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Financial Report

Recreation District No. 3 of
Livingston Parish, Louisiana

December 31, 1966

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Release Date JUN 23 1967

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Livingston Parish, Louisiana

December 31, 1998

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Recreation District No. 3 of 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, 1988, as listed in the table of contents. These general purpose financial statements are the responsibility of the Recreation District'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 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 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, 1988, 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 a report (see page 3) dated May 7, 1987 on my consideration of the internal control structure of Recreation District No. 3 of Livingston Parish, Louisiana, and a report (see page 4) dated May 7, 1987 on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supplementary financial information in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of Recreation District No. 1 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. Fazzari, CPA

Baton Rouge, Louisiana,
May 7, 1997.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners,
Recreation District No. 1 of Livingston Parish, Louisiana

I have audited the general purpose financial statements of Recreation District No. 1 of Livingston Parish, Louisiana, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 1996, and have issued my report thereon dated May 7, 1997.

I have conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Recreation District No. 1 of Livingston Parish, 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 general purpose 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.

In planning and performing my audit of the general purpose financial statements of Recreation District No. 3 of Livingston Parish, Louisiana, for the year ended December 31, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that in my judgment, could adversely affect the district's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

The reportable conditions have been more fully discussed in the "Schedule of Reportable Conditions, Instances of Noncompliance, and Recommendations" (see page 33). The following are summaries of the reportable conditions:

- Federal grant reimbursement requests were not submitted on a timely basis.
- The policy that all receipts should be deposited within 48 hours was not consistently followed.

A material weakness in a reportable condition in which the design or operation of one or more 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.

My 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, I believe none of the reportable conditions described above is a material weakness.

I have discussed each of the reportable conditions referred to above, along with certain other matters involving the District's internal control structure and its operation, in the "Schedule of Reportable Conditions, Instances of Noncompliance, and Recommendations" (see page 31).

This report is intended for the information of the Board of Commissioners, the Livingston Parish Council, and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which upon acceptance by the Board of Commissioners of the Recreation District No. 3 of Livingston Parish, Louisiana, is a matter of public record.

Neil B. Ferrai, CPA

Baton Rouge, Louisiana,
May 7, 1987.

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FORMER (FORM) 67-1-177

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AVALT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

I have audited the general purpose financial statements of the 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, 1986, and have issued my report thereon dated May 7, 1987.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Recreation District No. 3 of Livingston Parish, Louisiana, is the responsibility of the Recreation District's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Recreation District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants that cause me to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of my tests of compliance disclosed the following instances of noncompliance, that are required to be reported herein under Government Auditing Standards, the effects of which may be material to the general purpose financial statements but for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in Recreation

District No. 3 of Livingston Parish, Louisiana's 1986 financial statements.

- Total actual expenditures for the General Fund is nine percent more than the corresponding budget amount. Louisiana state statute requires that amended budgets be adopted when actual expenditures exceed budget expenditures by five percent or more.

This instance of noncompliance is more fully discussed in the "Schedule of Reportable Conditions, Instances of Noncompliance, and Recommendations" (see page 31).

I considered this instance of noncompliance in forming my opinion on whether Recreation District No. 3 of Livingston Parish, Louisiana's general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated May 7, 1987, on these general purpose financial statements.

This report is intended for the information of the Board of Commissioners, the Livingston Parish Council, and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which upon acceptance by the Board of Commissioners of the Recreation District No. 3 of Livingston Parish, Louisiana, is a matter of public record.

Neil A. Farnani, CMA

Baton Rouge, Louisiana
May 7, 1987.

GENERAL PURPOSE FINANCIAL STATEMENTS

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT CATEGORIES**

Parish of Iberville No. 2 of Livingston Parish, Louisiana
A Component Unit of the Livingston Parish Council
Bossier Springs, Louisiana

