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Financial Report

**Recreation District No. 3 of
Livingston Parish, Louisiana**

December 31, 1999

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Release Date _____

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Livingston Parish, Louisiana

A Component Unit of the Livingston Parish Council

December 31, 1999

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NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14481 OLD HAMMOND HIGHWAY, SUITE 4

BATON ROUGE, LA 70816

PHONE (225) 272-1177

MEMBER OF THE
SOCIETY OF LOUISIANA CPAS

MEMBER OF THE
AMERICAN INSTITUTE OF CPAS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of
Recreation District No. 3
Livingston Parish, Louisiana.

I have audited the accompanying general purpose financial statements of Recreation District No. 3 of Livingston Parish, Louisiana, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of Recreation District No. 3's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Recreation District No. 3 of Livingston Parish, Louisiana, as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report (see page 3) dated April 28, 2000 on my consideration of Recreation District No. 3's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of Recreation District No. 3 of Livingston Parish, Louisiana taken as a whole. The accompanying financial information presented in Schedule 1 of the supplementary financial information is presented for the purposes of additional analysis and is not a required part of the general purpose financial statements of Recreation District No. 3 of Livingston Parish, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Neil B. Ferrari, CPA

Baton Rouge, Louisiana,
April 28, 2000.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT
144B1 OLD HAMMOND HIGHWAY, SUITE 4
BATON ROUGE, LA 70816

MEMBER OF THE
SOCIETY OF LOUISIANA CPAS

MEMBER OF THE
AMERICAN INSTITUTE OF CPAS

PHONE (225) 272-1177

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners of
Recreation District No. 3
Livingston Parish, Louisiana.

I have audited the general purpose financial statements of Recreation District No. 3 of Livingston Parish, Louisiana, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 1999, and have issued my report thereon dated April 28, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Recreation District No. 3 of Livingston Parish, Louisiana's, general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Recreation District No. 3 of Livingston Parish, Louisiana's, internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of

the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, the Livingston Parish Council, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Neil B. Ferrari, CPA

Baton Rouge, Louisiana
April 28, 2000.

GENERAL PURPOSE FINANCIAL STATEMENTS

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

Recreation District No. 3 of Livingston Parish, Louisiana
A Component Unit of the Livingston Parish Council
Denham Springs, Louisiana

December 31, 1999

	Governmental Fund Types		Account Groups		Total (Memorandum Only)
	General Fund	Debt Service Fund	General Fixed Assets	General Long-Term Debt	
ASSETS AND OTHER DEBITS					
Assets:					
Cash (Note 2)	\$ 16,721	\$ 43,924	\$ 0	\$ 0	\$ 60,645
Investments (Note 3)	7,061	326,350	0	0	333,411
Receivables (Note 4):					
Ad valorem taxes	414,605	82,941	0	0	497,546
Refund receivable	442	0	0	0	442
Athletic equipment and supplies inventory	20,282	0	0	0	20,282
Deposits	2,686	0	0	0	2,686
Land, building, and equipment (Note 5)	0	0	6,290,202	0	6,290,202
Other Debits:					
Amount available in Debt Service Fund	0	0	0	453,215	453,215
Amount to be provided for retirement of general long-term debt	0	0	0	1,971,785	1,971,785
Amount to be provided for payment of certain claims and judgements	0	0	0	25,000	25,000
Total assets and other debits	\$ 461,797	\$ 453,215	\$ 6,290,202	\$ 2,450,000	\$ 9,655,214
LIABILITIES, FUND EQUITY, AND OTHER CREDITS					
Liabilities:					
Accounts payable	\$ 16,793	\$ 0	\$ 0	\$ 0	\$ 16,793
Escrow account	840	0	0	0	840
Bonds payable (Note 6)	0	0	0	2,425,000	2,425,000
Estimated liability for claims and judgements (Note 9)	0	0	0	25,000	25,000
Total liabilities	17,633	0	0	2,450,000	2,467,633
Equity and Other Credits:					
Investment in general fixed assets	0	0	6,290,202	0	6,290,202
Fund balances:					
Reserved for:					
Debt service	0	453,215	0	0	453,215
Athletic equipment and supplies inventory	20,282	0	0	0	20,282
Unreserved - undesignated	423,882	0	0	0	423,882
Total equity and other credits	444,164	453,215	6,290,202	0	7,187,581
Total liabilities, equity and other credits	\$ 461,797	\$ 453,215	\$ 6,290,202	\$ 2,450,000	\$ 9,655,214

