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**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 1995**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited or reviewed, 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 SEP 04 1996

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

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INDEPENDENT AUDITOR'S REPORT ON THE COMPONENT UNIT FINANCIAL STATEMENTS

Board of Commissioners
East Ouachita Recreation District Number One
Ouachita Parish
State of Louisiana
Monroe, Louisiana

We have audited the accompanying component unit financial statements of the East Ouachita Recreation District Number One of the Parish of Ouachita, State of Louisiana, a component unit of Ouachita Parish Police Jury, as of and for the year ended December 31, 1995. These statements are the responsibility of the Board of Commissioners of the Recreation District. Our responsibility is to express an opinion on these component unit 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 component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the East Ouachita Recreation District Number One of the Parish of Ouachita, State of Louisiana, as of December 31, 1995, and the results of its operations for the year ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The accompanying supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the component unit financial statements of the East Ouachita Recreation District Number One. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly presented in all material respects in relation to the component unit financial statements taken as a whole.

Allen, Green & Robinette, L.L.P.

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
May 23, 1996

ACCOUNT
GROUPS

<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM DEBT</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
\$ -	\$ -	\$ 246,804
-	-	323,030
-	-	354,027
3,207,911	-	3,207,911
-	445,071	445,071
<u>-</u>	<u>28,187</u>	<u>28,187</u>
\$ <u>3,207,911</u>	\$ <u>473,258</u>	\$ <u>4,605,030</u>
\$ -	\$ -	\$ 1,638
-	3,258	3,258
<u>-</u>	<u>470,000</u>	<u>470,000</u>
<u>-</u>	<u>473,258</u>	<u>474,896</u>
3,207,911	-	3,207,911
<u>-</u>	<u>-</u>	<u>922,223</u>
<u>-</u>	<u>-</u>	<u>4,130,134</u>
\$ <u>3,207,911</u>	\$ <u>473,258</u>	\$ <u>4,605,030</u>

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES			
Ad valorem taxes	\$ 341,818	\$ 36,493	\$ 378,311
Concessions	24,037	-	24,037
Membership dues	8,821	-	8,821
Registration fees	47,359	-	47,359
Interest	3,186	16,914	20,100
Other	<u>5,880</u>	<u>-</u>	<u>5,880</u>
Total revenues	<u>431,101</u>	<u>53,407</u>	<u>484,508</u>
EXPENDITURES			
Current:			
Administration	51,549	3,294	54,843
Athletics	41,763	-	41,763
Operations and maintenance	98,882	-	98,882
Salaries and benefits	187,888	-	187,888
Concessions	14,078	-	14,078
Capital outlay	9,509	-	9,509
Debt service:			
Principal retirement	-	140,000	140,000
Interest and fiscal	<u>-</u>	<u>27,640</u>	<u>27,640</u>
Total charges	<u>403,669</u>	<u>170,934</u>	<u>574,603</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	27,432	(117,527)	(90,095)
OTHER FINANCING SOURCES (USES)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	27,432	(117,527)	(90,095)
FUND BALANCE, DECEMBER 31, 1994	<u>449,720</u>	<u>562,598</u>	<u>1,012,318</u>
FUND BALANCE, DECEMBER 31, 1995	\$ <u>477,152</u>	\$ <u>445,071</u>	\$ <u>922,223</u>

See accompanying notes to the financial statements.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPE - GENERAL FUND
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad valorem taxes	\$ 341,818	\$ 320,000	\$ 21,818
Concessions	24,037	25,000	(963)
Membership dues	8,821	8,500	321
Registration fees	47,359	47,250	109
Interest	3,186	1,000	2,186
Other	<u>5,880</u>	<u>4,200</u>	<u>1,680</u>
Total revenues	<u>431,101</u>	<u>405,950</u>	<u>25,151</u>
EXPENDITURES			
Current:			
Administration	51,549	58,800	7,251
Athletics	41,763	47,500	5,737
Operations and maintenance	98,882	120,300	21,418
Salaries and benefits	187,888	208,300	20,412
Concessions	14,078	15,000	922
Capital outlay	<u>9,509</u>	<u>10,300</u>	<u>791</u>
Total charges	<u>403,669</u>	<u>460,200</u>	<u>56,531</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	27,432	(54,250)	81,682
OTHER FINANCING SOURCES (USES)	-	-	-
Total other financing sources (uses)	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	27,432	(54,250)	81,682
FUND BALANCE, DECEMBER 31, 1994	<u>449,720</u>	<u>449,720</u>	-
FUND BALANCE, DECEMBER 31, 1995	\$ <u>477,152</u>	\$ <u>395,470</u>	\$ <u>81,682</u>