December 31, 1994

	Governmental Fund Type			Schools Scope		Total (Governmental Funds)
	General Fund	Subsidiary Fund	Capital Projects Fund	General Fund Assets	General Long-Term Liabilities	
ASSETS AND OTHER DEBITS						
Assets:						
Cash and cash equivalents (Note 2)	\$ 46,929	\$24,942	\$ 14,218	\$ -	\$ -	\$ 86,089
Revolutions (Note 4):						
Ad valorem tax	381,842	381,842	-	-	-	763,684
Federal grant	-	-	16,842	-	-	16,842
Due from Capital Projects Fund	15,429	-	-	-	-	15,429
Mechanical equipment and supplies inventory	29,320	-	-	-	-	29,320
Impounds	3,811	-	-	-	-	3,811
Land, building, and equipment - (Note 5)	-	-	-	6,820,893	-	6,820,893
Other liabilities:						
Amount available to debt service fund	-	-	-	-	824,827	824,827
Amount to be provided for retirement of general long-term debt	-	-	-	-	3,883,925	3,883,925
Amount to be provided for payment of certain claims and judgments	-	-	-	-	25,000	25,000
Total assets and other debits	1485,386	1824,827	\$ 31,856	6,820,893	\$2,725,800	\$18,092,118

(Exhibit A continued on Next Page)

The accompanying notes are an integral part of this statement.

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS -
(continued)

	Governmental Fund Type			Account Group		Total (Incorporation Prty.)
	General Fund	Public Service Fund	Capital Projects Fund	General Fixed Assets	General Long-Term Debt/Leases	
LIABILITIES, EQUITY, AND OTHER CREDITS						
Liabilities:						
Accounts payable	\$ 3,025	\$ -	\$ 347	\$ -	\$ -	\$ 3,372
Due to General Fund	-	-	15,479	-	-	15,479
Long-term obligations:						
Bonds payable -						
(Ptote 5)	-	-	-	-	2,700,000	2,700,000
Estimated liability for claims and judgments (Note 7)	-	-	-	-	25,000	25,000
Total Liabilities	3,025	-	15,826	-	2,725,000	2,743,851
Equity and Other Credits:						
Investment in general fixed assets	-	-	-	6,000,000	-	6,000,000
Fund balances:						
Reserved for:						
PUB SERVICE	-	818,027	-	-	-	818,027
Intrinsic equipment and supplies	29,325	-	-	-	-	29,325
Restricted Reserves	150	-	-	-	-	150
Unreserved - unassigned	612,848	-	18,172	-	-	631,020
Total Equity and other credits	682,323	818,027	18,172	6,000,000	-	7,518,522
Total Liabilities, equity and other credits	965,348	818,027	34,008	6,000,000	27,725,000	316,075,126

The accompanying notes are an integral part of this statement.

**COMBINED STATEMENTS 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
Bordien Springs, Louisiana
For the year ended December 31, 1990

	General Fund	Debt Service Fund	Capital Projects Fund	Total (Flower Garden Only)
REVENUES				
Taxes:				
Ad valorem	\$ 445,000	\$ 400,170	\$ -	\$ 845,170
Intergovernmental:				
Grant from the LA. Dept. of Culture, Recreation, & Tourism for the Land and Water Conservation Program	-	-	20,940	20,940
Other income:				
Registration/program fees	287,884	-	-	287,884
Commission/reading sales	70,841	-	-	70,841
Building rentals	20,000	-	-	20,000
Tournament income	20,000	-	-	20,000
Interest	6,215	22,165	1,280	29,660
Agreements for programs	20,000	-	-	20,000
Miscellaneous	6,000	-	-	6,000
Donations	1,612	-	-	1,612
Total revenues	\$ 870,502	\$ 422,335	\$ 22,220	\$ 1,315,057
EXPENDITURES				
Current:				
Salaries and wages	256,000	-	-	256,000
Program expenses	90,400	-	-	90,400
Telephone and utilities	50,000	-	-	50,000
Construction expenses	24,000	-	-	24,000
Insurance	20,000	-	-	20,000
Equipment, Operations, maintenance and repairs	24,000	-	-	24,000
Contribution to pension plan (deducted from ad valorem taxes (Note 7))	16,000	16,000	-	32,000
Professional services	22,400	-	-	22,400
Tournament expenses	20,000	-	-	20,000
Special taxes	20,000	-	-	20,000
Office expense	20,000	-	-	20,000
Employee benefits	21,000	-	-	21,000
Grant administration fees	-	-	4,000	4,000
Commissions - signs & spaces	1,000	-	-	1,000
Building maintenance	-	-	1,716	1,716
Other	800	300	0	1,100
Employee uniforms	900	-	-	900

(Exhibit B continued on next page)

The accompanying notes are an integral part of this statement.

