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EAST ORLEANS RECREATION DISTRICT NUMBER ONE  
PARISH OF ORLEANS, STATE OF LOUISIANA  
Newry, Louisiana

ANNUAL REPORT  
FOR THE YEAR ENDING DECEMBER 31, 1998

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: 2-28-99

**EAST ORACHITA RECREATION DISTRICT NUMBER ONE  
PARISH OF ORACHITA, STATE OF LOUISIANA  
Morse, Louisiana**

**AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 1998**

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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  
Morse, Louisiana

I 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, 1998. These statements are the responsibility of the Board of Commissioners of the Recreation District. My responsibility is to express an opinion on these component unit financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Governmental 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 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. I believe that my audit provides a reasonable basis for my opinion.

In my 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, 1998, and the results of its operations for the year ended, in conformity with generally accepted accounting principles.

My 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 my opinion, is fairly presented in all material respects in relation to the component unit financial statements taken as a whole.

The year 2000 supplementary information on page 18 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that East Ouachita Recreation District is or will become year 2000 compliant, that their remediation efforts will be successful in whole or in part, or that parties with which the District does business with are or will become year 2000 compliant.

Board of Commissioners  
East Ouachita Recreation District Number One  
Ouachita Parish, State of Louisiana  
Monroe, Louisiana  
page 2

In accordance with Government Auditing Standards, I have also issued a report dated June 17, 1999 on my consideration of East Ouachita Recreation District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations and grants.



Dennis T. Robinson, CPA

Monroe, Louisiana  
June 17, 1999

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

**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 1998**

	Governmental Fund Types
	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 210,000
Certificates of deposit	0-
Receivables	148,852
Land, buildings and equipment	0-
Amount available for debt service	0-
Amount to be provided for retirement of long-term obligations	<u>0-</u>
<b>Total assets</b>	<b>\$ 358,852</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 14,852
Liabilities for compensated absences	0-
Bonds payable	<u>0-</u>
<b>Total liabilities</b>	<b>14,852</b>
<b>EQUITY AND OTHER CREDITS</b>	
Investment in general fund assets	0-
Fund balances:	
Unreserved/un-designated	709,000
-designated	25,000
Reserved for debt service	<u>0-</u>
<b>Total equity and other credits</b>	<b>734,000</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 748,852</b>

See accompanying notes to the financial statements

Account Groups

Debt Service Funds	General Fixed Assets	General Long-Term Debt	Totals (Millions)
			(Dollars)
			(In Millions)
\$ 68,606	\$ -0-	\$ -0-	\$ 275,908
-0-	-0-	-0-	-0-
189,479	-0-	-0-	627,322
-0-	4,809,243	-0-	4,809,243
-0-	-0-	179,288	179,288
<u>-0-</u>	<u>-0-</u>	<u>300,443</u>	<u>300,443</u>
\$ 178,286	\$ 4,809,243	\$ 479,732	\$ 5,418,612
\$ -0-	\$ -0-	\$ -0-	\$ 14,093
-0-	-0-	2,739	2,739
<u>-0-</u>	<u>-0-</u>	<u>473,080</u>	<u>473,080</u>
-0-	-0-	473,328	\$ 498,781
-0-	4,809,243	-0-	4,809,243
-0-	-0-	-0-	719,182
179,288	-0-	-0-	25,080
<u>179,288</u>	<u>-0-</u>	<u>-0-</u>	<u>379,268</u>
179,288	4,809,243	-0-	4,918,611
\$ 179,288	\$ 4,809,243	\$ 479,732	\$ 5,418,612

See accompanying notes to the financial statements.

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

**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**ALL GOVERNMENTAL FUNDS:**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

	General Fund	Debt Service Fund	Total (Memorandum Only)
<b>REVENUES</b>			
Ad valorem taxes	\$ 337,230	\$ 89,593	\$ 426,823
Commissions	36,364	-	36,364
Membership dues	11,685	-	11,685
Registration fees	34,043	-	34,043
Interest	8,592	2,329	10,921
Other	18,748	-	18,748
Total revenues	<u>653,662</u>	<u>101,912</u>	<u>755,574</u>
<b>EXPENDITURES</b>			
Current			
Administration	52,094	-	52,094
Activities	29,697	-	29,697
Operations and maintenance	112,186	-	112,186
Salaries and benefits	299,588	-	299,588
Commissions	24,656	-	24,656
Capital outlay	64,327	-	64,327
Debt service			
Principal retirement	-	211,808	211,808
Interest and bond	-	36,372	36,372
Total charges	<u>582,468</u>	<u>248,180</u>	<u>830,648</u>
Excess of Revenues Over (Under) Expenditures	65,194	(146,268)	(81,074)
Other Financing Sources (Uses)			
Proceeds of bond issuance	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	65,194	(146,268)	(81,074)
FUND BALANCE, DECEMBER 31, 1997	878,595	126,548	1,005,143
FUND BALANCE, DECEMBER 31, 1998	<u>\$ 744,181</u>	<u>\$ 175,286</u>	<u>\$ 919,467</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 (ORIGINAL BASIS) AND ACTUAL (BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 1988**