The accompanying notes are an integral part of this statement.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUND TYPES

Recreation District No. 3 of Livingston Parish, Louisiana
A Component Unit of the Livingston Parish Council
Denham Springs, Louisiana

For the Year Ended December 31, 1999

	General Fund	Debt Service Fund	Total (Memorandum Only)
REVENUES			
Taxes:			
Ad valorem	\$ 491,606	\$ 98,643	\$ 590,249
Interest on taxes	3,307	743	4,050
Local services agreement:			
City of Denham Springs	25,000	0	25,000
Parish of Livingston	25,000	0	25,000
Investment income	10,060	23,431	33,491
Charges for services:			
Registration & program fees	343,756	0	343,756
Building and ballfield rentals	37,683	0	37,683
Other revenues:			
Concession & vending sales	33,087	0	33,087
Sponsorships for programs	22,700	0	22,700
Tournament income	3,605	0	3,605
Donations	225	0	225
Miscellaneous	1,484	0	1,484
Total revenues	\$ 997,513	\$ 122,817	\$ 1,120,330
EXPENDITURES			
Current:			
Salaries and wages	\$ 436,709	\$ 0	\$ 436,709
Program expenses	151,887	0	151,887
Telephone and utilities	67,074	0	67,074
Equipment operations, maintenance and repairs	60,780	0	60,780
Insurance	49,822	0	49,822
Pension contributions deducted from ad valorem tax revenues	20,010	4,003	24,013
Payroll taxes	22,817	0	22,817
Professional services	19,929	0	19,929
Contracted services	18,318	0	18,318
Pension contributions paid directly	14,676	0	14,676
Office and administrative expenses	7,874	0	7,874
Concession expenses	7,830	0	7,830
Health insurance premiums	6,755	0	6,755
Tournament expenses	2,586	0	2,586
Employee uniforms	2,059	0	2,059
Sponsorship expenses	1,420	0	1,420
Other	893	688	1,581
Capital Outlay	170,571	0	170,571
Debt Service:			
Principal retirement	0	100,000	100,000
Interest expense	0	177,875	177,875
Total expenditures	1,062,010	282,566	1,344,576
Excess (deficiency) of revenues over expenditures	(64,497)	(159,749)	(224,246)
Fund balances at beginning of year	508,661	612,964	1,121,625
Fund balances at end of year	\$ 444,164	\$ 453,215	\$ 897,379

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND**

Recreation District No. 3 of Livingston Parish, Louisiana
A Component Unit of the Livingston Parish Council
Denham Springs, Louisiana

For the Year Ended December 31, 1999

	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES			
Taxes:			
Ad valorem	\$ 513,000	\$ 491,606	\$ (21,394)
Interest on taxes	4,000	3,307	(693)
Local services agreement	50,000	50,000	0
Investment income	12,000	10,060	(1,940)
Charges for services:			
Registration & program fees	348,290	343,756	(4,534)
Building & ballfield rentals	36,950	37,683	733
Other revenues:			
Concession & vending sales	38,000	33,087	(4,913)
Sponsorships for programs	19,900	22,700	2,800
Tournament income	4,000	3,605	(395)
Donations	225	225	0
Miscellaneous	1,484	1,484	0
Total revenues	\$ 1,027,849	\$ 997,513	\$ (30,336)
EXPENDITURES			
Current:			
Salaries and wages	434,237	436,709	(2,472)
Program expenses	150,300	151,887	(1,587)
Telephone and utilities	61,800	67,074	(5,274)
Equipment operations, maintenance and repairs	65,200	60,780	4,420
Insurance	47,000	49,822	(2,822)
Payroll taxes	26,000	22,817	3,183
Pension contributions deducted from ad valorem tax revenues	19,200	20,010	(810)
Professional services	20,110	19,929	181
Contracted services	15,600	18,318	(2,718)
Pension contribution paid directly	14,809	14,676	133
Office and administrative expenses	8,200	7,874	326
Concession expenses	11,200	7,830	3,370
Health insurance premiums	5,700	6,755	(1,055)
Tournament expenses	2,300	2,586	(286)
Employee uniforms	2,100	2,059	41
Sponsorship expenses	1,400	1,420	(20)
Other	770	893	(123)
Capital outlay	162,040	170,571	(8,531)
Total expenditures	1,047,966	1,062,010	(14,044)
Excess (deficiency) of revenues over expenditures	(20,117)	(64,497)	\$ (44,380)
Fund balances at beginning of year	508,661	508,661	
Fund balances at end of year	\$ 488,544	\$ 444,164	