**CONCISE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL GOVERNING FUND TYPES - (continued)**

	General Fund	State Service Fund	Capital Projects Fund	Total (Memorandum Column)
DEBT SERVICE:				
Principal retirement	-	110,000	-	110,000
Interest	-	200,433	-	200,433
Capital Outlay	<u>1,182</u>	<u>-</u>	<u>22,854</u>	<u>24,036</u>
Total expenditures	<u>119,182</u>	<u>310,433</u>	<u>22,854</u>	<u>652,469</u>
Excess (deficiency) of revenues over expenditures	<u>183,753</u>	<u>281,863</u>	<u>125,657</u>	<u>591,273</u>
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>183,753</u>	<u>281,863</u>	<u>125,657</u>	<u>591,273</u>
FUND BALANCES - at beginning of year	<u>270,618</u>	<u>632,864</u>	<u>42,829</u>	<u>946,311</u>
FUND BALANCES - at end of year	<u>454,371</u>	<u>914,727</u>	<u>168,486</u>	<u>1,537,584</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FISCAL YEAR BUDGET AND ACTUAL - GENERAL FUND**

Recreation District No. 3 of Livingston Parish, Louisiana
 A Compacted Unit of the Livingston Parish Council
 Metairie Springs, Louisiana

For the year ended December 31, 1996

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
REVENUES			
Income:			
Ad valorem	\$ 34,514	\$465,875	\$ 411,361
Other Income:			
Registration/program fees	173,980	167,964	16,016
Commissions/working sales	77,483	78,083	600
Building rentals	34,080	36,000	1,920
Tournament income	32,132	32,200	68
Sponsorships for programs	28,000	34,784	13,274
Interest	5,580	8,315	2,735
Miscellaneous	5,075	8,080	3,005
Donations	2,875	2,875	-
Total revenues	<u>388,509</u>	<u>828,056</u>	<u>439,547</u>
EXPENDITURES			
Current:			
Salaries and wages	288,433	288,928	495
Program expenses	28,383	85,683	139,300
Utilities and utilities	58,900	58,388	512
Commissions expenses	28,488	88,821	139,333
Insurance	85,900	88,528	2,628
Equipment operations, maintenance and repairs	27,380	34,380	67,000
Contributions to pension plan deductions from ad valorem taxes	-	26,850	(16,850)
Professional services	25,797	25,428	369
Tournament expenses	21,874	21,584	290
Payroll taxes	8,800	23,838	15,038
Office expenses	15,718	15,558	160
Employee benefits	13,270	11,885	13,385
Commissions - signs & sponsors	3,843	3,888	45
Other	767	824	57
Employee uniforms	3,389	827	2,562
Capital outlay	88	3,383	13,295
Total expenditures	<u>558,688</u>	<u>684,388</u>	<u>(124,741)</u>
Excess (deficiency) of revenues over expenditures	<u>329,821</u>	<u>143,668</u>	<u>186,153</u>

(Exhibit C continued on next page)

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (BASE BALANCE) AND ACTUAL - GENERAL FUND - (cont. from 60)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable unfavorable
<u>OTHER FINANCING SOURCE OVER:</u>	-----	-----	-----
Excess (deficiency) of revenue and other sources over expenditures and other uses	(182,400)	182,700	\$ 365,100 *****
<u>FUND BALANCE - at beginning of year</u>	<u>278,618</u>	<u>278,618</u>	
<u>FUND BALANCE - at end of year</u>	\$ 96,218 *****	\$ 461,318 *****	

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
Benton Springs, Louisiana

December 31, 1996

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization and Nature of Operations:

Recreation District No. 3 of Livingston Parish, Louisiana (the District) was created November 27, 1973, by the Livingston Parish Council, as provided by Louisiana Revised Statute 19:4562. 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 164 of Livingston Parish, Louisiana and serves about 25,000 people. There were 121 people employed by the District (including full-time and part-time employees, and the commissioner) during 1996. The District operates four recreational facilities referred to as North Park, South Park, West Livingston Playground, and Spring Park.

b. 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.

c. Reporting Entity:

As the governing authority of Livingston Parish, Louisiana, for reporting purposes, the Livingston Parish Council is the financial reporting entity for Livingston Parish. The financial reporting entity consists of (a) the primary government (parish council), (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 Livingston Parish Council 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 Parish council 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 Parish Council.
2. Organizations for which the Parish Council does not appoint a voting majority but are financially dependent on the Parish Council.
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.

c. Reporting Entity: - (continued)

Because the Parish Council appoints a voting majority of the District's governing body, and can impose its will on the District, it was determined to be a component unit of the Livingston Parish Council, 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 Livingston Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

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:

Governmental Fund Types:

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in other funds.

