,345 from last year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2018, the District owned 8 installed and functional cameras at 7 locations. Under formal and information agreements with adjacent subdivisions, law enforcement has access to 3 additional cameras that cover additional routes in and out of the District. Following an established plan, at least 2 additional cameras will be installed during 2019.

The District has adopted new standards for its camera installations which focus on using current technology to provide standardization, simplicity, durability, safety, and cost. The new cameras rely on solid-state technology with no moving parts and, for safety considerations, are powered by low-voltage “POE” (power over internet) connections. Five of the existing seven locations met these specifications at December 31, 2018.

At the end of the year, the District has \$ 44,655 invested in capital assets, consisting principally of security equipment. Additions to capital assets totaled \$ 14,722. Disposals of assets having an original cost of \$14,265 and a net book value of \$ 4,391 were made during the year.

Table 3
Capital and Intangible Assets at Year End
(Net of Accumulated Depreciation and Amortization)

Equipment	\$ <u>44,655</u>
Intangible assets (cooperative agreement for security camera access)	\$ <u>2,800</u>

Capital Asset Retirements and Replacement

The District placed its first two security cameras and related assets in service in 2013. During 2018, functional issues and technological changes required the District to replace the two oldest cameras. As noted above, the District adopted new standards for security cameras. Current and future replacements will meet those standards of reliability, durability, and safety.

The concurrent retirements result in removal of the original installed cost of the specific equipment, less the related accumulated depreciation. Any amount by which the retired asset value exceeded accumulated depreciation is reflected in change in net position. For 2018, assets having a net book value after accumulated depreciation was \$ 4,391 were disposed.

Long-Term Liabilities

The District is not authorized under law to borrow funds or incur similar long-term liabilities.

IMPACT OF AUGUST 2016 FLOODING

The August 2016 flooding in East Baton Rouge Parish and surrounding parishes had no impact on the operations of District in 2018. The only impact, as previously discussed in the 2017 financial statements, was to delay the timing of parcel fee revenues received in 2017. This affected only comparisons between years and had no effect on actual deposits made for the years or on the funds available for operations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Fred Godwin, Commissioner and Treasurer, P.O. Box 77926, Baton Rouge, Louisiana 70879.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT
Baton Rouge, Louisiana

STATEMENT OF NET POSITION

December 31, 2018

ASSETS

Cash and equivalents	\$ 44,303
Parcel fees receivable	117,582
Prepaid expenses	4,444
Capital assets, net of depreciation	44,665
Intangible assets, net of amortization	<u>2,800</u>

TOTAL ASSETS 213,794

LIABILITIES

Accrued expenses	<u>-</u>
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NET POSITION

Investment in capital and intangible assets	47,465
Unrestricted	<u>166,329</u>

TOTAL NET POSITION \$ 213,794

See accountant's compilation report.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT
Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

	Expenses	Operating Grants and Contributions	Net Revenue (Expense)
Functions/programs:			
Public safety/crime prevention	\$ 98,998	\$ 150	\$(98,848)
Depreciation and amortization	<u>11,675</u>	<u>-</u>	<u>(11,675)</u>
Total governmental activities	<u>110,673</u>	<u>150</u>	<u>(110,523)</u>
General revenues:			
Parcel fees			134,919
Interest			<u>182</u>
Total General Revenues			<u>135,101</u>
Special item - loss on disposal of assets			<u>(4,391)</u>
Change in net position			20,187
Net position, beginning of year			<u>193,607</u>
Net position, end of year			\$ <u><u>213,794</u></u>

See accountant's compilation report.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT
Baton Rouge, Louisiana

BALANCE SHEET – GOVERNMENTAL FUND

December 31, 2018

<u>ASSETS</u>		
Cash	\$	44,303
Parcel fees receivable		117,582
Prepaid expenses		<u>4,444</u>
TOTAL ASSETS		<u>166,329</u>
 <u>LIABILITIES</u>		
Accrued expenses		<u>-</u>
 <u>FUND BALANCE</u>		
Nonspendable		4,444
Unassigned		<u>161,885</u>
TOTAL FUND BALANCE	\$	<u><u>166,329</u></u>

See accountant's compilation report.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT
Baton Rouge, Louisiana

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET TO
THE STATEMENT OF NET POSITION
December 31, 2018

Fund balances – Governmental Fund	\$	166,329
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Amounts reported for governmental activities in
the statement of net position are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the fund, These
assets consist of:

Costs of capital assets	78,514
Accumulated depreciation	(33,849)
Costs of intangible assets	3,000
Accumulated amortization	(<u>200</u>)

NET POSITION OF GOVERNMENTAL ACTIVITY	\$ <u><u>213,844</u></u>
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See accountant's compilation report.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT
Baton Rouge, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Year Ended December 31, 2018

REVENUES:

General revenues:

Parcel fees	\$ <u>134,919</u>
Total general revenues	<u>134,919</u>

Miscellaneous revenue:

Interest earned	182
Voluntary contributions	<u>150</u>
Total miscellaneous revenue	<u>332</u>

Total Revenues	<u>135,251</u>
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EXPENDITURES:

Current operations:

General government:

Bank charges	120
Legal and professional fees	<u>883</u>
Total general government	<u>1,003</u>

Public safety:

Assessor fees	1,728
Collection expenses	1,315
Communications	1,703
Contracted security services	74,295
Improvements	1,105
Insurance	4,199
Miscellaneous	1,729
Postage	132
Repairs and maintenance	5,199
Telephone	942
Utilities	1,475
Website expense	<u>4,173</u>
Total public safety	<u>97,995</u>

See accountant's compilation report.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT
Baton Rouge, Louisiana

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

Year Ended December 31, 2018

Capital outlay:	
Security equipment	14,722
Intangible assets	<u>3,000</u>
Total capital outlay	<u>17,722</u>
 Total Expenditures	 <u>116,720</u>
 Excess (deficiency) of revenues over expenditures	 18,531
 OTHER FINANCING SOURCES (USES):	
Capital lease related debt incurred	<u>-</u>
Total other financing sources (uses)	<u>-</u>
 Net change in fund balance	 18,531
 FUND BALANCE, beginning of year	 <u>147,798</u>
 FUND BALANCE, end of year	 \$ <u><u>166,329</u></u>

See accountant's compilation report.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT
Baton Rouge, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

Net change in fund balance – governmental fund	\$	18,531
Amounts reported for governmental activity in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense		
Capital outlay		17,722
Depreciation and amortization expense	(11,675)
Loss on disposal of capital assets	(<u>4,391</u>)
Change in net position of governmental activity	\$	<u>20,187</u>

See accountant's compilation report.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS

Year Ended December 31, 2018

There were no findings for the year ended December 31, 2018.

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT
Baton Rouge, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Year Ended December 31, 2018

There were no findings noted for the prior year ended December 31, 2017, in the accountant's report dated June 8, 2018.

SUPPLEMENTARY INFORMATION

SHENANDOAH ESTATES CRIME PREVENTION AND IMPROVEMENT DISTRICT
Baton Rouge, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
Year Ended December 31, 2018

Agency Head: Chester Welch, Chairperson

Purpose:	Amount:
Salary	None
Benefits – insurance	None
Benefits – retirement	None
Benefits – other	None
Car allowance	None
Vehicle provided by government	None
Per diem	None
Reimbursements	\$ 11
Travel	None
Registration fees	None
Conference travel	None
Continuing professional education fees	None
Housing	None
Unvouchered expenses	None
Special needs	None

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

See accountant's compilation report.