The accompanying notes are an integral part of this statement.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Recreation District No. 3 of Livingston Parish, Louisiana
A Component Unit of the Livingston Parish Council
Denham Springs, Louisiana

December 31, 1999

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization and Nature or Operations:

Recreation District No. 3 of Livingston Parish, Louisiana ("District") was created November 27, 1973, by the Livingston Parish Council, as provided by Louisiana Revised Statute 33:4562. The District is governed by a board of seven commissioners who are appointed by the Livingston Parish Council. The purpose of the District is to provide playground and other facilities which promote recreation and general health and well-being. The District encompasses about 36% of Livingston Parish, Louisiana and serves about 25,600 people. There were 172 people employed by the District, including full-time and part-time employees, and the commissioners, during 1999. The District operates four recreational facilities referred to as North Park, South Park, West Livingston Playground, and Spring Park.

b. Reporting Entity:

The Livingston Parish Council is the financial reporting entity for Livingston Parish, Louisiana. The Livingston Parish Council appoints a voting majority of the District's governing body and can impose its will on the District. Accordingly, Recreation District No. 3 has been determined to be a component unit of the Livingston Parish Council. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Livingston Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity for Livingston Parish, Louisiana.

Note 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

b. Reporting Entity: - (continued)

The District has no entities or organizations which are required to be included in the District's financial report as defined by Governmental Accounting Standards Board Statement 14.

c. Basis of Statement Presentation:

The accompanying general purpose financial statements of the Recreation District No. 3 of Livingston Parish, Louisiana, have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In addition, the accounting and reporting procedures conform to the requirements of Louisiana Revised Statutes 24:514, the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

d. Fund Accounting:

The District uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The governmental funds presented in the financial statements are described as follows:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

d. Fund Accounting: - (continued)

Governmental Fund Types:

General Fund

The General Fund is the general operating fund of Recreation District No. 3 and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid for through other funds are paid from the General Fund.

Debt Service Fund

The Debt Service Fund is used to account for transactions relating to resources retained and used for the payment of interest and principal on those long-term obligations recorded in the General Long-Term Debt Account Group.

e. Account Groups:

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following two account groups are not "funds".

General Fixed Assets

The fixed assets (capital outlays) used in governmental fund type operations of Recreation District No. 3 are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as expenditures (capital outlays) in the governmental fund types when purchased or constructed.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

d. Fund Accounting: - (continued)

Governmental Fund Types: - (continued)

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. Principal and interest payments on long-term liabilities (public improvements bonds) are also accounted for in the Debt Service Fund.

f. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues, expenditures, and transfers:

Revenue Recognition

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become available and measurable. Available means due or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period (normally within 60 days).

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

f. Basis of Accounting: - (continued)

Revenue Recognition - (continued)

The following are the revenue recognition policies used by Recreation District No. 3:

- ◆ The District's ad valorem property tax is levied each November 15 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. This tax becomes delinquent on January 1 of the following year. The assessed value of the property on the tax roll as of January 1, 1999, was \$38,137,360. The tax rates assessed for 1999 to finance maintenance and operations of the parks and the payment of principal and interest on the public improvement bonds were \$1.50 and \$.30 per \$100 of property valuation, respectively, for a total of \$1.80 per \$100 valuation.

