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JOHNSON BAYOU RECREATION DISTRICT
OF CAMERON PARISH
JOHNSON BAYOU, LOUISIANA

ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

Year Ended December 31, 2003

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

Release Date 5.26.04

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JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Management's Discussion and Analysis

Within this section of the Johnson Bayou Recreation District of Cameron Parish, Louisiana's (District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the fiscal year ended December 31, 2003. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities by \$891,121 (net assets) for the fiscal year reported.
- Total revenues of \$352,309 exceeded total expenses of \$289,776, which resulted in a current year surplus of \$62,533.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$564,843 include property and equipment, net of accumulated depreciation. There is no outstanding debt related to the purchase or construction of capital assets.
 - (2) Net assets of \$606 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net assets of \$325,672 represent the portion available to maintain the District's continuing obligations to taxpayers and creditors.
- At the end of the current fiscal year, unreserved net assets were 112% of total expenses and 92% of total revenues.
- Overall, the District continues to maintain a strong financial position and is continuing to work to improve on this financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available. All applicable tables will present comparative data in fiscal year 2004.

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Management's Discussion and Analysis (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base, or the condition of District infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the District's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by tax and from activities that are intended to recover all or a significant portion of their costs through user fees and charges.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole.

The District has one kind of fund:

Governmental fund is reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental fund. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Management's Discussion and Analysis (Continued)

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the District's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. This schedule demonstrates compliance with the District's adopted and final revised budget.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District implemented the new financial reporting model used in this report beginning with the current fiscal year ended December 31, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the District as a whole.

The District's net assets at fiscal year-end are \$891,121. The following table provides a summary of the District's net assets:

Assets:	
Current assets	\$ 546,727
Capital assets, net	<u>564,843</u>
Total assets	1,111,570
Liabilities:	
Current liabilities	<u>220,449</u>
Net assets:	
Investment in capital assets	564,843
Restricted	606
Unrestricted	<u>325,672</u>
Total net assets	<u>\$ 891,121</u>

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Management's Discussion and Analysis (Continued)

The District continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio is 2.48 to 1. Net assets increased by \$62,533 for the current year. Note that approximately 63% of the net assets are tied up in capital. The District uses these capital assets to provide services to its taxpayers.

Since this is the first year in which government-wide information is available, comparative data is not presented. However, comparative data will be accumulated and presented to assist analysis in future years. The following table provides a summary of the District's changes in net assets:

Revenues	\$ 352,309
Expenses	<u>289,776</u>
Change in Net Assets	62,533
Beginning Net Assets	<u>828,588</u>
Ending Net Assets	<u>\$ 891,121</u>

GOVERNMENTAL REVENUES

The District is heavily reliant on property taxes to support governmental operations. Property taxes provided 69% of the District's total revenues. As a result, the general economy and the local businesses have a major impact on the District's revenue streams.

BUDGETARY HIGHLIGHTS

The General Fund - The expenditure side of the original budget for the General Fund was revised by \$110,000 or 43% this year. The primary change in the general fund's expenditure budget relates to the swimming pool renovations capital outlay.

The actual revenues exceeded the final budget by \$98,302 or 39% and the actual expenditures exceeded the final budget by \$36,975 or 10%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The District's investment in capital assets, net of accumulated depreciation as of December 31, 2003, was \$564,843. See Note D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Management's Discussion and Analysis (Continued)

Non-depreciable assets:	
Land	\$ 18,203
Construction in progress	30,521
Total non-depreciable assets	<u>\$ 48,724</u>
Depreciable assets:	
Buildings	845,058
Equipment	239,671
Total depreciable assets	<u>1,084,729</u>
Less accumulated depreciation	<u>568,610</u>
Book value-depreciable assets	<u>\$ 516,119</u>
Percentage depreciated	<u>52 %</u>
Book value-all assets	<u>\$ 564,843</u>

The construction in progress is the community center renovations at \$30,521.

Long-term debt

At the end of the fiscal year, the District had no debt.

ECONOMIC CONDITIONS AFFECTING THE CITY

Since the primary revenue stream for the District is property taxes, the District's property tax revenues are subject to changes in the economy. Since property taxes are considered an "elastic" revenue stream, tax collections are higher in a flourishing economy and are lower in a depressed economy.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the District's Director, Stacey Badon, 135 Berwick Road, Johnson Bayou, LA 70631.



GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

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DAWN REDD, C.P.A.
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INDEPENDENT AUDITORS' REPORT

April 26, 2004

Board of Commissioners
Johnson Bayou Recreation District of
Cameron Parish
Johnson Bayou, Louisiana

We have audited the accompanying basic financial statements of the Johnson Bayou Recreation District of Cameron Parish, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2003, as listed in the table of contents. These basic financial statements are the responsibility of the Johnson Bayou Recreation District of Cameron Parish's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Johnson Bayou Recreation District of Cameron Parish as of December 31, 2003 and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated April 26, 2004 on our consideration of Johnson Bayou Recreation District of Cameron Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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As described in Note B to the basic financial statements, the Johnson Bayou Recreation District of Cameron Parish adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, Statement No. 37, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments; Omnibus, Statement No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. This results in a change in the format and context of the basic financial statements.

The Management's Discussion and Analysis and the required supplemental information on pages 3 through 7 and page 30, respectively, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Gragson Casiday & Guillory

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Statement of Net Assets

December 31, 2003

ASSETS	
Cash	\$ 316,815
Receivables	229,306
Inventory	606
Capital assets:	
Land	18,203
Capital assets, net	<u>546,640</u>
Total assets	1,111,570
LIABILITIES	
Accounts and other accrued payables	<u>220,449</u>
NET ASSETS	
Invested in capital assets	564,843
Restricted for:	
Inventory	606
Unrestricted	<u>325,672</u>
Total net assets	<u>\$ 891,121</u>

See accompanying notes.

FUND FINANCIAL STATEMENTS

GRAGSON, CASIDAY & GULLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Balance Sheet – Governmental Fund

December 31, 2003

	<u>2003</u>	<u>2002</u>
ASSETS		
Cash	\$ 316,815	\$ 192,416
Receivables		
Ad valorem taxes (net)	217,482	189,970
State revenue sharing	606	606
Intergovernmental	10,949	7,875
Accrued interest	269	40
Inventory	<u>606</u>	<u>476</u>
TOTAL ASSETS	<u>\$ 546,727</u>	<u>\$ 391,383</u>
 LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts payable	\$ 17,474	\$ 12,315
Accrued liabilities	7,496	4,117
Deferred revenue	<u>195,479</u>	<u>-</u>
TOTAL LIABILITIES	220,449	16,432
Fund Equity		
Fund balances		
Reserved – inventory	606	476
Unreserved and undesignated	<u>325,672</u>	<u>374,475</u>
TOTAL FUND EQUITY	<u>326,278</u>	<u>374,951</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 546,727</u>	<u>\$ 391,383</u>

See accompanying notes.

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Reconciliation of the Balance Sheet-Governmental Fund to the
Statement of Net Assets

December 31, 2003

Total fund balance for governmental fund at December 31, 2003		\$ 326,278
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 18,203	
Capital assets, net of \$568,610 accumulated depreciation	<u>546,640</u>	<u>564,843</u>
Total net assets of governmental activities at December 31, 2003		<u>\$ 891,121</u>

See accompanying notes.

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Statement of Revenues, Expenditures and
Changes in Fund Balance – Governmental Fund

Year Ended December 31, 2003

	<u>2003</u>	<u>2002</u>
REVENUES		
Ad valorem taxes - net	\$ 244,592	\$ 252,439
State revenue sharing	678	657
Concessions income	21,525	21,199
Interest	2,441	4,355
Rentals	1,658	1,877
Intergovernmental-Beaucare	49,778	14,987
Intergovernmental-Cameron Parish Police Jury	30,521	-
Other	1,116	2,209
TOTAL REVENUES	<u>352,309</u>	<u>297,723</u>
EXPENDITURES		
General Government		
Automobile	1,822	854
Bank charges	350	307
Beaucare supplies	8,203	2,817
Insurance	20,350	15,972
Per diem	360	450
Professional fees	2,360	2,000
Repairs	10,687	18,612
Salaries	112,519	90,947
Special events	10,210	10,351
Supplies - concessions	18,358	20,050
Supplies - office	4,105	3,508
Supplies - other	22,486	19,529
Taxes	8,724	7,060
Telephone	4,051	3,896
Utilities	24,918	20,832
Capital outlay	151,479	14,648
TOTAL EXPENDITURES	<u>400,982</u>	<u>231,833</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(48,673)	65,890
FUND BALANCE - BEGINNING	<u>374,951</u>	<u>309,061</u>
FUND BALANCE - ENDING	<u>\$ 326,278</u>	<u>\$ 374,951</u>

See accompanying notes.