	Actual	Budget	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Ad valorem taxes	8338,987	8318,000	\$ 18,987
Concessions	36,344	38,000	(1,656)
Membership dues	11,685	12,000	(315)
Registration fees	34,043	25,200	8,843
Interest	8,494	1,000	7,494
Other	<u>18,788</u>	<u>7,180</u>	<u>11,608</u>
Total revenues	<u>847,338</u>	<u>861,380</u>	<u>(14,042)</u>
<b>EXPENDITURES</b>			
Current			
Administration	51,894	35,150	16,744
Activities	20,497	15,400	5,097
Operations and maintenance	110,322	180,650	(70,328)
Salaries and benefits	288,268	285,000	3,268
Commissions	24,856	34,000	(9,144)
Capital outlay	<u>(84,327)</u>	<u>0</u>	<u>(84,327)</u>
Total changes	<u>(175,865)</u>	<u>(60,200)</u>	<u>(115,665)</u>
Excess of Revenues Over (Under) Expenditures	671,473	(19,980)	691,453
Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	671,473	(19,980)	691,453
<b>FUND BALANCE, DECEMBER 31, 1987</b>	<b>342,428</b>	<b>32,500</b>	<b>309,928</b>
<b>FUND BALANCE, DECEMBER 31, 1988</b>	<b>\$ 210,182</b>	<b>\$ 12,520</b>	<b>\$ 197,662</b>

See accompanying notes to the financial statements.



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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**INTRODUCTION**

The East Ouachita Recreation District Number One, Morrow, 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.
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.

**EAST BEACHES RECREATION DISTRICT NUMBER ONE**  
**PARISH OF ORLEANS, STATE OF LOUISIANA**  
Moussou, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**REPORTING ENTITY (Continued)**

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 aggregating 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 revenues, the acquisition or construction of general fund 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 acquired and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
3. **Capital Project Fund** — accounts for financial resources to be used for the acquisition and construction major capital facilities.

**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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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

**ENCUMBRANCES**

The district does not use encumbrance accounting. Purchase orders outstanding at year-end would be included in the subsequent period budget.

**BUDGET PRACTICES**

The Board of Commissioners adopts an annual budget for the General Fund. A budget was not adopted for the Debt Service Fund. The annual budget is prepared in accordance with the cash basis of accounting. 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 28 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 14 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.

**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 Assets (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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1988**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 appropriate for expenditure or legally segregated for a specific future use.

**Dedicated Fund Balances** — Dedicated fund balances represent tentative plans for future use of financial resources.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates made by management.

**TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW**

Total columns on the combined statements are captioned "nonconsolidated 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 CHAUCHITA RECREATION DISTRICT NUMBER ONE  
PARISH OF CHAUCHITA, STATE OF LOUISIANA  
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1998**

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

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, 1998, the District had cash and cash equivalents (bank balances) and certificates of deposits totaling \$275,918 as follows:

Demand deposits	\$ 193,418
Savings accounts	121,500
Time deposits	—/0
<b>Total</b>	<b>\$ 275,918</b>

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, 1998, the District had \$ 202,809 in deposits (collected bank balances). These deposits are secured from risk by \$202,809 of federal deposit insurance and \$143,098 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GAAR Category 3).