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

d. Fund Accounting: - (continued)

Governmental Fund Types: - (continued)

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 Obligation Account Group.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

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 effect 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 in the governmental fund types when purchased or constructed.

General Long-Term Obligations

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Obligations Account Group. Principal and interest payments on long-term liabilities are accounted for in the debt service fund.

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

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 and decreases 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 and expenditures:

Revenues

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).

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

- Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on January 1 of the following year. The assessed value for the 1988 tax year, upon which the levy was based, is \$32,800,920. The taxes are generally collected in December of the current year and January and February of the following year. By the first week in May (of the year after the year when the tax was due), properties with delinquent taxes are auctioned for sale by the Parish Sheriff. Properties not sold at that time are adjudicated to the State of Louisiana by late May. Current year ad valorem taxes are recognized as revenue if collected within sixty days after the end of the year.

The assessed rate for 1988 for the maintenance and operations of the parks was \$1.50 per \$100 valuation and for the payment of principal and interest on the public improvement bonds was also \$1.50 per \$100 valuation.

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

f. Basis of Accounting: - (continued)

REVENUES - (continued)

- Interest and dividends earned on idle cash and investments are recorded when the income is available.
- Grants revenues are recorded when Recreation District No. 3 is entitled to reimbursement of expenditures under the terms of the grant.
- Program revenues, such as; registration fees, concession sales, tournament income, and sponsorship fees are recorded when the income is received.
- Building rentals and donations are recorded as revenues when the money is received.

EXPENDITURES

Expenditures 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:

- Prior to the second Monday of November of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year which begins January 1. The operating budget includes proposed expenditures and the means of financing them.

g. Budgetary Policy and Accounting: (continued)

- The Board discusses the proposed budget at the regular meeting of the Board of Commissioners on the second Monday of November and sets the date for the special public hearing on the proposed budget.
- The public hearing on the budget is held immediately before the regular meeting of the Board of Commissioners in December.
- The budget is adopted at the Board of Commissioners regular monthly meeting on the second Monday in December.

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 1996. All budget appropriations lapse at year-end.

h. 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.

Also, 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. Gains or losses incurred upon sales of mutual fund investments are computed using the first-in, first-out method.

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

i. 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.

j. Prepaid Items:

Prepaid items are accounted for as expenditures in the period of acquisition.

k. Land, Buildings, Equipment, and Depreciation:

All fixed assets are valued at historical cost. Public domain or infrastructures are not capitalized. When 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 general fixed assets.

It is the District's policy to capitalize purchases of movable property costing at least \$200 and purchases of real property and improvements costing at least \$1,500.

l. Vacation and Sick Leave:

All permanent full-time employees earn from 20 to 20 days of vacation leave each year depending upon the number of years employed. All permanent, full-time employees earn from 5 to 20 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, computed in accordance with GASB codification section 658, is recognized as a current year expenditure in the General Fund when the leave is actually used.

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

m. 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.

n. 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.

o. 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.

p. 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.

q. Total Columns on the 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 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 AND CASH EQUIVALENTS

At December 31, 1998, the District has cash and cash equivalents totaling \$487,287 as follows:

	General Fund	Service Fund	Capital Projects Fund	Totals
Cash on hand	\$ 700	\$ -	\$ -	\$ 700
Demand deposits	3,800	71,756	-	75,556
Interest bearing demand deposits	1,018	9,338	2,875	14,031
Certificates of deposits	-	143,460	13,341	156,801
Money market accounts	37,215	-	-	37,215
Totals	\$ 48,933	\$424,762	\$ 18,316	\$ 487,287

These deposits are stated at cost, which is equal to 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 or exceed the amount on deposit with the fiscal agent. 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, 1998, the District has \$488,937 in bank deposits (collected bank balances), representing the District's demand deposits and CD investments. These deposits are secured from risk by \$156,326 of federal deposits insurance. \$169,751 is secured by the pledge of securities by the banks holding the investments. GASB Statement 3 categorizes the \$208,701 as uncollateralized (Category 3) because the bank has pledged securities held by its agent, but the securities are not in the District's name. The \$37,215 held in the money market account is insured by the Securities Investor Protection Corporation, which reduces credit risk similarly to federal deposit insurance. \$700, which represents "cash on hand", is unsecured.