The taxes are generally collected in December of the current year and January and February of the following year. During May (of the year after the year when the tax was due), properties with delinquent taxes are advertised for auction by the Parish Sheriff. The auction is normally scheduled for June or July. It is at this time a lien is placed on the property. Properties not sold at the auction are adjudicated to the State of Louisiana. Ad valorem taxes are recognized as current year revenue if collected within sixty days after the end of the year unless unusual circumstances warrant a longer period.

- ◆ Interest and dividends earned on idle cash and investments are recorded when the income is both measurable and available.
- ◆ Revenues from local service agreements are recorded when the District is entitled to receive the funds from the other governmental entities under the terms of the agreements.
- ◆ Grant revenues are recorded when the District is entitled to reimbursement of expenditures under the terms of the grant.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

f. Basis of Accounting: - (continued)

Revenue Recognition - (continued)

- ◆ Program revenues, such as; registration fees, concession sales, tournament income, and sponsorship fees are recorded when the income is received.
- ◆ Building rentals, donations, and miscellaneous revenues are recorded as revenue when the money is received because they are generally not measurable until actually received.

Expenditures

Expenditures, other than principal interest on long-term debt, are recognized in the accounting period in which the liability is incurred, if measurable.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). They are recorded when the transfer is made.

g. Budgetary Policy and Accounting:

The District prepares its budget on the modified accrual basis of accounting which is consistent with generally accepted accounting principles (GAAP).

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- ◆ Before the second Monday of November, the District prepares a budget for the next fiscal year which begins January 1. The operating budget includes proposed expenditures and the means of financing them.
- ◆ The board members discuss the proposed budget at the regular meeting of the Board of Commissioners on the second Monday of November and set the date for the special public hearing on the proposed budget.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

g. Budgetary Policy and Accounting: - (continued)

- ◆ The public hearing to review and discuss the budget is held immediately before the regular meeting of the Board of Commissioners on the second Monday in December. The public hearing for the District's 1999 budget was held on December 14, 1998. The public hearing for the District's 2000 budget was held on December 13, 1999.
- ◆ The budget is adopted at the Board of Commissioners regular monthly meeting immediately following the public hearing.

Once the budget is approved, it can be amended by approval of a majority of the Board of Commissioners. The process of presenting and approving budget amendments follows a procedure similar to the one used to adopt the initial budget.

There was one amendment made to the budget that was initially adopted for 1999. The amendment was approved at a regular meeting of the District's Board of Commissioners on December 13, 1999. All budget appropriations lapse at year-end.

h. Inventories:

Inventories are valued by management at cost and estimated cost. Inventories consist primarily of sports equipment and uniforms. Inventories at year-end are equally offset by fund balance reserves.

i. Prepaid Items:

Prepaid items are accounted for as expenditures in the period when the money is disbursed.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

j. General Fixed Assets and Depreciation:

General fixed assets include any land, buildings, equipment, and vehicles owned by the District. All fixed assets are valued at historical cost, except for donated assets, which are valued at estimated fair market value at the date of donation. Fixed assets include \$1,000 of donated equipment. Public domain or infrastructures are not capitalized. In cases where assets are constructed with borrowed money the interest expense paid on the related debt is capitalized as part of the cost of the asset. No depreciation has been provided on assets in the General Fixed Assets Account Group.

It is the District's policy to capitalize purchases of moveable property costing at least \$250 and purchases of real property and improvements costing at least \$1,500. Purchases of moveable property costing less than \$250 may also be capitalized for internal control purposes.

k. Vacation and Sick Leave:

All permanent full-time employees earn from 10 to 20 days of vacation leave each year depending upon the number of years employed. All permanent, full-time employees earn from 5 to 60 days of sick leave each year depending upon the number of years employed. Vacation and sick leave cannot be accumulated. Accordingly, Recreation District No. 3 has not accrued any expenses relating to unused leave in the financial statements. The cost of current leave privileges is recognized as a current year expenditure in the General Fund when the leave is actually used.

l. Transfers and Interfund Loans:

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various "due from" and "due to" accounts.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

m. Reservations and Designations of Fund Balances:

Reserved fund balances represent those portions of the fund balance which are either not available for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources as approved by the Board of Commissioners.

n. Management's Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

o. Total Column on the Statements:

The total columns in the General Purpose Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - CASH

At December 31, 1999, the District has cash totaling \$60,645 as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Totals</u>
Petty cash and cash for change	\$ 300	\$ -	\$ 300
Non-interest bearing demand deposits	16,315	-	16,315
Interest bearing demand deposits	<u>106</u>	<u>43,924</u>	<u>44,030</u>
Totals	\$ 16,721 =====	\$ 43,924 =====	\$ 60,645 =====

Note 2 - CASH - (continued)

The cash amounts hereabove are stated at cost, which is equal to market value. The demand deposits are represented by 3 accounts at Hancock Bank which have a combined collected bank balance of \$75,998 as of December 31, 1999.

The \$75,998 on deposit with Hancock Bank is covered entirely by federal deposit insurance. GASB Statement 3 categorizes the credit risk of this money as Category 1 because it is fully insured.

Petty cash and cash on hand for making change are unsecured.

Note 3 - INVESTMENTS

The District's primary purpose for investing is to earn interest income on money that has been determined to be in excess of immediate cash needs. State statutes authorize the District to invest temporarily idle monies in the following:

1. United States Treasury Bonds.
2. United States Treasury Notes.
3. United States Treasury Bills.
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds.
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana.
6. Fully collateralized repurchase agreements.
7. Fully collateralized interest-bearing checking accounts.
8. Mutual and Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.
9. Any other investment allowed by state statute for local governments.
10. Louisiana Asset Management Pool (LAMP).

Note 3 - INVESTMENTS - (continued)

Investments at December 31, 1999 consisted of the following certificates of deposit. These certificates of deposit represent non-participating interest-earning investment contracts as described in GASB 31. Accordingly, they have been reported at cost in these financial statements.

	<u>Reported Amounts</u>	<u>Maturity</u>	<u>Interest Rate</u>
General Fund:			
Certificates of Deposit:			
Hibernia National Bank	\$ <u>7,061</u>	01/30/00	4.75%
Debt Service Fund:			
Certificates of Deposit:			
Hibernia National Bank	61,551	03/14/00	5.15%
Hibernia National Bank	2,302	03/14/00	5.15%
Hibernia National Bank	<u>262,497</u>	03/15/00	4.75%
Total debt service fund	<u>\$326,350</u>		
Total all funds	\$333,411		
	=====		

Under state law, bank deposits 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 bank. The pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 1999, the District had invested \$333,411 in certificates of deposit, all at Hibernia National Bank. These deposits are secured from risk by \$100,000 of federal deposit insurance (Category 1). The remaining \$233,411 is secured by securities with a fair market value of \$555,236 which have been pledged by Hibernia National Bank. GASB Statement 3 categorizes the \$233,411 as uncollateralized risk (Category 3) because the securities are not in the District's name even though the securities were being held by a custodial bank on behalf of Hibernia National Bank. Although \$233,411 of bank balances are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank (entity holding the pledged securities) to advertise and sell the pledged securities within 10 days of being notified by the District that the District's bank has failed to pay deposited funds upon demand.

Note 4 - RECEIVABLES

The receivable for ad valorem taxes consists of actual collections of 1999 and prior year taxes that have been remitted to the District by the Livingston Parish Sheriff and Tax Collector through the end of March, 2000. The District normally records a receivable for ad valorem taxes based on actual collections through the end of February. However, management has elected to use a longer period for 1999 because tax notices were sent out significantly later than normal which caused payments to be received later than normal.

Management has deemed it unnecessary to set up an allowance for uncollectible accounts for these receivables because of the certainty of collection.

