

**JACKSON PARISH
RECREATION DISTRICT
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2017**

Jackson Parish Recreation District
Jonesboro, Louisiana

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Jackson Parish Recreation District
Jonesboro, Louisiana

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Jackson Parish Recreation District

P. O. Box 315
Jonesboro, LA 71251

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended December 31, 2017

The Management's Discussion and Analysis of the Jackson Parish Recreation District provides an overview and overall review of the District's financial activities for the year ended December 31, 2017. The intent of the MD&A is to look at the District's financial performance as a whole. It should, therefore be read in conjunction with this report.

Financial Highlights

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

Government-Wide Financial Statements

- The Statement of Net Position presents all of the District's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the District's net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The Statement of Activities presents information showing how the District's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

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

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

Summary of Statement of Net Position

	<u>2017</u>	<u>2016</u>
ASSETS:		
Current Assets-		
Cash & Cash Equivalents	\$ 385,028	\$ 443,170
Inventory	10,303	8,889
Prepaid Expenses	22,333	31,859
Revenue Receivable	<u>1,076,248</u>	<u>851,108</u>
Total Current Assets	\$1,493,912	\$1,335,026
Noncurrent Assets-		
Capital Assets (Net)	<u>4,663,251</u>	<u>4,844,256</u>
Total Assets	<u>\$6,157,163</u>	<u>\$6,179,282</u>
DEFERRED OUTFLOWS OF RESOURCES:	\$ <u>98,754</u>	\$ <u>141,151</u>
LIABILITIES:		
Current Liabilities-		
Accounts Payable	\$ 9,077	\$ 10,957
Payroll Payables	20,359	17,052
Certificates of Indebtedness	102,000	101,000
Note Payable	<u>0</u>	<u>100,000</u>
Total Current Liabilities	\$ <u>131,436</u>	\$ <u>229,009</u>
Long-Term Liabilities-		
Certificates of Indebtedness	\$ 0	\$ 102,000
Net Pension Liability	77,394	98,495
Compensated Absences	<u>12,262</u>	<u>10,942</u>
Total Long-Term Liabilities	\$ <u>89,656</u>	\$ <u>211,437</u>
Total Liabilities	\$ <u>221,092</u>	\$ <u>440,446</u>
DEFERRED INFLOWS OF RESOURCES:	\$ <u>14,218</u>	\$ <u>16,666</u>
NET POSITION:		
Net Investment in Capital Assets	\$4,663,251	\$4,641,256
Unrestricted	<u>1,357,356</u>	<u>1,222,065</u>
Total Net Position	<u>\$6,020,607</u>	<u>\$5,863,321</u>

Summary of Statement of Activities

	<u>2017</u>	<u>2016</u>
REVENUES:		
Charges for Services	\$ 279,992	\$ 259,960
Capital Grants	9,000	249,977
General Revenues-		
Taxes	1,173,188	1,183,430
Interest	306	150
Non-employer Pension Revenue	2,776	2,723
Timber Sale	0	0
Miscellaneous	<u>17,555</u>	<u>8,133</u>
Total Revenues	\$1,482,817	\$1,704,373
EXPENDITURES:		
Recreation	<u>1,325,531</u>	<u>1,233,182</u>
Change in Net Position	<u>\$ 157,286</u>	<u>\$ 471,191</u>

- The District's assets exceeded its liabilities by \$6,020,607 (Net Position) for the year. For the prior year, assets exceeded liabilities by \$5,863,321.
- Unrestricted Net Position of \$1,357,356 represents the portion available to maintain the District's obligation to both citizens and creditors. This is an increase of \$135,291 from prior year.
- During 2017, the District spent \$133,679 on acquiring capital assets.

General Fund Budgetary Highlights

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

Economic Factors and Next Year's Budget

The District has prepared its 2018 budget for the General Fund, taking into consideration the revenues and expenditures from prior year and any projected services and costs that may occur in 2018.