Even though \$169,751 of bank balances are considered uncollateralized (Category 3) under the provisions of GASB statement No. 3, Louisiana Revised Statute 19:2229 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.

Note 3 - INVESTMENTS

During 1994, the District had investments in certificates of deposit. As of December 31, 1996, all certificates of deposit owned by the District had maturities of 90 days or less and are classified as cash and cash equivalents.

Note 4 - RECEIVABLES

The following is a summary of receivables at December 31, 1996:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Ad valorem taxes:				
Current taxes	\$391,042	\$391,042	\$ -	\$782,084
Delinquent taxes	-	23	-	23
Total ad valorem taxes	391,042	391,065	-	782,107
Grant	-	-	16,542	16,542
Total receivables	\$391,042	\$391,065	\$ 16,542	\$798,649

The receivable for ad valorem taxes consists of actual collections of 1996 and prior year taxes by the Livingston Parish Sheriff and Tax Collector through the end of February, 1997. The grant receivable is based on actual expenditures through the end of 1996 that will be reimbursed under the terms of the grant.

Management has deemed it unnecessary to set up an allowance account 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:

	Balance <u>01-01-96</u>	Transfers and <u>Additions</u>	Transfers and <u>Deletions</u>	Balance <u>12-31-96</u>
Equipment, Furniture and vehicles	\$ 480,694	\$ 9,646	\$ (7,888)	\$ 482,452
Buildings and improvements	4,808,801			
Land	537,809	-	-	537,809
Construction in progress	<u>52,774</u>	<u>23,761</u>	<u>(178,535)</u>	<u>-</u>
Totals	<u>\$5,880,078</u>	<u>\$ 33,407</u>	<u>\$(186,423)</u>	<u>\$5,727,062</u>

note 6 - CHANGES IN LONG-TERM DEBT

The following is a summary of the long-term debt transactions of the District for the year ended December 31, 1996:

Long-term obligations at 12/31/95	\$2,618,000
Additions during 1996	-
Reductions during 1996	<u>(118,000)</u>
Long-term obligations payable at 12/31/96	<u>\$2,500,000</u>

The bonded debt at December 31, 1996, consists of the unpaid principal of bonds which were issued April 1, 1992. The bonds mature from 1997 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. 1 of Livingston Parish.

Note 4 - CHARGES IN LONG-TERM DEBT - (continued)

The annual requirements to amortize all bonds outstanding at December 31, 1986, including interest of \$2,244,862 are as follows:

Year Ending	Bonds Dated <u>04-01-82</u>
1987	\$ 347,875
1988	388,875
1989	377,875
2090	269,875
2091	261,875
2092 and thereafter	<u>2,180,887</u>
	\$4,244,862

Note 5 - 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 of the supplemental plan only before January 1, 1988, 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, 1988. 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

Note 7 - RETIREMENT PLANS - (continued)

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 70803-4619, or by calling (504) 388-1361.

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 1994 was 7.25 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 are deducted off the top of the ad valorem tax revenues to which the District is entitled. \$33,312 of ad valorem tax revenues for 1994 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 12:103, 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, 1993 was \$11,941, equal to the required contribution for the year. A portion (\$1) of this expenditure related to employees who were constructing park improvements and has been capitalized as a component of buildings and improvements. The District's contribution to the System under Plan A for 1994 was \$13,412, equal to the required contribution for the year. The District did not participate in Plan A in 1994.

Note 7 - REVISION PLANS - (continued)

Funding Policy: - (continued)

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. Recreation District No. 3 does not guarantee any of the benefits granted by the Federal Social Security Program.

Note 8 - RELATED PARTY TRANSACTIONS

The following related party transactions occurred in 1994:

- Concessions were contracted to C & R Concessions, which is partially owned by an employee of the District. Total concession commissions paid to C & R concessions in 1994 was \$83,512. The District received a ruling in 1992 that this contract is not a violation of state ethics laws.

