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**JACKSON PARISH RECREATION DEPARTMENT  
JACKSON PARISH POLICE JURY  
Jonesboro, Louisiana**

**Component Unit Financial Statements  
As of and  
For the Year Ended December 31, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAY 2 4 2000

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**JACKSON PARISH RECREATION DEPARTMENT  
JACKSON PARISH POLICE JURY  
Jonesboro, Louisiana**

**Component Unit Financial Statements  
As of and for the Year Ended  
December 31, 1999**

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## INDEPENDENT AUDITORS' REPORT

To The Members of the  
Jackson Parish Recreation Board  
Jonesboro, Louisiana

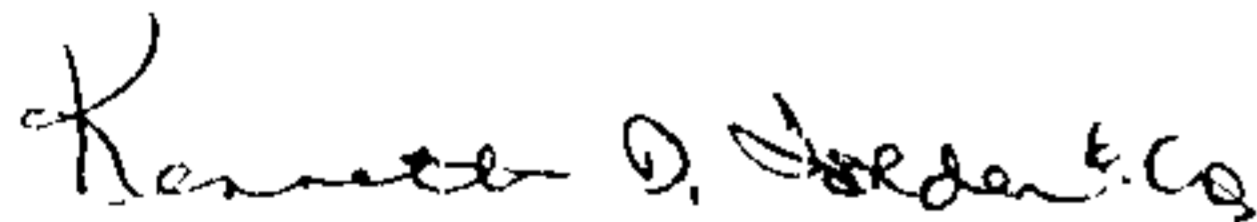
We have audited the accompanying financial statements of the Jackson Parish Recreation Department, a component unit of the Jackson Parish Police Jury, as of and for the year ended December 31, 1999. These general purpose financial statements are the responsibility of the Jackson Parish Recreation Department's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

As described more fully in Note 1, the financial statements of the Jackson Parish Recreation Department are intended to present fairly only the financial position and results of operations of the Jackson Parish Recreation Department. The financial statements are not intended to present fairly the financial position and results of operations of the Jackson Parish Police Jury in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Jackson Parish Recreation Department, 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, we have also issued our report dated April 20, 2000, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Kenneth D. Folden & Co.  
Certified Public Accountants

Jonesboro, Louisiana  
April 20, 2000

**JACKSON PARISH RECREATION DEPARTMENT  
JACKSON PARISH POLICE JURY  
Jonesboro, Louisiana**

**ALL FUND TYPES AND ACCOUNT GROUP  
Combined Balance Sheet, December 31, 1999**

	GOVERNMENTAL FUND	ACCOUNT GROUP		TOTAL (MEMORANDUM ONLY)
	RECREATION GENERAL FUND	GENERAL FIXED ASSET ACCOUNT GROUP		
<b>ASSETS</b>				
<b>Assets:</b>				
Cash	\$ 202,639		\$	202,639
Ad valorem tax receivable	201,909			201,909
Prepaid insurance	5,354			5,354
Land, buildings, other improvements and equipment		250,441		250,441
<b>TOTAL ASSETS</b>	<b>\$ 409,902</b>	<b>\$ 250,441</b>	<b>\$</b>	<b>660,343</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 14,597		\$	14,597
<b>Total liabilities</b>	<b>14,597</b>	<b>NONE</b>		<b>14,597</b>
<b>Equity and Other Credits:</b>				
Investment in general fixed assets		250,441		250,441
<b>Fund balance:</b>				
unreserved - undesignated	395,305			395,305
<b>Total Fund equity</b>	<b>395,305</b>	<b>250,441</b>		<b>645,746</b>
<b>TOTAL LIABILITIES AND FUND</b>	<b>\$ 409,902</b>	<b>\$ 250,441</b>	<b>\$</b>	<b>660,343</b>

The accompanying notes are an integral part of these financial statements.

**JACKSON PARISH RECREATION DEPARTMENT**  
**JACKSON PARISH POLICE JURY**  
 Jonesboro, Louisiana  
**GOVERNMENTAL FUND TYPE - GENERAL FUND**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 1999**