Even though the pledged securities are considered unaffiliated (Category 2) under the provisions of GAAR Statement 3, Louisiana Revised Statute 39:1219 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 - RECEIVABLES**

The following is a summary of receivables at December 31, 1998:

	General Fund	Debt Service Fund	Total
<b>Taxes:</b>			
Ad valorem taxes	\$148,232	\$189,478	\$337,710
Grant revenue	—/0	—/0	—/0
<b>Total</b>	<b>\$ 148,232</b>	<b>\$ 189,478</b>	<b>\$ 337,710</b>

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

**NOTE 4 - 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>1997</u>	Additions	Deletions	Adjustments	Balance December 31, <u>1998</u>
Land	\$ 348,877	\$ -	\$ -	\$ -	\$ 348,877
Buildings	3,236,389	40,080	-	-	3,276,469
Office equipment	38,670	3,530	13,839	(1,634)	27,727
Furniture	1,903	779	-	54	2,746
Recreation facility	118,912	3,551	-	3,212	125,675
Concessions	8,134	-	-	-	8,134
Auto	3,489	3,489	-	11,503	22,381
Baseball field equipment	27,683	12,587	-	-	40,270
Baseball field lights	88,248	-	-	-	88,248
Phone	23,781	-	-	-	23,781
<b>Total</b>	<b>\$1,845,989</b>	<b>\$ 64,327</b>	<b>\$ 13,839</b>	<b>\$ 12,362</b>	<b>\$1,895,241</b>

During 1998, the District conducted an inventory of general fixed assets. Completion of the inventory and corrections to the general fixed assets account group resulted in adjustments which are shown above.

**NOTE 5 - LEVIED TAXES**

All valuers 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 all valuers taxes are budgeted in the year billed.

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

During 1997, the voters of the district approved the issuance of \$570,000 in bonds to construct a recreation center in Sarrington, Louisiana. A tax of 1.5 mills was levied to repay the bonds. In addition, voters approved an increase in the millage for operations from 5.15 mills to 7.5 mills.

For the year ended December 31, 1998, taxes of 9.25 mills were levied on property with assessed valuations totaling \$71,883,064 and were dedicated as follows:

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

**NOTE 5 - LEVIED TAXES (Continued)**

	<u>Authorized</u> <u>Millages</u>	<u>Levied</u> <u>Millages</u>
General Fund Purposes	1.50	1.31 Mills
Debt Service 82	1.50	1.54 Mills

Total taxes levied were \$617,522 for 1998.

**NOTE 6 - LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligation transactions for the year ended December 31, 1998:

	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Liability for</u> <u>Compensated</u> <u>Absences</u>
Long-term obligations payable at December 31, 1997	\$ 684,000	\$ 4,345
Additions	0-	0-
Principal reductions	(211,000)	(1,600)
Long-term obligations payable at December 31, 1998	<u>\$ 473,000</u>	<u>\$ 3,745</u>

General obligation bonds payable at December 31, 1998 are comprised of the following:

\$500,000 Limited Tax Bonds, Series 1996 dated June 6, 1996 due in annual installments; interest at 5.1% to 6.35%. The issue is secured by levy and collection of all ad valorem taxes.

General obligation bonds retired during 1998 are as follows:

\$2,000,000 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 all ad valorem taxes.

The bonds are scheduled to mature as follows:

	<u>Principal</u>	<u>Interest</u>
1999	49,000	24,153
2000	51,000	21,287
2001	54,000	18,984
2002	57,000	15,125
2003	60,000	12,653
2004 and thereafter	<u>201,000</u>	<u>17,188</u>
	<u>\$ 473,000</u>	<u>\$ 109,374</u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

**NOTE 6 - LONG-TERM OBLIGATIONS (Continued)**

At December 31, 1998, employees of the District have accumulated and vested \$ 2,719 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 - RECONCILIATION OF ACTUAL RESULTS TO BUDGETARY BASIS**

The budget for the year ended December 31, 1998 was prepared on a cash basis. The following schedule reflects the adjustments necessary to convert actual results from a GAAP basis to the cash basis for purposes of budget comparison in the financial statements.

General Funds	GAAP		Cash
	Basis	Receivables/Payables	Basis
<b>Revenues</b>			
Ad valorem tax	551,230	(548,052)	543,179
Concessions	56,364	0-	56,364
Membership dues	11,685	0-	11,685
Registration fees	24,843	0-	24,843
Interest	8,592	0-	8,592
Other	<u>18,248</u>	<u>0-</u>	<u>18,248</u>
Total revenues	<u>660,962</u>	<u>(548,052)</u>	<u>642,910</u>
<b>Expenditures</b>			
Administration	52,898	0-	52,898
Athletics	29,697	0-	29,697
Operations	112,188	4,829	117,017
Salaries	298,568	6,449	305,017
Concessions	24,656	0-	24,656
Capital Outlay	<u>64,322</u>	<u>0-</u>	<u>64,322</u>
Total expenditures	<u>682,469</u>	<u>11,278</u>	<u>703,747</u>
<b>Fund Balance, 1997</b>	<b>678,988</b>	<b>11,278</b>	<b>162,428</b>



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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1998**

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

The district is the defendant in a lawsuit arising principally in the normal course of operations. In the opinion of management, the outcome of this lawsuit will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

**NOTE 9 - RELATED PARTY TRANSACTIONS**

During 1998 the District purchased a vehicle from a company owned primarily by the District's Treasurer in the amount of \$1,808.