Contacting the District

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

Johnson, Thomas & Cunningham

Certified Public Accountants

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

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund information of the Jackson Parish Recreation District (District), a component unit of the Jackson Parish Police Jury, as of and for the year ended December 31, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund information of the District as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report dated May 31, 2018, on the results of the state wide agreed-upon procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Johnson, Thomas + Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's
Natchitoches, Louisiana

May 31, 2018

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Jackson Parish Recreation District
Statement of Net Position
December 31, 2017

	<u>Governmental Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 385,028
Inventory	10,303
Prepaid Expenses	22,333
Revenue Receivable	<u>1,076,248</u>
Total Current Assets	\$1,493,912
Noncurrent Assets-	
Capital Assets (Net)	<u>4,663,251</u>
Total Assets	<u>\$6,157,163</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 98,754</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 9,077
Payroll Payables	20,359
Certificates of Indebtedness	<u>102,000</u>
Total Current Liabilities	<u>\$ 131,436</u>
Noncurrent Liabilities-	
Net Pension Liability	\$ 77,394
Compensated Absences	<u>12,262</u>
Total Long-Term Liabilities	<u>\$ 89,656</u>
Total Liabilities	<u>\$ 221,092</u>
DEFERRED INFLOWS OF RESOURCES:	<u>\$ 14,218</u>
NET POSITION:	
Net Investment in Capital Assets	\$4,663,251
Unrestricted	<u>1,357,356</u>
Total Net Position	<u>\$6,020,607</u>

See notes to financial statements.

Jackson Parish Recreation District
Statement of Activities
December 31, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Recreation-					
Personnel	\$ 379,379	\$ 0	\$0	\$ 0	\$ (379,379)
Programs	309,491	201,846	0	9,000	(98,645)
Concessions	69,282	78,146	0	0	8,864
Operations	<u>567,379</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(567,379)</u>
 Total Governmental Activities	 <u>\$1,325,531</u>	 <u>\$279,992</u>	 <u>\$0</u>	 <u>\$9,000</u>	 <u>\$(1,036,539)</u>
		General Revenues:			
					\$ 1,173,188
					306
					2,776
					<u>17,555</u>
				Total General Revenues	<u>\$ 1,193,825</u>
				Change in Net Position	\$ 157,286
				Net Position January 1, 2017	<u>5,863,321</u>
				Net Position December 31, 2017	<u>\$ 6,020,607</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Jackson Parish Recreation District
Balance Sheet-Governmental Fund
December 31, 2017

	<u>General Fund</u>
ASSETS:	
Cash & Cash Equivalents	\$ 385,027
Inventory	10,303
Prepaid Expenses	22,333
Revenue Receivables	<u>1,076,249</u>
Total Assets	<u>\$1,493,912</u>
LIABILITIES:	
Accounts Payable	\$ 9,077
Payroll Liabilities	<u>20,359</u>
Total Liabilities	<u>\$ 29,436</u>
FUND BALANCE:	
Nonspendable- Prepaid Expenses	\$ 22,333
Unassigned	<u>1,442,143</u>
Total Fund Balance	<u>\$1,464,476</u>
Total Liabilities & Fund Balance	<u>\$1,493,912</u>

See notes to financial statements.

Jackson Parish Recreation District
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
December 31, 2017

Total Fund Balance for the Governmental Fund at December 31, 2017	\$ 1,464,476
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Fund. Those assets consist of:	
Land, Equipment, Buildings, and Vehicles	6,435,637
Less: Accumulated Depreciation	(1,772,386)
Deferred Outflows of Resources used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet:	98,754
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the Governmental Fund:	
Certificates of Indebtedness	(102,000)
Net Pension Liability	(77,394)
Accrued Compensated Absences	(12,262)
Deferred Inflows of Resources are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet:	<u>(14,218)</u>
Total Net Position of Governmental Activities at December 31, 2017	<u>\$ 6,020,607</u>

See notes to financial statements.

