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**RECREATION DISTRICT #2 OF THE PARISH OF CONCORDIA
CONCORDIA PARISH POLICE JURY
Monterey, Louisiana**

**Component Unit Financial Statements
and Accountant's Compilation Reports**

**December 31, 1997
and for the Year Then Ended**

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the clerk of court, or to the clerk of the parish or other appropriate public officials. This 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 March 11, 1998

JERI SUE TOSSPOW
Certified Public Accountant

**RECREATION DISTRICT #2 OF THE PARISH OF CONCORDIA
CONCORDIA PARISH POLICE JURY
Monterey, Louisiana**

**Component Unit Financial Statements
and Accountant's Compilation Reports**

**December 31, 1997
and for the Year Then Ended**

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RECREATION DISTRICT #2 OF THE PARISH OF CONCORDIA
Monterey, Louisiana

ANNUAL SWORN FINANCIAL STATEMENTS AND
CERTIFICATES OF REVENUES \$50,000 OR LESS

AFFIDAVIT

Personally came and appeared before the undersigned authority, Betty Balmstater, who is duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Recreation District #2 of the Parish of Concordia as of December 31, 1997, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Betty Balmstater, who, duly sworn, deposes and says that the Recreation District #2 of the Parish of Concordia received \$50,000 or less in revenues and other sources for the fiscal year ended December 31, 1997, and, accordingly, is not required to have an audit for the previously mentioned fiscal year end.


Signature

Sworn to and subscribed before me, this 24th day of February, 1998.


Notary Public

Officer: Treasurer
Address: Post Office Box 127
Monterey, Louisiana 71354
Telephone: (318) 388-2214

JERI SUE TOSSPON
Certified Public Accountant
P. O. Box 448
Ferry, Louisiana 71324-0448
(504) 751-8285

ACCOUNTANT'S COMPILATION REPORT

**BOARD OF COMMISSIONERS
RECREATION DISTRICT #2 OF THE PARISH OF CONCORDIA**

The accompanying balance sheet of the Recreation District #2 of the Parish of Concordia for December 31, 1997, and the related statements of income, changes in retained earnings, and cash flows for the period then ended have been compiled by me, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. I have not audited or reviewed the accompanying financial statements, accordingly, do not express an opinion or any other form of assurance on them.



February 10, 1998

RECREATION DISTRICT #2 OF THE PARISH OF CONCORDIA
BALANCE SHEET
(ALL FUND TYPES AND ACCOUNT GROUPS)
DECEMBER 31, 1997

	Governmental Fund General Fund	Account Group - General Fixed Assets	Total (Memorandum Only)
ASSETS			
Cash (Note 3)	\$ 3,778		\$ 3,778
Certificates of deposits (Note 3)	23,564		23,564
Receivables:			0
Ad valorem taxes	10,824		10,824
State revenue sharing	1,233		1,233
Accrued interest	640		640
Buildings and equipment (Note 4)		\$ 130,801	130,801
Total Assets	\$ 48,839	\$ 130,801	\$ 179,640
 LIABILITIES AND FUND EQUITY			
Liabilities - accounts payable	\$ 821		\$ 821
Fund equity -			
Investment in general fixed assets		\$ 130,801	\$ 130,801
Fund balance, unreserved and undesignated	47,917		47,917
Total Fund Equity	\$ 47,917	\$ 130,801	\$ 178,718
Total Liabilities and Fund Equity	\$ 48,839	\$ 130,801	\$ 179,640

See accompanying notes and accountant's compilation report.

RECREATION DISTRICT #2 OF THE PARISH OF CONCORDIA
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
(GOVERNMENTAL FUND - GENERAL FUND)
ONE YEAR ENDED DECEMBER 31, 1997

REVENUES

Ad valorem taxes	\$ 22,811
State revenue sharing	1,233
Interest earned	1,572
Concessions, fees and services	<u>6,844</u>
Total Revenue	\$ <u>32,460</u>

EXPENDITURES

Recreation services	
Personal services and related benefits	\$ 15,476
Operating services	10,890
Materials and supplies	5,348
Insurance	<u>2,474</u>
Total Expenditures	\$ <u>34,188</u>

EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	\$ (1,728)
FUND BALANCE, JANUARY 1	<u>40,545</u>
FUND BALANCE, DECEMBER 31	\$ <u>47,917</u>

See accompanying notes and accountant's compilation report.

RECREATION DISTRICT #2 OF THE PARISH OF CONCORDIA
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
(GOVERNMENTAL FUND - GENERAL FUND)
BUDGET AND ACTUAL
ONE YEAR ENDED DECEMBER 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
RECEIPTS			
Ad valorem taxes	\$ 20,000	\$ 22,241	\$ 2,241
State revenue sharing	1,200	1,224	24
Interest earned	200	1,572	1,372
Concessions, fees and services	<u>6,500</u>	<u>6,644</u>	<u>144</u>
Total Receipts	<u>\$ 27,900</u>	<u>\$ 31,681</u>	<u>\$ 3,781</u>
DISBURSEMENTS			
Recreation services			
Personal services and related benefits	\$ 14,000	\$ 13,470	\$ (530)
Operating services	11,300	10,340	964
Materials and supplies	3,300	5,348	(2,048)
Insurance	2,500	2,474	26
Capital outlay	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Disbursements	<u>\$ 32,100</u>	<u>\$ 33,644</u>	<u>\$ (1,544)</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	\$ (4,200)	\$ (1,963)	\$ 3,182
CASH AND CERTIFICATES OF DEPOSIT BALANCE, JANUARY 1	<u>42,152</u>	<u>28,104</u>	<u>(13,048)</u>
CASH AND CERTIFICATES OF DEPOSIT BALANCE, DECEMBER 31	<u>\$ 37,952</u>	<u>\$ 27,341</u>	<u>\$ (9,611)</u>

See accompanying notes and accountant's compilation report.