Statement B

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Ad valorem taxes	\$ 190,000	\$ 219,303	\$ 29,303
Fees, charges and commissions for services:			
Baseball and softball	25,000	24,419	(581)
Basketball	7,000	7,774	774
Other programs	1,200	342	(858)
Concessions	18,000	13,014	(4,986)
Interest	3,000	9,079	6,079
Miscellaneous			
Total revenues	<u>244,200</u>	<u>273,931</u>	<u>29,731</u>
<b>EXPENDITURES</b>			
Culture and recreation:			
Salary and related expenditures	91,100	82,754	8,346
Baseball and softball	26,500	21,630	4,870
Basketball	7,000	11,042	(4,042)
Concessions	16,500	9,778	6,722
Statutory deductions		21,413	(21,413)
Operating	94,350	66,416	27,934
Capital outlay	14,500	30,012	(15,512)
Total expenditures	<u>249,950</u>	<u>243,045</u>	<u>6,905</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(5,750)</u>	<u>30,886</u>	<u>36,636</u>
<b>OTHER FINANCING SOURCES (Uses)</b>			
Sale of Timber		1,472	1,472
Total other financing sources	<u>NONE</u>	<u>1,472</u>	<u>1,472</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>(5,750)</u>	<u>32,358</u>	<u>38,108</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>304,445</u>	<u>362,947</u>	<u>58,502</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 298,695</u>	<u>\$ 395,305</u>	<u>\$ 96,610</u>

The accompanying notes are an integral part of these financial statements.

**JACKSON PARISH RECREATION DEPARTMENT  
JACKSON PARISH POLICE JURY  
Jonesboro, Louisiana  
Notes to the Financial Statements  
As of and for the Year Ended December 31, 1999**

**INTRODUCTION:**

As provided by Louisiana Revised Statute 33:4554, the Jackson Parish Recreation Department is governed by fourteen uncompensated board members, appointed by the Jackson Parish Police Jury to act as the governing authority. The term of the board members is five years and vacancies are filled by the Jackson Parish Police Jury.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Jackson Parish Recreation Department have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Jackson Parish 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 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 criterion 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 DEPARTMENT**  
**JACKSON PARISH POLICE JURY**  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)

**B. REPORTING ENTITY (Continued)**

Because the police jury appoints the organization's governing body, and due to the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury, the Jackson Parish Recreation Department 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 Jackson Parish Recreation Department 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.

**C. FUND ACCOUNTING**

The Jackson Parish Recreation Department uses a fund and an account group to report on 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 government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the fund because they do not directly affect net expendable financial resources.

The accounts of the Jackson Parish Recreation Department are contained in one fund, the Recreation General Fund and one account group, the General Fixed Asset Account Group. The Recreation General Fund is classified as a governmental fund type. The fund classification and a description of the existing fund type follow:

**Governmental Funds**

Governmental funds account for all of the Jackson Parish Recreation Department'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 obligations. The governmental fund of the Jackson Parish Recreation Department includes:

**General Fund**--the general operating fund of the Jackson Parish Recreation Department and accounts for all financial resources, except those required to be accounted for in other funds. The Jackson Parish Recreation Department does not receive any funds requiring accountancy in other funds.

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All 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 and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The Jackson Parish Recreation Department uses the following practices in recording revenues and expenditures:

**Revenues**--Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund revenues.

**JACKSON PARISH RECREATION DEPARTMENT  
JACKSON PARISH POLICE JURY  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**D. BASIS OF ACCOUNTING (Continued)**

Ad valorem taxes (which are based on assessments of business property and homesteads in the parish) are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and in January and February of the subsequent year. Based on prior experience, the uncollectible ad valorem net of proceeds from the tax sale of property is immaterial, thus no provision has been made for such a loss.

Revenues from program fees and other charges and commissions for services are not susceptible to accrual because they are not generally measurable until received in cash.

Expenditures--Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized when due.

**E. BUDGETS**

The Jackson Parish Recreation Department uses the following budget practices:

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget is adopted in accordance with Louisiana Revised Statutes. The Board must meet and approve all budget changes or amendments. At year end, all appropriations lapse. Budget amounts presented are as originally adopted.

**F. ENCUMBRANCES**

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting--under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation--is not utilized by the Jackson Parish Recreation Department.

**G. CASH AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Jackson Parish Recreation Department may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Jackson Parish Recreation Department may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. The Jackson Parish Recreation Board has no investments at December 31, 1999.

**H. PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond December 31, 1999, are recorded as prepaid items. The prepaid asset of the Jackson Parish Recreation Department represents insurance prepaid for the year ending December 31, 1999.



**JACKSON PARISH RECREATION DEPARTMENT  
JACKSON PARISH POLICE JURY  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**I. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation is provided on the general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available; estimated costs represent less than 5% of the Jackson Parish Recreation Department's total fixed assets at December 31, 1999.