Jackson Parish Recreation District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
December 31, 2017

	General <u>Fund</u>
Revenues:	
Ad Valorem Taxes	\$1,173,188
Grant Income	9,000
Fees, Charges & Commissions for Services-	
Baseball & Softball	53,335
Basketball	11,515
Golf Course	134,591
Concessions	78,146
Other Programs	2,405
Miscellaneous-	
Interest	306
Other	<u>17,556</u>
Total Revenues	<u>\$1,480,042</u>
Expenditures:	
Culture & Recreation-	
Baseball & Softball	\$ 96,761
Basketball	31,029
Concessions	69,282
Golf Course	175,185
Other Programs	6,515
Operating	250,729
Salaries & Related Expenditures	356,435
Capital Outlay	<u>133,679</u>
Total Expenditures	<u>\$1,119,615</u>
Excess of Revenues over Expenditures	\$ 360,427
Other Financing Uses:	
Debt Service Principal & Interest Payments	<u>(202,968)</u>
Excess of Revenues and Other Uses over Expenditures	\$ 157,459
Fund Balance-Beginning of Year	<u>1,307,017</u>
Fund Balance-End of Year	<u>\$1,464,476</u>

See notes to financial statements.

Jackson Parish Recreation District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
for the Year Ended December 31, 2017

Net Change in Fund Balance- Governmental Fund	\$ 157,459
The Change in Net Position reported for Governmental Activities in the Statement of Activities is different because:	
Increases in accrued compensated absences are reflected as an increase in expenses on the Statement of Activities, but are not reported in the Governmental Funds.	(1,320)
Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of Capital Assets recorded in the current period is	133,679
Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These timing differences are summarized below:	
Certificates of Indebtedness Payments	101,000
Note Payable Payments	100,000
Non-Employer Pension Revenue	2,776
Pension Expense	(21,624)
Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	(314,684)
Change in Net Position of Governmental Activities	<u>\$ 157,286</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

Introduction:

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

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

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

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

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

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

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

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

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

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

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

C. FUND ACCOUNTING-

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

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

The fund of the Recreation District is described below:

Governmental Fund-

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

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

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

Accrual Basis - Government-Wide Financial Statements (GWFS)

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

Modified Accrual Basis - Fund Financial Statements (FFS)

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

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

E. CASH AND INTEREST-BEARING DEPOSITS-

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

F. CAPITAL ASSETS-

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

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

F. CAPITAL ASSETS (CONTINUED)-

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

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

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

G. PENSIONS-

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

H. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-

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

I. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as Net Position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

I. EQUITY CLASSIFICATIONS (CONTINUED)-

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

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

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

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

The General Fund has an unassigned fund balance of \$1,442,143. If applicable, the Recreation District would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

J. ESTIMATES-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

K. BUDGET-

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

2. Cash and Cash Equivalents:

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

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

For reporting purposes, cash and cash equivalents includes demand deposits, time deposits. At December 31, 2017, the Recreation District had cash and cash equivalents (collected bank balances) totaling \$403,050, of which \$250,000 was secured by FDIC insurance and the remaining \$153,050 was secured by pledged securities.

3. Inventories:

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

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

4. Ad Valorem Taxes:

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

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

Property Tax Calendar

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

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$244,727,840 in 2016. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$20,631,280 of the assessed value in 2016. For the year ended December 31, 2017, taxes of 5.23 mils were levied on the property.

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

<u>Taxpayer</u>	<u>Assessed Value</u>
ETC Tiger Pipeline	\$47,786,620
Compass Energy Operating, LLC	46,142,850
Regency Intrastate Pipeline	21,637,490
WestRock	19,104,510
Enable Gas Transmission	10,982,180

5. Receivables:

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

<u>Class of Receivable</u>	<u>General Fund</u>
Taxes-Ad Valorem	<u>\$1,076,248</u>

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

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

6. Operating Lease:

The Recreation District entered into an operating lease with Fairway Carts, Inc. for the rental of thirteen EZGO golf carts at the amount of \$63 per cart per month. The term of this lease shall be for a period of two years, beginning September 1, 2015 and ending August 31, 2017. The lease was renewed in 2017, with monthly payments of \$945. Total lease payments in 2017 totaled \$10,458.

In September 2017, the District entered into an operating lease with Wells Fargo for the rental of a riding mower at the amount of \$350 per month for seventy-two months. Total lease payments in 2017 totaled \$1,216.