RECREATION DISTRICT #2 OF THE PARISH OF CONCORDIA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 1997

NOTE 1 - INTRODUCTION

Recreation District #2 of the Parish of Concordia (Recreation District #2) was created by an ordinance of the Concordia Parish Police Jury on November 27, 1957, in accordance with Louisiana Revised Statute 33:4994. The Recreation District #2 is governed by a board of five commissioners who are qualified voters and residents of the district. The commissioners are jointly referred to as the board of commissioners and appointed by the members of the Concordia Parish Police Jury. The commissioners serve terms of five years, which expire on a rotating basis. The Recreation District was created for the purpose of owning and operating playgrounds and other facilities in the district and to initiate activities that promote recreation for the general health and well-being of youth. Louisiana law provides that the commissioners may receive a per diem of \$10.00 for each meeting they attend, but shall not be paid for more than twelve (12) meetings in each year. The commissioners have elected not to receive any compensation. In addition, the district employs no full-time employees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

B. Reporting Entity - As the governing authority of the parish, for reporting purposes, the Concordia Parish Police Jury is the financial reporting entity for Concordia 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 Concordia 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.

Because the police jury appoints a voting majority of the Recreation District's board and said board is fiscally dependent on the police jury, the district was determined to be a component unit of the Concordia 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 governmental reporting entity.

C. Fund Accounting - The Recreation District uses a fund and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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

The General Fund of the Recreation District is classified as a governmental fund. The General Fund accounts for the District's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general fixed assets.

D. Basis of Accounting - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is 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. The operating statement of the General Fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures.

Revenues - Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest income on time deposits is recorded when the interest is earned and could be withdrawn.

Substantially all other revenues are recognized when received.

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. Budgets - Louisiana law exempts all special districts created before December 31, 1974, from the requirements of the Local Government Budget Act. The Recreation District #2 of the Parish of Concordia was created on November 27, 1967, and, accordingly, is exempt from the budgetary requirements, although management has determined that the adoption of an annual budget is desired for control purposes. The Recreation District's budget is prepared on a cash basis of accounting. Unexpended appropriations lapse at year end, and the Recreation District does not employ encumbrance accounting.

F. Cash and Cash Equivalents - Cash includes amounts in interest bearing demand deposits and cash equivalents include amounts in time deposits. Time deposits are

stated at cost. 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.

G. Fixed Assets - Fixed assets are recorded as expenditures at the time purchased or constructed and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. Fixed assets are valued at historical cost or estimated historical cost, using the current cost for like items, if historical cost is not available.

H. Total Column on Balance Sheet - The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 3. - CASH AND CERTIFICATES OF DEPOSIT

At December 31, 1997, the District has cash and certificates of deposits (book balances), totaling \$31,149, as follows:

Interest-bearing demand deposits	\$ 3,778
Time deposits	<u>27,371</u>
Total	<u>\$31,149</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 1996, the district has \$27,381 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the year ended December 31, 1997, follows:

	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Balance, January 1, 1997	\$64,500	\$69,301	\$133,801
Additions	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Balance, December 31, 1997	<u>\$64,500</u>	<u>\$69,301</u>	<u>\$133,801</u>

At December 31, 1997, approximately 35 percent of the general fixed assets are recorded at historical cost and 65 percent are recorded at estimated historical cost.

The Recreation District is located on land owned by the Concordia Parish School Board. On February 3, 1987, the school board and the district renewed an existing agreement which provides for use of the land by the Recreation District. This agreement will expire February 2, 2007.

NOTE 5 - RECONCILIATION OF REVENUES AND EXPENDITURES WITH RECEIPTS AND DISBURSEMENTS

The budget comparison presented in the accompanying financial statements includes the original adopted budget. The following is a reconciliation of the excess of expenditures over revenues on the statement on page 5 to the statement on page 6:

Excess of expenditures over revenues (Page 5)	(\$ 1,728)
Adjustments for:	
Current year accruals (net)	(19,936)
Prior year accruals (net)	<u>19,901</u>
Excess (deficiency) of receipts over disbursements (Page 6)	<u>(\$ 1,753)</u>

NOTE 6 - LEVIED TAXES

The District is authorized to and has levied a 3.81 mill ad valorem tax for 1997 for the operation and maintenance of the District.

NOTE 7 - LITIGATION

The District is not involved in any litigation at December 31, 1997.

NOTE 8 - EMPLOYEE BENEFITS

The District has no full-time employees and does not participate in any retirement plan. It does not offer any other employee benefits.