Note 9 - LITIGATION

In February, 1992, a personal injury lawsuit was filed against the District. The plaintiff alleges improper ground maintenance at North Park Recreation Center as the cause of her injury. The District's attorney has projected potential damages of \$25,000 or more. Therefore, a loss contingency of \$25,000 has been recorded in the General Long-Term Debt Account Group.

Another personal injury lawsuit was filed against the District in April, 1994. The plaintiff alleges that he sustained injuries from a defective playground slide which was negligently maintained by the District. The District's attorney was unable to provide an estimate of the possible outcome at this time. However, management does not expect the District to suffer any significant losses as a result of this lawsuit.

There is a third lawsuit against the District wherein the plaintiff alleges injuries resulting from a broken swing. The District's attorney believes that, if the case goes to trial, the District should not have any liability or damages assessed against them.

The District does not carry general liability insurance to cover injuries like those which have been mentioned above.

Note 10 - INCOME TAXES

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

Note 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to theft; 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 player liability. Settled claims resulting from these risks did not exceed commercial insurance coverage during the year.

Note 12 - CONTINGENCIES RELATED TO NONCOMPLIANCE WITH STATE LAWS

In the independent auditor's report on compliance with laws and regulations based on an audit of financial statements performed in accordance with Government Auditing Standards, instances of noncompliance with state laws were reported. Management cannot exactly determine what effects, if any, these instances of noncompliance will have on the District's financial statements. However, based on prior experience, management expects these instances to have little or no effect.

Note 13 - BOARD OF COMMISSIONERS PER DIEM

The Board of commissioners elected not to receive per diem payments for 1998.

SUPPLEMENTARY FINANCIAL INFORMATION

SUPPLEMENTAL FINANCIAL INFORMATION

Recreation District No. 2 of Livingston Parish, Louisiana
A Component Unit of the Livingston Parish Council
Bossier Springs, Louisiana

December 31, 2004

Public Improvement Bonds, dated April 1, 1992
Interest Payable April 1st and October 1st of each year

Maturity	Bond Number	Interest Rate	Specially Payments		Total	Outstanding
			Principal	Interest		
2002	81 - 78	8.00%	75,000	170,875	245,875	2,820,000
1998	76 - 85	8.00%	100,000	188,875	288,875	2,531,000
1999	79 - 120	8.00%	100,000	177,875	277,875	2,423,000
2000	110 - 125	8.00%	100,000	169,875	269,875	2,323,000
2001	106 - 105	8.00%	100,000	161,875	261,875	2,223,000
2002	105 - 105	8.00%	100,000	153,875	253,875	2,123,000
2003	102 - 105	8.00%	100,000	145,875	245,875	2,023,000
2004	100 - 105	7.50%	150,000	137,250	287,250	1,823,000
2005	106 - 105	8.00%	100,000	129,250	229,250	1,623,000
2006	108 - 105	8.00%	100,000	121,250	221,250	1,423,000
2007	106 - 105	8.00%	100,000	113,250	213,250	1,223,000
2008	106 - 105	8.00%	100,000	105,250	205,250	1,023,000
2009	103 - 105	7.00%	120,000	87,250	207,250	823,000
2010	101 - 105	7.00%	120,000	79,250	199,250	623,000
2011	102 - 105	7.00%	120,000	71,250	191,250	423,000
2012	108 - 105	7.00%	120,000	63,250	183,250	223,000
2013	103 - 105	7.00%	100,000	55,250	155,250	73,000
2014	101 - 105	7.00%	100,000	47,250	147,250	-
Totals			12,100,000	19,244,000	14,244,000	

SCHEDULE OF REPORTABLE CONDITIONS, INSTANCES OF NONCOMPLIANCE
AND RECOMMENDATIONS

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

December 31, 1994

REPORTABLE CONDITIONS

In early 1994, the Administrative Treasurer was given the responsibility of designing and monitoring new internal control procedures. These new procedures have been adopted by the Board and implemented by management during the year. Prior to the adoption of these new procedures, there were many deficiencies in the design of the internal control system, which are discussed in the "Schedule of Corrective Action Taken on Prior Year Findings" (see page 28). The reportable conditions listed below are based on instances that occurred in 1994 after the new control procedures were in place.

Finding #1: As in the prior year, federal grant reimbursement requests were not submitted on a timely basis. This produced a lag in cash recovery and incomplete accounting. Also, the "final" request omitted \$8,875 in invoices. This mistake was discovered during the audit and the grant was reopened. Therefore, no money was lost.