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

2018	\$15,540
2019	11,760
2020	4,200
2021	4,200
2022	4,200
2023	<u>3,500</u>
Total	<u>\$43,400</u>

7. Compensated Absences:

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

The following is a summary of the accrual of compensated absences for the year ended December 31, 2017:

Beginning Balance	Additions	Deletions	Ending Balance
<u>\$10,942</u>	<u>\$1,320</u>	<u>\$0</u>	<u>\$12,262</u>

8. Note Payable:

In November 2016, the District obtained a \$100,000 note payable from Jonesboro State Bank maturing in February 2017 with an interest rate of 2.75%. The note was repaid in full in January 2017. Interest expense on the note totaled \$482.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

9. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2017, is as follows:

Governmental Activities	Balance <u>01-01-17</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12-31-17</u>
Capital Assets Not Depreciated:				
Land	\$ 737,055	\$ 0	\$ 0	\$ 737,055
Construction in Progress	<u>26,245</u>	<u>0</u>	<u>(0)</u>	<u>26,245</u>
Total Assets Not Depreciated	<u>\$ 763,300</u>	<u>\$ 0</u>	<u>\$(0)</u>	<u>\$ 763,300</u>
Capital Assets Depreciated:				
Athletic Equipment	\$ 150,651	\$ 0	\$ 0	\$ 150,651
Vehicles	60,747	0	0	60,747
Buildings	2,163,146	67,891	0	2,231,037
Grounds Equipment	113,057	12,904	0	125,961
Kitchen Equipment	15,880	0	0	15,880
Land Improvements	2,792,994	24,190	0	2,817,184
Office Equipment	12,375	10,156	0	22,531
Outdoor Equipment	<u>229,809</u>	<u>18,538</u>	<u>0</u>	<u>248,347</u>
Total Assets Depreciated	<u>\$5,538,659</u>	<u>\$ 133,679</u>	<u>\$ 0</u>	<u>\$5,672,338</u>
Total Assets	<u>\$6,301,959</u>	<u>\$ 133,679</u>	<u>\$(0)</u>	<u>\$6,435,638</u>
Less, Accumulated Depreciation:				
Athletic Equipment	\$ 57,206	\$ 18,549	\$ 0	\$ 75,755
Vehicles	51,225	5,193	0	56,418
Buildings	294,936	86,331	0	381,267
Grounds Equipment	86,160	12,915	0	99,075
Kitchen Equipment	6,953	2,332	0	9,285
Land Improvements	823,573	155,620	0	979,193
Office Equipment	11,206	1,682	0	12,898
Outdoor Equipment	<u>126,444</u>	<u>32,062</u>	<u>0</u>	<u>158,506</u>
Total Depreciation	<u>\$1,457,703</u>	<u>\$ 314,684</u>	<u>\$ 0</u>	<u>\$1,772,387</u>
Net Capital Assets	<u>\$4,844,256</u>	<u>\$(181,005)</u>	<u>\$(0)</u>	<u>\$4,663,251</u>

Depreciation expense of \$314,684 was charged to the recreation function.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

10. Pension Plan:

Plan Description

The District contributes to Parochial Employees' Retirement System of Louisiana (System) which is a cost-sharing multiple employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically, and other general laws of the State of Louisiana. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.persla.org.

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

Benefits Provided

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

Retirement

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

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

Survivor's Benefits

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

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

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

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

Deferred Retirement Option Plan

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

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

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

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

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

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

Disability Benefits

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

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

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

Cost-of-Living Increases

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

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2016, the actuarially determined contribution rate was 10.52% of member's compensation for Plan A and 7.20% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2016 was 13.00% for Plan A and 8.00% for Plan B.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer revenue is \$2,776.

The District's contractually required composite contribution rate for the year ended December 31, 2017 was 12.50% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District were \$24,076 for the year ended December 31, 2017.

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

At December 31, 2017, the District reported a liability of \$77,394 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the District's proportion was .037579%, which was an increase of .000161% from its proportion measured as of December 31, 2015.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

For the year ended December 31, 2017, the District recognized pension expense of \$45,971 minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$(274).