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance-Governmental Fund to the Statement of Activities

Year Ended December 31, 2003

Total net changes in fund balance at December 31, 2003 per Statement of Revenues, Expenditures and Changes in Fund Balance			\$ (48,673)
The change in net assets reported for governmental activities in the statement of activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 152,578		
Depreciation expense for the year ended December 31, 2003	<u>(41,372)</u>	<u>111,206</u>	
Total changes in net assets at December 31, 2003 per Statement of Activities			<u>\$ 62,533</u>

See accompanying notes.

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Johnson Bayou Recreation District of Cameron Parish was created by the Cameron Parish Police Jury. The District is governed by a board of five commissioners who are appointed by the Cameron Parish Police Jury. The District establishes regulations governing the park, playground and community center and provides administration, management, maintenance and operations of the facilities.

The more significant of the government's accounting policies are described below.

1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Johnson Bayou Recreation District of Cameron Parish includes all funds, account groups, et cetera, that are within the oversight responsibility of the Johnson Bayou Recreation District of Cameron Parish.

As the governing authority, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (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 Cameron Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

Continued

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes Basic to Financial Statements

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 Cameron Parish 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 Cameron Parish Police Jury.
2. Organizations for which the Cameron Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Cameron Parish Police Jury.
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, Johnson Bayou Recreation District of Cameron Parish is a component unit of the Cameron Parish Police Jury's reporting entity.

2. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", issued in June 1999. As a result, an entirely new financial presentation format has been implemented.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Continued

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of services offered by the District; and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

The District has one fund, the General Fund, which is therefore considered its major fund.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, the activities are presented using the economic resources measurement focus. In the fund financial statements, the "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Continued

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

4. Cash

Cash includes amounts in demand deposits and time deposits 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.

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, 2003 the District had \$338,928 in deposits (collected bank balances), of which \$100,000 were secured from risk by federal deposit insurance and \$238,928 secured by safekeeping receipts.

Continued

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Inventory

Inventory consists of expendable supplies held for resale. Inventories are valued at the lower of cost (first-in, first-out) or market.

6. Budgets

A General Fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated. The budget was amended once during the current year.

Expenditures may not legally exceed budgeted appropriations at the activity level.

7. Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

8. Capital Assets

Capital assets, which include property, plant and equipment are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Continued

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Property and plant	20-40 years
Equipment	5-10 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

9. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. At December 31, 2003 the District's liability for compensated absences could not be reasonably estimated.

10. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Continued

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

11. Equity Classification

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. *Invested in capital assets, net of related debt* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net assets* – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net assets* – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

NOTE B - CHANGES IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2003, the District has implemented GASB Standard No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting the District’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The District also implemented GASB Standard No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

Continued

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2003

NOTE B - CHANGES IN ACCOUNTING PRINCIPLES - CONTINUED

The implementation of GASB Standard No. 34 caused the opening fund balance at December 31, 2002 to be restated in terms of "net assets" as follows:

Total fund balance-Governmental Fund at December 31, 2002		\$ 374,951
Add: Cost of capital assets at December 31, 2002	\$ 980,875	
Less: Accumulated depreciation at December 31, 2002	<u>527,238</u>	<u>453,637</u>
Net assets at December 31, 2002		<u>\$ 828,588</u>

NOTE C - AD VALOREM TAXES

For the years ended December 31, 2003, taxes were levied on property with taxable assessed valuations as follows:

Assessed valuation	\$ 31,546,186
Millage	8.00

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien. An allowance for uncollectables is recorded at \$24,431 at December 31, 2003 based on prior year history collections and amounts paid under protest.

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2003

NOTE D - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2003 follows:

	<u>Beginning Of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Land	\$ 18,203	\$ -	\$ -	\$ 18,203
Buildings	724,784	120,274	-	845,058
Equipment	237,888	1,783	-	239,671
Construction in progress	-	30,521	-	30,521
Totals at historical cost	<u>980,875</u>	<u>152,578</u>	-	<u>1,133,453</u>
Less accumulated depreciation for:				
Buildings	389,803	30,001	-	419,804
Equipment	137,435	11,371	-	148,806
Total accumulated depreciation	<u>527,238</u>	<u>41,372</u>	-	<u>568,610</u>
Governmental activities capital assets, net	<u>\$ 453,637</u>	<u>\$ 111,206</u>	<u>\$ -</u>	<u>\$ 564,843</u>

Construction in progress of \$30,521 represents the costs through December 31, 2003 for the community center renovations project. Total cost is estimated at \$226,000, which will be fully funded by the Cameron Parish Police Jury.