Note 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance</u> 01-01-99	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 12-31-99
Equipment & furniture	\$ 503,308	\$ 11,940	\$ (25,599)	\$ 489,649
Vehicles	43,339	1,420	-	44,759
Buildings & improvements	5,060,674	157,211	-	5,217,885
Land	537,909	-	-	537,909
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Totals	\$6,145,230	\$ 170,571	\$ (25,599)	\$6,290,202
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

Note 6 - CHANGES IN LONG-TERM DEBT

The following is a summary of the changes in general long-term debt of the District for the year ended December 31, 1999:

Long-term debt at 12/31/98	\$2,525,000
Additions during 1999	-
Reductions during 1999	<u>(100,000)</u>
Long-term debt payable at 12/31/99	\$2,425,000
	<u>=====</u>

Note 6 - CHANGES IN LONG-TERM DEBT - (continued)

The bonded debt at December 31, 1999, consists of the unpaid principal of public improvement bonds which were originally issued April 1, 1992. At December 31, 1999, there were outstanding interest payments totaling \$1,687,437. The remaining bonds will mature from 2000 to 2022 at interest rates ranging from 6.7 to 8 percent per annum. The bonds are secured by an ad valorem tax on real property within Recreation District No. 3 of Livingston Parish, Louisiana.

The annual requirements to amortize the remaining bonds outstanding at December 31, 1999, are as follows:

<u>Year</u> <u>Ending</u>	<u>Total</u>
2000	\$ 269,875
2001	261,875
2002	253,875
2003	293,875
2004	282,362
2005 and thereafter	<u>2,750,575</u>
	\$4,112,437
	=====

Note 7 - RETIREMENT PLANS

Plan Description:

Eligible employees of the Recreation District No. 3 are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All eligible employees of the District are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members

Note 7 - RETIREMENT PLANS - (continued)

Plan Description: - (continued)

of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual, publicly available, financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy:

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The rate for 1999 was 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The District's share of these contributions is deducted off the top of the ad valorem tax revenues to which the District is entitled. \$24,013 of ad valorem tax revenues for 1999 were withheld to pay for the District's share. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contribution to the System under Plan A for the year ending December 31, 1999 was \$14,676, equal to the required contribution for the year. The District's contributions for 1998 and

Note 7 - RETIREMENT PLANS - (continued)

Funding Policy: - (continued)

1997 were \$12,786 and \$15,849, respectively. These amounts were both equal to the required contributions for their respective years.

Recreation District No. 3 employees who are not eligible for the Parochial Employees Retirement System participate in the Federal Social Security program. The District is required to remit an amount equal to the employee's contribution. The current rate of contribution is 7.65% of an employee's gross pay until the employee's annual gross pay equals \$72,600. The rate is reduced to 1.45% of an employee's gross pay for amounts which exceed \$72,600. Recreation District No. 3 does not guarantee any of the benefits granted by the Federal Social Security Program.

Note 8 - RELATED PARTY TRANSACTIONS

There were no related party transactions in 1999.

Note 9 - LITIGATION AND CONTINGENCIES

In February, 1992, a personal injury lawsuit was filed against the District. The plaintiff alleges improper ground maintenance at the North Park Recreation Center as the cause of a foot injury. Management questions the District's liability in this matter and intends to vigorously defend the claim.

Another personal injury lawsuit was filed against the District in August, 1995. The plaintiff alleges that he sustained injuries from a defective playground slide which was negligently maintained by the District. Management intends to defend this suit vigorously and does not expect the District to suffer any significant losses as a result of it.

The District does not carry general liability insurance to cover injuries like those which have been mentioned above. The District has not had to settle or pay any claims for incidents where it was uninsured. However, the District has established a \$25,000 reserve for potential damages that may be assessed against the District from claims that are not covered by insurance.

Note 9 - LITIGATION AND CONTINGENCIES - (continued)

In November, 1999, a lawsuit was filed against the District for an automobile accident involving the District's van. The District's insurance policy provides coverage in the amount of \$100,000, combined single limit for bodily injury and property damage. Management estimates that any liability attributed to the District will be covered by the limits of its insurance policy.

Note 10 - PER DIEM PAID BOARD MEMBERS

Each member of the Board of Commissioners is eligible to receive a per diem allowance of \$50 for attending each regular or special meeting of the board, not to exceed 24 meetings in one calendar year. Board member Gene Quick, Jr. elected not to receive per diem payments for 1999. Per diems were paid to the other board members for the year ended December 31, 1999 as follows:

<u>Commissioner</u>	<u>Number Of Meetings</u>	<u>Amount Received</u>
Van Foster, Jr.	12	\$ 600
Sid Garrison	3	150
Catherine Meadows	9	450
Rhonda Pratt	9	450
Johnny Rowinsky	10	500
Donald Scott	8	400
Kelton Whitehead	11	<u>550</u>
Total		\$3,100 =====

Note 11 - INCOME TAXES

Recreation District No. 3 is exempt from all Federal and Louisiana income taxes.