At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$13,543
Changes in assumption	14,694	0
Net difference between projected and actual earnings on pension plan investments	60,061	0
Changes in employer's proportion of beginning net pension liability	101	675
Differences between employer contributions and proportionate share of employer contributions	(177)	0
Subsequent Period Contributions	24,076	
Total	\$98,754	\$14,218

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

Year ended December 31:	
2018	\$ 21,134
2019	21,134
2020	21,134
2021	21,134
Total	\$84,536

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2016 is as follows:

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years.
Investment Rate of Return	7.00%, net of investment expense, including inflation.
Inflation Rate	2.50% per annum.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Table was selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
	Experience study performed on plan data for the period January 1, 2010 through December 31, 2014.
Salary Increases	5.25% (2.50% Inflation, 2.75% Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 7.00% for Plans A and B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016. The best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real Assets	2%	0.12%
Total	100%	5.66%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.66%

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

The following presents the District's proportionate share of the Net Pension Liability using the discount rate of 7.00%, as well as what the District's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
Employer's proportionate share of net pension liability	\$231,518	\$77,394	\$(52,922)

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$10,846, which is the legally required contribution due at December 31, 2017. This amount is recorded in accrued expenses.

11. Certificates of Indebtedness:

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

Balance 12/31/16	\$ 203,000
Principal Payments	(101,000)
Balance 12/31/17	<u>\$ 102,000</u>

The annual debt service requirements to maturity of the combined certificates of indebtedness are as follows:

Year Ending <u>Dec 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	<u>\$102,000</u>	<u>\$413</u>	<u>\$102,413</u>

12. Compensation Paid Commission Members:

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

Chris Womack	\$ 360
Cody Cheatwood	40
Ricky Cash	360
Brent Barnett	80
Rodney Potts, Jr.	360
Perry Pee	40
Michael Simonelli	200
Ronald Washington	280
Daren Alexander	<u>280</u>
Total	<u>\$2,000</u>

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2017

13. Post-Employment Benefits

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

14. Litigation and Claims:

Management has advised that there is no litigation pending against the Recreation District at December 31, 2017.

15. Subsequent Events:

Management has evaluated events through May 31, 2018, the date which the financial statements were available for issue. No items were noted that needed to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTAL INFORMATION

Jackson Parish Recreation District
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Ad Valorem	\$ 1,116,050	\$ 1,116,050	\$ 1,173,188	\$ 57,138
Fees for Services & Programs	113,000	113,000	145,401	32,401
Golf Course	129,000	129,000	134,591	5,591
Interest	1,000	1,000	306	(694)
Miscellaneous	-	-	17,556	17,556
Total Revenues	<u>\$ 1,359,050</u>	<u>\$ 1,359,050</u>	<u>\$ 1,471,042</u>	<u>\$ 111,992</u>
EXPENDITURES:				
Office & Administration	\$ 192,360	\$ 212,360	\$ 204,858	\$ 7,502
Recreation Programs	154,000	164,000	134,305	29,695
Golf Course	120,700	208,700	160,416	48,284
Concessions	57,000	57,000	69,282	(12,282)
Payroll & Related Benefits	382,000	382,000	356,435	25,565
Telephone & Utilities	63,000	63,000	60,640	2,360
Capital Outlay	45,300	45,300	133,679	(88,379)
Total Expenditures	<u>\$ 1,014,360</u>	<u>\$ 1,132,360</u>	<u>\$ 1,119,615</u>	<u>\$ 12,745</u>
Excess of Revenues over Expenditures	\$ 344,690	\$ 226,690	\$ 351,427	\$ 124,737
OTHER FINANCING SOURCES (USES):				
Grant Income			9,000	9,000
Debt Service Principal & Interest	(98,789)	(98,789)	(202,968)	(104,179)
Contributions to Other Agencies	(130,000)	(130,000)	-	130,000
	<u>(228,789)</u>	<u>(228,789)</u>	<u>(193,968)</u>	<u>34,821</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 115,901	\$ (2,099)	\$ 157,459	\$ 159,558
Fund Balance- Beginning of Year	<u>1,317,017</u>	<u>1,317,017</u>	<u>1,317,017</u>	<u>-</u>
Fund Balance- End of Year	<u>\$ 1,432,918</u>	<u>\$ 1,314,918</u>	<u>\$ 1,474,476</u>	<u>\$ 159,558</u>

See independent auditor's report.

Jackson Parish Recreation District
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2017

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

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

See independent auditor's report.