NOTE E - PER DIEM

As provided by Louisiana Revised Statute 33:4504, the board members received \$10 per diem for each regular and special meeting attended, but shall not be paid for more than twelve meetings in each year.

Boudreaux, Layne	\$ 80
Harrington, Ricky	110
Sanders, Brenda	110
Young, Trudy	60
	<u>\$ 360</u>

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2003

NOTE F - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTAL INFORMATION

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2003

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
Ad valorem taxes-net	\$ 190,000	\$ 190,000	\$ 244,592	\$ 54,592
State revenue sharing	550	550	678	128
Concessions income	18,400	18,400	21,525	3,125
Interest	2,500	2,500	2,441	(59)
Rentals	2,000	2,000	1,658	(342)
Intergovernmental-Beaucare	40,507	40,507	49,778	9,271
Intergovernmental-Cameron				
Parish Police Jury	-	-	30,521	30,521
Other	50	50	1,116	1,066
TOTAL REVENUES	<u>254,007</u>	<u>254,007</u>	<u>352,309</u>	<u>98,302</u>
EXPENDITURES				
General Government				
Automobile	1,500	1,500	1,822	(322)
Bank Charges	300	300	350	(50)
Beaucare Supplies	5,337	5,337	8,203	(2,866)
Insurance	15,500	15,500	20,350	(4,850)
Per diem	600	600	360	240
Professional fees	2,000	2,000	2,360	(360)
Repairs	15,471	15,471	10,687	4,784
Salaries	120,199	120,199	112,519	7,680
Special events	-	-	10,210	(10,210)
Supplies-concessions	23,000	23,000	18,358	4,642
Supplies-office	4,500	4,500	4,105	395
Supplies-other	29,000	29,000	22,486	6,514
Taxes	6,600	6,600	8,724	(2,124)
Telephone	4,000	4,000	4,051	(51)
Utilities	23,000	23,000	24,918	(1,918)
Capital outlay	3,000	113,000	151,479	(38,479)
TOTAL EXPENDITURES	<u>254,007</u>	<u>364,007</u>	<u>400,982</u>	<u>(36,975)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(110,000)	(48,673)	61,327
FUND BALANCE-BEGINNING	<u>374,951</u>	<u>374,951</u>	<u>374,951</u>	-
FUND BALANCE-ENDING	<u>\$ 374,951</u>	<u>\$ 264,951</u>	<u>\$ 326,278</u>	<u>\$ 61,327</u>

See accompanying notes.



GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A.
RAYMOND GUILLORY, JR., C.P.A.
GRAHAM A. PORTUS, E.A.
COY T. VINCENT, C.P.A.
MICHELLE BOURNE, C.P.A.
BRADLEY J. CASIDAY, C.P.A., C.V.A.

JULIA W. PORTUS, C.P.A.
DAWN REDD, C.P.A.
MELONIE L. HIMEL, C.P.A.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

April 26, 2004

Board of Commissioners
Johnson Bayou Recreation District of Cameron Parish
Johnson Bayou, Louisiana

We have audited the financial statements of the Johnson Bayou Recreation District of Cameron Parish, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2003, and have issued our report thereon dated April 26, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Johnson Bayou Recreation District of Cameron Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item 2003-01.

Internal Control Over Financial Reporting

In planning and reporting our audit, we considered Johnson Bayou Recreation District of Cameron Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not

Johnson Bayou Recreation District of Cameron Parish
April 26, 2004
Page Two

be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and the Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Gragson Casiday & Guillory

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Schedule of Findings and Questioned Costs

December 31, 2003

1. Summary of Auditors' Results:

Type of auditors' opinion issued: unqualified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Reportable condition(s) identified that are not considered to be material weakness(es)? yes none reported

Noncompliance material to financial statements noted? yes no

2. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding #2003-01:

Budgetary authority and control:

Condition: Actual expenditures exceeded total budgeted expenditures by more than 5%.

Criteria: LA. Rev. Stat. §39:1310 – whenever total actual expenditures and other uses exceed the total budgeted expenditures by 5% or more, the budget should be amended.

Effect: Violation of LA. Rev. Stat. §39:1310 – Budgetary authority and control.

Cause: Administrative oversight.

Recommendation: The District should compare actual to budget expenditures at the department level each month and amend the budget if necessary.

Corrective Action to Take (Management Response): Agreement to finding, management will increase oversight to adhere to budgetary authority and control compliance.

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Audit Findings

All prior year findings and comments have been satisfactorily corrected.