Recommendation: If new grants are received in the future, I recommend that a Board member be assigned the responsibility of monitoring the timeliness of grant reimbursement requests. Also, all grant requests should be double-checked by someone other than the preparer to verify their completeness and accuracy. These recommendations had been made in the 1993 audit for the current grant and had not been followed.

Management's Response: The final grant request was sent in and no money was lost. In the future, the Superintendent will be responsible for submitting bids on time. The Administrative Treasurer will verify the accuracy of the paperwork.

Finding #2: In March, 1994, the Board adopted a policy that all receipts should be deposited by the office secretary within 48 hours. This policy has not been consistently followed.

SCHEDULE OF REPORTABLE CONDITIONS, INSTANCES OF NONCOMPLIANCE
AND RECOMMENDATIONS

REPORTABLE CONDITIONS - (continued)

Recommendation: I recommend that the Superintendent monitor the timeliness of the deposits.

Management's Response: A revision of the District's deposit policy has currently been made to extend the deposit limit to 72 hours. An improved monitoring procedure by the Superintendent, Administrative Treasurer, and Secretary is now in place.

INSTANCES OF NONCOMPLIANCE

Findings: Total actual expenses for the General Fund is nine percent more than the corresponding budgeted amount.

Criteria: Louisiana state statute (LSA-RS 39:1110) requires that budget amendments should be adopted when total revenue is falling to meet total budgeted revenue by five percent or more, or when actual expenditures are exceeding total budgeted expenditures by five percent or more.

Cause: PAKID program expenses were higher in the last quarter of 1996 than expected due to increased demand. Corresponding revenues increased as well to offset these costs. This situation was not predictable by management. In addition, no provision had been made for the pension expense accrual related to the ad valorem taxes for the general fund which are collected in the first 30 days after year end.

Effect: There is not any material effect on the financial statements.

Recommendation: Management should consider budget amendments in November of each year to more closely predict the annual results. Also, keep in mind the nature of the expenses that resulted in the higher than expected expenses for 1996 and monitor them for 1997.

Management's Response: Budget amendments will be prepared and adopted by the board on a specific line item basis to prevent inadvertent overruns in the future. A final budget amendment will be prepared, if needed, in November or December.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS

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

December 31, 1994

REPORTABLE CONDITIONS

In last year's audit, I reported findings, some of which had also been reported in earlier years. The following discussion will briefly present each finding with a comment as to what action, if any, has been taken to correct it.

Finding #1: The budget and purchase orders should be used to better monitor and control expenditures.

Corrective Action: The Board adopted a policy to use a combination of purchase orders and check requests to better monitor and control expenditures. The Administrative Treasurer discusses the monthly financial statements including budget to actual comparisons, at the monthly Board meetings. However, 1994 expenditures exceeded the amended budget by more than five percent, which is a violation of state law. This indicates that the Board did not fully consider the budget variances and take timely actions to correct them. This matter has been reported as an instance of noncompliance in the current year's findings section of this report.

Finding #2: Instances were noted where procedures were not followed by persons who were assigned the responsibility to do them. These instances involved incomplete or inaccurate support for several disbursements.

Corrective Action: The Board adopted policies to insure that payroll information is complete before checks are issued and to insure that expenditures are properly supported by purchase orders and check requests. The Administrative Treasurer reviews the supporting documentation regularly on a test basis.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (continued)

REPORTABLE CONDITIONS - (continued)

Finding #1: Instances were noted where control procedures were not consistently followed thereby creating an environment whereby cash and fixed assets are not adequately safeguarded.

Corrective Action: In 1994, there are separate receipt books for each type of income and detailed receipts are issued for all payments received. Receipt numbers are listed on the deposit recap sheets. Beginning October 1, 1993, the Board adopted a policy of not accepting cash for rentals, registrations, memberships or contracted concessions. Fixed assets have been properly tagged and inventoried.

Finding #2: There were instances noted where routine tasks were not timely or properly performed. These instances involved the late filing of federal grant reimbursement requests, bond payments being made late, and supporting documentation that could not be located.