Jackson Parish Recreation District
Schedule of Employer Contributions
For the Year Ended December 31, 2017

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

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

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended December 31, 2017.

See independent auditor's report.

Jackson Parish Recreation District
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2017

Agency Head Name: Tommy Smith, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$61,000
Benefits- Retirement	7,625
Benefits- Medicare	885
Reimbursements	<u>1,439</u>
Total	<u>\$70,949</u>

Johnson, Thomas & Cunningham

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund of the Jackson Parish Recreation District (District) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 31, 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Johnson, Thomas + Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's
Natchitoches, Louisiana

May 31, 2018

Jackson Parish Recreation District
Schedule of Audit Results
Year Ended December 31, 2017

I. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Jackson Parish Recreation District.
2. There were no significant deficiencies in internal control noted during the audit of the financial statements.
3. There were no instances of noncompliance material to the financial statements of the Jackson Parish Recreation District disclosed during the audit.

II. Findings in Accordance with Governmental Auditing Standards

None identified.

III. Prior Year Findings

None identified.

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

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

We have performed the procedures enumerated below, which were specified and agreed to by the Jackson Parish Recreation District to assist the agency in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2017. We are required to perform each procedure and report the results, including any exceptions. The District is responsible for internal controls and compliance with laws and regulations relative to the SAUPs and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes.

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

Our procedures and associated findings are enumerated below.

Written Policies and Procedures

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

- **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

The entity does not have any written policies and procedures for budgeting.

- **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.

The entity does not have any written policies and procedures for purchasing.

- **Disbursements**, including processing, reviewing, and approving

The entity does not have any written policies and procedures for disbursements.

- **Receipts**, including receiving, recording, and preparing deposits

The entity does not have any written policies and procedures for receipts.

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The entity does not have written policies and procedures that address the functions noted above.

- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

The entity does not have any written policies and procedures for contracting.

- **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

The entity does not have any written policies and procedures for credit cards.

- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

The entity does not have any written policies and procedures for travel reimbursement.

- **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. Note: Ethics requirements are not applicable to nonprofits.

The entity does not have any written policies and procedures for ethics.

- **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The entity does not have any written policies and procedures for debt service.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- Report 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.

- Report 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.
- Report 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.

No exceptions noted.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

We were provided with the listing by management.

4. Using the listing provided by management, select 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). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- Bank reconciliations have been prepared;

The District has five bank accounts, all of which we tested. We obtained bank statements and reconciliations for all months in the fiscal period, noting that reconciliations have been prepared for all months, without exception.

- 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; and

Some of the bank reconciliations obtained did not contain evidence that management reviewed the bank reconciliations.

- 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.

There were some items outstanding for more than 6 months at the end of the fiscal period for which there was no documentation of management review.

Collections

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

Management provided the listing as requested.

6. Using the listing provided by management, select 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). **For each cash collection location selected:**

- Obtain existing written documentation and report 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.

Management provided the documentation for the selected locations. The cash register at the Golf Course is used by all employees that collect cash. No employees are bonded.

- Obtain existing written documentation 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.

Management provided the documentation for the collection location and the District does have written policies and procedures related to the reconciling of cash collections to the general ledger, by a person who is not responsible for cash collections.

- Select 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.

The District does not have procedures that ensure deposits are made within one day. We noted that collections were sometimes held 2-4 weeks before deposited.

- 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.

No collection documentation was obtained for concessions revenue deposited.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report 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.

Management does not have written procedures for collections.

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

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

We obtained the general ledger and sorted for disbursements. We obtained management's representation that the general ledger population was complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select 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. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- 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.

All other purchase disbursements selected were initiated using a purchase order system. Included in the selection were recurring routine transactions that did not require purchase orders based on the District's policies and procedures.

- Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Each selection showed evidence of approval by a person who did not initiate the purchase, without exception.

- 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.

All appropriate documentation was provided for each applicable selection, without exception.

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

The person responsible for processing payments is not prohibited from adding vendors to the District's purchasing system. The accounting system does not allow for this level of user restriction, however is monitored by management.

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

We obtained the required documentation and noted that persons with signatory authority are not responsible for initiating or recording purchases.