The outside recreation stand at one of the recreation centers was leased to an employee for 25% of gross receipts.

**NOTE 10 - RISK MANAGEMENT**

In the ordinary course of business the district is at risk for property damage, liability, theft and worker's compensation. The district provides insurance coverage through the oversight entity, the Ouachita Parish Police Jury and commercial insurance companies.

**NOTE 11 - FUND DESIGNATIONS**

At December 31, 1998, \$25,080 of fund balance is designated by the Board of Commissioners for future grant income.

**EAST ORACHITA RECREATION DISTRICT NUMBER ONE  
PARISH OF ORACHITA, STATE OF LOUISIANA  
Morrow, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 1998**

**COMPENSATION PAID BOARD MEMBERS**

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1999 Session of the Louisiana Legislature.

Board members received no compensation for the year ended December 31, 1998.

**YEAR 2000 DISCLOSURES**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the ability to process operations with date-related transactions.

The District is currently in the assessment phase of its project to assess year 2000 readiness.

*Financial reporting system.* The District utilizes an outside vendor to process its accounting records and prepare financial reports. The outside vendor is responsible for remediation of this system and is solely responsible for any costs associated with this project. The vendor has represented to the District that its system is year 2000 ready.

*Tax collection system.* Tax collection for the district is handled by the Sheriff of Ouachita Parish. The Sheriff is responsible for remediation of this system, and is solely responsible for any costs associated with this project.

Because of the exponential nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and beyond. Management cannot assure that the District is or will be Year 2000 ready, that its remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be year 2000 ready.

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
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

I 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, 1998, and have issued my report thereon dated June 17, 1999. I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether East Ouachita Recreation District Number One's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as Item 86-2.

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

In planning and performing my audit I considered East Ouachita Recreation District Number One's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions include matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my 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. These matters are described in the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control structure would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe the reportable condition described above is not a material weakness.

This report is intended for the information of the Board of Commissioners, 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.



Louis T. Robinson, CPA

Monroe, Louisiana  
June 17, 1999

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended December 31, 1988

Section I. Summary of Auditor's Reports

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

Internal Control

Material Weakness  Yes  No

Reportable Conditions  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

b. Not applicable

c. Not applicable

Section II. Financial Statement Findings

Reportable Conditions

98-1 Inadequate Segregation of Duties

**CONDITION:** 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.

**CORRECTIVE ACTION PLAN:** Management has taken steps to separate duties to the extent possible. However, a limited number of employees do not allow for adequate separation of duties. **Responsible person:** James McKay

EAST OLACHITA RECREATION DISTRICT NUMBER ONE  
PARISH OF OUAATCHA, STATE OF LOUISIANA  
Morrow, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 1998

Section II. Financial Statement Findings, continued

Compliance Findings

98-2 Contracts with related parties

**CONDITION:** The District has entered into contracts with related persons which could be a violation of State ethics law.

**CAUSE OF CONDITION:** Management was unaware that the contracts were inappropriate.

**EFFECT OF CONDITION:** The District could be in violation of Louisiana R.S. 42:1113.

**RECOMMENDATION:** The Board should discontinue all contracts with employees or related persons and become familiar with the Code of Ethics statutes for public employees.

**MANAGEMENT'S CORRECTIVE ACTION PLAN:** The contract in question will be terminated immediately. Management will take steps to become familiar with Code of Ethics statutes for public employees as well as educate Board members. Responsible person: James McKay

Section III. Federal Award Findings and Questioned Costs

Not Applicable

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

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2026

Repeatable Conditions:

97-1. **Inadequate Segregation of Duties**

STATUS: See current year condition 98-1.

97-2. **Inventory of Fixed Assets**

STATUS: Condition resolved.

Compliance Findings:

97-1. **Inventory of Fixed Assets**

STATUS: Condition resolved.