**J. COMPENSATED ABSENCES**

The following annual and sick leave policies were in effect for the year ended December 31, 1999:

All full-time employees earn annual leave at rates varying from five to twenty days each year depending upon length of service. Annual leave can accumulate without limitation. Upon termination, employees have the option to either receive compensation for all unused annual leave at the employee's current rate of pay or apply the unused annual leave to years of service for retirement benefit computation. In addition, all full-time employees earn five days of sick leave each year. Sick leave can accumulate without limitation. Upon termination, employees have the option to either receive compensation for all unused sick leave at the employee's current rate of pay or receive compensation for up to twenty-five days of accumulated sick leave at the employee's current rate of pay and apply the remainder to years of service for retirement benefits computation.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken. The amount of accumulated sick leave is immaterial to the financial statements and is not accrued.

**K. LONG-TERM OBLIGATIONS**

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. The Jackson Parish Recreation Department has no long-term obligations.

**L. FUND EQUITY**

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated fund balances represent tentative plans for future use of financial resources.

At December 31, 1999, the Jackson Parish Recreation Department's fund balance was unreserved and undesignated.

**M. TOTAL COLUMNS ON COMBINED STATEMENTS**

The total columns on the 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, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**JACKSON PARISH RECREATION DEPARTMENT  
 JACKSON PARISH POLICE JURY  
 Jonesboro, Louisiana  
 Notes to the Financial Statements (Continued)**

**2. LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Parishwide taxes:			
Recreation	4.60	4.60	2007

**3. CASH AND CASH EQUIVALENTS**

At December 31, 1999, the Jackson Parish Recreation Department has cash and cash equivalents (book balances) totaling \$202,639, as follows:

Interest-bearing demand deposits	\$ 100,445
Time deposits	<u>102,194</u>
<b>Total</b>	<u><b>\$ 202,639</b></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1999, the Jackson Parish Recreation Department has \$202,668 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$50,726 of pledged securities held by the custodian bank in the name of the fiscal bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the department that the fiscal agent has filed to pay deposited funds upon demand.

**4. CHANGES IN GENERAL FIXED ASSETS**

A summary of the changes in general fixed assets follows:

	Balance 12/31/98	Additions	Deletions	Balance 12/31/99
Land	\$ 110,055	\$	\$	\$ 110,055
Improvements other than buildings	26,081			26,081
Furniture & equipment	87,121	19,668	2,829	103,960
Construction in progress		10,345		10,345
<b>Total</b>	<u><b>\$ 223,257</b></u>	<u><b>\$ 30,013</b></u>	<u><b>\$ 2,829</b></u>	<u><b>\$ 250,441</b></u>

**JACKSON PARISH RECREATION DEPARTMENT  
JACKSON PARISH POLICE JURY  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**5. PENSION PLANS**

**Parochial Employees Retirement System**

Substantially all employees of the Jackson Parish Recreation Department are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing) public employee retirement system (PERS), controlled and 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 employees of the Jackson Parish Recreation Department 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 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent 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 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 (504) 928-1361.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5 per cent of their annual covered salary and the Jackson Parish Recreation Department is required to contribute at an actuarially determined rate. The current rate is 7.75 per cent of annual covered payroll. Contributions to the System also include one-fourth of one per cent (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 contribution requirements of plan members and the Jackson Parish Recreation Department 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 for the prior fiscal year. The Jackson Parish Recreation Department's contributions to the System under Plan A for the years ending December 31, 1999, 1998, and 1997, were \$5,204, \$5,018, and \$3,438, respectively, equal to the required contributions for each year.

**6. LITIGATION AND CLAIMS**

There is no litigation pending against the Jackson Parish Recreation Department at December 31, 1999.

**Kenneth D. Folden & Co.**  
**Certified Public Accountants**

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**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 Members of the  
Jackson Parish Recreation Board  
Jonesboro, Louisiana

We have audited the financial statements of the Jackson Parish Recreation Department, a component unit of the Jackson Parish Police Jury, as of and for the year ended December 31, 1999, and have issued our report thereon dated April 20, 2000. We conducted our audit in accordance with generally accepted auditing 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 the Jackson Parish Recreation Department's financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Jackson Parish Recreation Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

  
Kenneth D. Folden & Co.  
Certified Public Accountants

Jonesboro, Louisiana  
April 20, 2000

**JACKSON PARISH RECREATION DEPARTMENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 1999**

**A. SUMMARY OF AUDIT RESULTS**

- 1. The auditors' report expresses an unqualified opinion on the component unit financial statements of the Jackson Parish Recreation Department.**
- 2. No reportable conditions relating to the audit of the financial statement are reported in the REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**
- 3. No instance of noncompliance material to the financial statements of the Jackson Parish Recreation Department was disclosed during the audit.**
- 4. The department had no federal award programs.**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**None.**

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**The department had no major federal award programs.**