12. Inquire of management and observe 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 report whether the persons with signatory authority have system access to print checks.

We noted all unused checks are kept in locked drawers.

13. If a signature stamp or signature machine is used, inquire 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. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Not applicable - no signature stamps or machines are in use at the District's office.

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

14. Obtain 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. Obtain management's representation that the listing is complete.

Management provided the required listing.

Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select 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:

- Report 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.]]

Monthly statements were obtained and invoices were approved by someone other than the authorized card holder.

- Report whether finance charges and/or late fees were assessed on the selected statements.

No finance charges or fees were noted.

15. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- For each transaction, we report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

Original receipts were provided for each transaction selected.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

No exceptions noted.

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

No exceptions noted.

- 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 report any exceptions.

We noted no exceptions in the selected transactions.

- 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 report 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.

We noted no exceptions in the selected transactions.

Travel and Expense Reimbursement

16. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

There were no travel related reimbursements paid to persons.

17. Obtain the entity's written policies related to travel and expense reimbursements. Compare 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.

No written policies related to travel were obtained.

18. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- Compare expense documentation to written policies and report 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, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Not applicable.

- Report 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.]

Not applicable.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Not applicable.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Not applicable.

- Compare 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.

Not applicable.

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

Not applicable.

Contracts

19. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Management provided the requested listing and representation.

20. Using the listing above, select 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). Obtain the related contracts and paid invoices and:

- Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Formal/written contracts were provided to support the agreements.

- Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report 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.

No noncompliance noted.

- Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

We noted no amendment to the contract selected.

- Selected the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions noted.

- Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

No exceptions noted.

Payroll and Personnel

21. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Changes made to hourly pay rates/salaries were approved in writing.

22. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 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) Report 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.)

All of the 25 employees selected documented daily attendance and leave.

- a) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Supervisory approvals were noted on all selections, without exception.

- b) Report 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.

We observed the written leave records maintained for all selections, without exception.

23. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete.

No termination payments were made to employees.

24. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report 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.

We obtained documentation relating to payroll taxes and retirement contributions, noting no exceptions.

Ethics (excluding nonprofits)

25. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Three of the five randomly selected employees which were selected for payroll and personnel procedures had not completed the required ethics training.

26. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Per inquiry of management, there were no alleged ethics violations reported to the District during the fiscal period.

Debt Service (excluding nonprofits)

27. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Not applicable - No debt was issued during the fiscal period.

28. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

No exceptions noted.

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

The District had no tax millages related to debt service.

Other

30. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, we obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Per discussion with the District, there were no funds or assets misappropriated during the period.

31. We observed 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.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The notice was not posted on the District's website.

32. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Not applicable - no exceptions noted.

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

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

Respectfully,

Johnson, Thomas & Cunningham, CPA's

Johnson, Thomas & Cunningham, CPA's
Natchitoches, Louisiana

May 31, 2018

Jackson Parish Recreation District
Management's Response to Exceptions to
Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2017

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

- Item 1: Management will develop written policies and procedures to implement for all the necessary financial functions.
- Item 4: Management will amend its procedures to require evidence of review of bank reconciliations by management or board member (not involved in the transactions associated with the bank account) and evidence of review of items that have been outstanding six months or more.
- Item 6: Management considers it not feasible to bond all employees that collect cash, especially concession stand workers and golf course cashiers. Management will continue to oversee and monitor the controls in place for each cash collection location.
- Due to limited resources, management also considers it not feasible to have enough staff so that the person collecting cash is not responsible for depositing the cash in the bank, recording the transaction, or reconciling the bank account.
- Management will implement procedures to enforce the policy that all collections from each location are deposited on a daily basis.
- Item 7: Management will design and implement a process specifically defined to determine completeness of all collections, including electronic transfers, by a person who is not responsible for collections.
- Item 10: The person responsible for processing payments is not prohibited from adding vendors to the District's purchasing system. The accounting system does not allow for this level of user restriction, however is monitored by management.
- Item 26: Management will ensure that the proper ethics training is obtained and documented for compliance.
- Item 32: Management will ensure that the notice required by R.S. 24:523.1 is posted on the District's website.