Corrective Action: Bond payment dates are posted on the calendar in the Secretary's office and bond payments have been paid on time. Invoices appear to be filed promptly. However, there was still a problem of not filing the federal grant reimbursement requests on a timely basis. I have mentioned this area as a 1994 reportable condition.

INSTANCES OF NONCOMPLIANCE

Finding #1: The audit report was not submitted to the Legislative Auditor timely.

Corrective Action: The audit for the year ended 12/31/94 was scheduled early and the report will be delivered to the Legislative Auditor by June 10, 1997.

Finding #2: The percentage of investments in mutual funds exceeded the legal limit during 1994.

Corrective Action: There were no investments in mutual funds during 1994.

Finding #3: Evidence of compliance with the state bid law was not found.

Corrective Action: Documentation of compliance with state bid laws was available for all applicable purchases in 1994.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (continued)

INSTANCE OF NONCOMPLIANCE - (continued)

Finding #4: The district made a donation to the Gerbasi Springs Police Cadets.

Corrective Action: No donations of public funds were noted in 1994.

Finding #5: The amended budget did not consider the significant shortfall of actual revenues and violated the state statute that requires a budget amendment when total revenues fail to meet total budgeted revenue by five percent or more, or when total actual expenditures exceed total budgeted expenditures by five percent or more.

Corrective Action: Actual expenditures in 1994 exceeded the amended budget by more than five percent. The board attempted to keep this from occurring in 1996 by amending the budget in October. Because of an unexpected increase in program costs in the fourth quarter of 1996 and an omitted pension expense accrual, the five percent ceiling was exceeded inadvertently.

Finding #6: Issues affecting budgeting were not complied with fully because the budget did not include a budget message and there was no advertisement of a public hearing to discuss the budget.

Corrective Action: The 1997 budget, adopted in December, 1996, included the required budget message. The public hearing to discuss the budget was properly advertised.

Finding #7: A formal investment policy was not developed and adopted.

Corrective Action: A formal investment policy was adopted in 1996.

IMMATERIAL INSTANCES OF DEFICIENCIES IN INTERNAL CONTROL STRUCTURE

Finding #8: Written job descriptions have not been prepared for all key positions.

Corrective Action: Written job descriptions have been prepared.

CORRECTIVE ACTION TRACK ON PRIOR YEAR FINDINGS - (continued)

IMMATERIAL INSTANCES OF NONCOMPLIANCE

- Finding #1:** "Civil Rights Compliance Procedures" is required to be posted in a prominent location by the terms of the District's federal grant. This was not done.
- Corrective Action:** The poster is displayed in a prominent location.
- Finding #2:** No one has been designated to oversee civil rights compliance and a formal policy of non-discrimination has not been adopted as required by the OMB Compliance Supplement for Single Audits of State and Local Governments.
- Corrective Action:** A formal policy of non-discrimination was adopted and Patrick Superintendent was designated to oversee civil rights compliance.
- Finding #3:** The budget and minutes of Board meetings were not published in the District's official journal as required by the state's open meetings law.
- Corrective Action:** During 1998, the District began publishing the minutes of Board meetings. The 1997 budget was published.
- Finding #4:** In the payroll compliance test, I found instances of missing personnel files, and missing or incomplete Form I-9s.
- Corrective Action:** In the payroll tests for 1998, I found 1 instance of an incomplete Form I-9.
- Finding #5:** An airline ticket was purchased in a manner that inadvertently resulted in Whitehead Travel (a related party) receiving a commission. This violates LSA-RS 42:113.
- Corrective Action:** I did not find any such instances in 1998.

EXIT CONFERENCE

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

December 11, 1996

On June 6, 1997, an exit conference was held at the District's Hartigpark Recreation Center. Those in attendance were as follows: Kelvin Whitstead, Chairman of the Board of Commissioners; Sandy Smith, Administrative Treasurer; Dale Kinmore, Superintendent of the District; Neil G. Ferrari, CPA; and Sheryl Hawkins, CPA.

The audit report, including significant findings and recommendations, was reviewed and discussed at this meeting. The findings were acknowledged by the District's representatives and my recommendations were received favorably. Other oral recommendations were made by Neil Ferrari to the District's representatives to help them improve certain areas of operations and prevent noncompliance with state laws from occurring.

A separate management letter was not issued and all significant findings and recommendations related to the audit have been included within this report. There were no disagreements with management or restrictions placed on the audit by management during the audit process.