See accompanying notes to the financial statements.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPE - DEBT SERVICE FUND
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad valorem taxes	\$ 36,493	\$ 48,000	\$(11,507)
Concessions	-	-	-
Membership dues	-	-	-
Registration fees	-	-	-
Interest	16,914	10,000	6,914
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>53,407</u>	<u>58,000</u>	(<u>4,593</u>)
EXPENDITURES			
Current			
Administration	3,294	3,200	(94)
Athletics	-	-	-
Operations and maintenance	-	-	-
Salaries and benefits	-	-	-
Concessions	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	140,000	140,000	-
Interest	<u>27,640</u>	<u>27,640</u>	<u>-</u>
Total	<u>170,934</u>	<u>170,840</u>	(<u>94</u>)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(117,527)	(112,840)	(4,687)
OTHER FINANCING SOURCES (USES)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(117,527)	(112,840)	(4,687)
FUND BALANCE, DECEMBER 31, 1994	<u>562,598</u>	<u>562,598</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 1995	\$ <u>445,071</u>	\$ <u>449,758</u>	\$ (<u>4,687</u>)

See accompanying notes to the financial statements.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The East Ouachita Recreation District Number One, Monroe, Louisiana, (the "District") was established by the Ouachita Parish Police Jury in 1978, under Louisiana Revised Statute (LSA-RS), for provision of a public recreation center. The District is operated by a board of commissioners which is appointed by the Ouachita Parish Police Jury. The District operates three recreation facilities.

BASIS OF PRESENTATION

The accompanying financial statements of the District 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. The more significant of the government's accounting policies are described below.

REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Ouachita Parish Police Jury is the financial reporting entity for Ouachita 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 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 Ouachita 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.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REPORTING ENTITY (Continued)

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.

Because the police jury appoints members to the District's Board and the District is financially accountable to the police jury, the District was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the 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.

FUND ACCOUNTING

The District uses funds and account groups 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 funds because they do not directly affect net expendable available financial resources.

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. Governmental funds of the District include:

1. **General Fund** — the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.
2. **Debt Service Fund** — accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 generally are 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 all governmental fund types and agency funds. 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 the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes and interest revenue.

BUDGET PRACTICES

The Board of Commissioners adopts an annual budget for the General Fund and Debt Service Fund. The annual budget is prepared in accordance with the basis of accounting utilized by that fund. The budget is submitted to the Ouachita Parish Police Jury, the oversight body for inclusion in its budget process. Upon approval of the Board of Commissioners, budgeted amounts can be transferred within expense categories. The Board adopts an amended budget approving the adjustment of expenditures.

VACATION AND SICK LEAVE

All full-time employees earn 7 to 14 days of vacation leave each year, depending on their length of service. Part-time employees earn 20 hours annually after one year of service. Upon separation, all unused vacation leave is forfeited. Employees earn 10 days of sick leave each year. Sick leave may be accumulated for no more than 10 days.

The cost of current leave privileges is recognized as a current year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term debt account group.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIXED ASSETS

Fixed assets used in governmental fund type operations are recorded as expenditures at the time purchased and the related assets are reported in the General Fixed Assets Group of Accounts. Public domain (infrastructure) general fixed assets including curbs and gutters, sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

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.

FUND EQUITY

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

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

TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2 - CASH, CASH EQUIVALENTS 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 District 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.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Under state law, the District 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.

At December 31, 1995, the District had cash and cash equivalents (book balances) and certificates of deposits totaling \$569,834 as follows:

Demand deposits	\$137,796
Savings accounts	109,008
Time deposits	<u>323,030</u>
Total	<u>\$569,834</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, 1995, the District had \$545,998 in deposits (collected bank balances). These deposits are secured from risk by \$243,629 of federal deposit insurance and \$553,836 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

NOTE 3 - CHANGES IN FIXED ASSETS

GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets account group for the fiscal year:

	BALANCE DECEMBER 31, <u>1994</u>	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, <u>1995</u>
Land	\$ 309,132	\$ -	\$ -	\$ 309,132
Buildings	2,593,972	668	-	2,594,640
Office equipment	17,034	1,033	-	18,067
Janitorial	2,397	-	-	2,397
Recreation facility	81,084	-	-	81,084
Concessions	3,824	-	-	3,824
Auto	7,150	-	-	7,150
Baseball field equipment	41,320	-	-	41,320
Baseball field lights	80,948	-	-	80,948
Fence	29,652	3,521	-	33,173
Ground-keeping equipment	<u>31,889</u>	<u>4,287</u>	<u>-</u>	<u>36,176</u>
Total	<u>\$3,198,402</u>	<u>\$9,509</u>	<u>\$ -</u>	<u>\$3,207,911</u>

NOTE 4 - RECEIVABLES

The following is a summary of receivables at December 31, 1995:

	GENERAL <u>FUND</u>	DEBT SERVICE <u>FUND</u>	<u>TOTAL</u>
Taxes:			
Ad valorem taxes	<u>\$318,817</u>	<u>\$35,210</u>	<u>\$354,027</u>
Total	<u>\$318,817</u>	<u>\$35,210</u>	<u>\$354,027</u>

Property taxes which are delinquent over one year are written off.

NOTE 5 - LEVIED TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish in October or November and are actually billed to the taxpayers in December. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Parish of Ouachita bills and collects its own property taxes for the District using the assessed values determined by the tax assessor of the State of Louisiana.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
 PARISH OF OUACHITA, STATE OF LOUISIANA
 Monroe, Louisiana

NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1995

NOTE 5 - LEVIED TAXES (Continued)

For the year ended December 31, 1995, taxes of 5.61 mills were levied on property with assessed valuations totaling \$72,977,046 and were dedicated as follows:

	<u>Authorized Millages</u>	<u>Levied Millages</u>
General Fund Purposes	5.11	5.11 Mills
Debt Service	2.80	.50 Mills

Total taxes levied were \$367,071 for 1995.

The District had accumulated an amount in its debt service fund in excess of the amount necessary to service its debt. The Board of Commissioners significantly reduced the levy of property taxes for debt service for 1994 and 1995.

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 1995:

	<u>General Obligation Bonds</u>	<u>Liability for Compensated Absences</u>
Long-term obligations payable at December 31, 1994	\$610,000	\$2,952
Additions	-	306
Principal reductions	<u>140,000</u>	<u>-</u>
Long-term obligations payable at December 31, 1995	<u>\$470,000</u>	<u>\$3,258</u>

General obligation bonds payable at December 31, 1995 are comprised of the following:

\$2,000 General Obligation Bonds dated March 1, 1978; due in annual installments; interest at 4.6%, 4.9% and 5.0%. The issue is secured by levy and collection of ad valorem taxes.

The bonds are scheduled to mature as follows:

1996	\$150,000
1997	155,000
1998	165,000
1999	-
2000	-
	<u>\$470,000</u>

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

NOTE 6 - LONG-TERM OBLIGATIONS

At December 31, 1995, employees of the District have accumulated and vested \$3,258 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is recorded within the general long-term obligations account group.

NOTE 7 - SUBSEQUENT EVENTS

On January 20, 1996 a tax proposition was passed for 1.5 mills to build a recreation center in Sterlington, Louisiana. In addition, the maintenance and operations property tax was renewed at 7.5 mills. The District entered into a purchase agreement for 6.625 acres of land at \$6,000 per acre in Sterlington, Louisiana to build the new facility.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 1995

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Board members received no compensation for the year ended December 31, 1995.



ALLEN, GREEN & ROBINETTE, L.L.P.

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**REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN
AUDIT OF COMPONENT UNIT FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
East Ouachita Recreation District Number One
of the Parish of Ouachita,
State of Louisiana
Monroe, Louisiana

We have audited the component unit financial statements of the East Ouachita Recreation District Number One of the Parish of Ouachita, State of Louisiana, a component unit of Ouachita Parish Police Jury, for the year ended December 31, 1995, and have issued our report thereon dated May 23, 1996.

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.

The Board of Commissioners of the East Ouachita Recreation District Number One of the Parish of Ouachita, State of Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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In planning and performing our audit of the component unit financial statements of Each Ouachita Recreation District Number One, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. These matters are described in the accompanying Schedule of Reportable Conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe reportable condition #1 is a material weakness.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Allen, Green & Robinette, LLP.
ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
May 23, 1996



ALLEN, GREEN & ROBINETTE, L.L.P.