Note 12 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has been unable to obtain general liability insurance at a cost which is economically justifiable.

The District continues to carry commercial insurance for all other risks of loss, including workers' compensation, vehicles, buildings and contents, and excess liability coverage for player injury. Settled claims resulting from these risks did not exceed commercial insurance coverage in any of the past three years.

SUPPLEMENTARY FINANCIAL INFORMATION

PUBLIC IMPROVEMENT BONDS, DATED APRIL 1, 1992
Interest Payable April 1st and October 1st of each year

Recreation District No. 3 of Livingston Parish, Louisiana
A Component Unit of the Livingston Parish Council
Denham Springs, Louisiana

December 31, 1999

<u>Maturity</u>	<u>Bond Number</u>	<u>Interest Rate</u>	<u>Yearly Payments</u>			<u>Outstanding</u>
			<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2000	116 - 135	8.00%	100,000	169,875	269,875	2,325,000
2001	136 - 155	8.00%	100,000	161,875	261,875	2,225,000
2002	156 - 175	8.00%	100,000	153,875	253,875	2,125,000
2003	176 - 205	8.00%	150,000	143,875	293,875	1,975,000
2004	206 - 235	7.35%	150,000	132,362	282,362	1,825,000
2005	236 - 265	6.70%	150,000	121,825	271,825	1,675,000
2006	266 - 295	6.80%	150,000	111,700	261,700	1,525,000
2007	296 - 325	6.90%	150,000	101,425	251,425	1,375,000
2008	326 - 350	7.00%	125,000	91,875	216,875	1,250,000
2009	351 - 375	7.00%	125,000	83,125	208,125	1,125,000
2010	376 - 400	7.00%	125,000	74,375	199,375	1,000,000
2011	401 - 425	7.00%	125,000	65,625	190,625	875,000
2012	426 - 450	7.00%	125,000	56,875	181,875	750,000
2013	451 - 470	7.00%	100,000	49,000	149,000	650,000
2014	471 - 490	7.00%	100,000	42,000	142,000	550,000
2015	491 - 510	7.00%	100,000	35,000	135,000	450,000
2016	511 - 530	7.00%	100,000	28,000	128,000	350,000
2017	531 - 550	7.00%	100,000	21,000	121,000	250,000
2018	551 - 560	7.00%	50,000	15,750	65,750	200,000
2019	561 - 570	7.00%	50,000	12,250	62,250	150,000
2020	571 - 580	7.00%	50,000	8,750	58,750	100,000
2021	581 - 590	7.00%	50,000	5,250	55,250	50,000
2022	591 - 600	7.00%	50,000	1,750	51,750	-
Totals			\$2,425,000	\$1,687,437	\$4,112,437	
			=====	=====	=====	

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Recreation District No. 3 of Livingston Parish, Louisiana
A Component Unit of the Livingston Parish Council
Denham Springs, Louisiana

For the Year Ended December 31, 1999

I have audited the financial statements of Recreation District No. 3 of Livingston Parish, Louisiana as of and for the year ended December 31, 1999, and have issued my report thereon dated April 28, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of financial statements as of December 31, 1999 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

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

Internal Control

Material Weaknesses ___ Yes X No
Reportable Conditions ___ Yes X No

Compliance

Compliance Material
to Financial Statements ___ Yes X No

- b. Federal Awards

There were not any federal awards. This section is not applicable.

- c. Identification of Major Programs

This section is not applicable.

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

This section is not applicable.

Section IV - Management Letter

No management letter was issued this year.

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Recreation District No. 3 of Livingston Parish, Louisiana
A Component Unit of the Livingston Parish Council
Denham Springs, Louisiana

For the Year Ended December 31, 1999

**SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

There were not any findings reported last year.

**SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL
AWARDS**

Not applicable.

SECTION III - MANAGEMENT LETTER

No management letter was issued.