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REPORT ON COMPLIANCE BASED ON AN AUDIT OF COMPONENT UNIT FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
East Ouachita Recreation District Number One
of the Parish of Ouachita,
State of Louisiana
Monroe, Louisiana

We have audited the component unit financial statements of the East Ouachita Recreation District Number One of the Parish of Ouachita, State of Louisiana, a component unit of Ouachita Parish Police Jury, as of and for the year ended December 31, 1995 and have issued our report thereon dated May 23, 1996.

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 component unit financial statements are free of material misstatement.

Compliance with laws, regulations and contracts applicable to the East Ouachita Recreation District is the responsibility of the Board of Commissioners. As part of obtaining reasonable assurance about whether the component unit financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations and contracts. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance that are required to be reported herein under Government Auditing Standards as listed in the accompanying Schedule of Findings and Questioned Costs.

We considered these instances of noncompliance in forming our opinion on whether East Ouachita Recreation District Number One's 1995 component unit financial statements are presented fairly, in all material respects, in conformity with

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generally accepted accounting principles, and this report does not affect our report dated May 23, 1996 on these component unit financial statements.

This report is intended for the information of the Board of Commissioners and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Allen, Green + Robinette, L.L.P.
ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
May 23, 1996

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 1995

REPORTABLE CONDITIONS

1. Inadequate Segregation of Duties
STATUS: See current year condition.
2. Inventory of Fixed Assets
STATUS: See current year condition.
3. Cancellation of Invoices
STATUS: Condition resolved.
4. Access to Signature Stamp
STATUS: Condition resolved.

FINDINGS AND QUESTIONED COSTS

1. Inventory of Fixed Assets
STATUS: See current year finding.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
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SCHEDULE OF REPORTABLE CONDITIONS
FOR THE YEAR ENDED DECEMBER 31, 1995

1. Inadequate Segregation of Duties

CONDITION: Office personnel perform incompatible functions; i.e., those that allow an error or irregularity that is material to the financial statements to occur and remain undetected.

CAUSE OF CONDITION: Limited number of employees.

RECOMMENDATION: Management should review the practicality of achieving adequate segregation of duties.

MANAGEMENT'S RESPONSE: It is not cost beneficial to the District to hire an additional employee to achieve adequate segregation of duties.

2. Inventory of Fixed Assets

CONDITION: The District maintains an inventory of fixed assets. However, the inventory does not include the date of purchase or purchase price. It is not reconciled to the general ledger accounts.

CAUSE OF CONDITION: Records in prior years were not adequately kept to provide the information.

RECOMMENDATION: An effort should be made to develop the necessary information on prior assets to meet the requirements of state law.

MANAGEMENT'S RESPONSE: Steps will be taken to research the information necessary to compile adequate records.

EAST OUACHITA RECREATION DISTRICT NUMBER ONE
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1995

1. Inventory of Fixed Assets

CONDITION: The District maintains an inventory of fixed assets. However, the inventory does not include the date of purchase or purchase price. It is not reconciled to the general ledger accounts.

CAUSE OF CONDITION: Records in prior years were not adequately kept to provide the information.

EFFECT OF CONDITION: The District is not in compliance with LSA-R.S. 24:515.

RECOMMENDATION: An effort should be made to develop the necessary information on prior assets to meet the requirements of state law.

MANAGEMENT'S RESPONSE: Steps will be taken to research the information necessary to compile adequate records.

2. Prohibited Contractual Arrangements

CONDITION: Board member's son was paid as a basketball scorekeeper; District employee was contracted as a referee; executive director's brother on part-time staff.

CAUSE OF CONDITION: The District was unaware this was a prohibited transaction, officials and scorekeepers are hard to find.

EFFECT OF CONDITION: Violation of LSA-R.S. 42:1113 dealing with prohibited contractual arrangements.

RECOMMENDATION: The District should not contract with employees or family members of its Board.

MANAGEMENT'S RESPONSE: We will comply as requested.

3. Budget Participation

CONDITION: The budget was not advertised as available for public inspection nor was a public hearing held to afford the public an opportunity to participate in the budgetary process.

CAUSE OF CONDITION: The budget was submitted to the Ouachita Parish Police Jury (the oversight body). It was the Board's understanding that the budget would be a part of the police jury's public inspection process. The police jury did not include it.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1995

3. Budget Participation (Continued)

EFFECT OF CONDITION: Violation of LSA-R.S. 39:1306 dealing with public participation.

RECOMMENDATION: The District should take steps to ensure their budget is included in the public participation process either through the oversight body or through advertising and a public hearing for the District alone.

MANAGEMENT'S RESPONSE: We will comply as requested.