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04 JUL -2 AM 11:26EAST GRACHITE RECREATION DISTRICT NUMBER ONE  
PARISH OF GRACHITE, STATE OF LOUISIANA  
MONROE, LOUISIANAANNUAL FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003

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

Release Date 7-28-04

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

**ANNUAL FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2003**

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**EAST QUACHITA RECREATION DISTRICT NUMBER ONE**  
**(A Component Unit of Ouachita Parish Police Jury)**  
**Management's Discussion and Analysis**  
**For The Fiscal Year Ended December 31, 2003 And 2002**

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Our discussion and analysis of the East Ouachita Recreation District Number One (a Component Unit of Ouachita Parish Police Jury - the District) provides an overview of the District's activities for the years-ended December 31, 2003 and 2002. Please read it in conjunction with the District's financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statements of Net Assets and the Statements of Revenues, Expenses, and Changes in Net Assets provide information about the activities of the District as a whole. The Statements of Cash Flows provide detail changes in cash and cash equivalents during the years presented.

**Reporting the District as a Whole**

The Statements of Net Assets and the Statements of Revenues, Expenses, and Changes in Net Assets

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. The District's net assets - the difference between assets and liabilities - measure the District's financial position. The increase or decrease in the District's net assets are an indicator of whether its financial position is improving or deteriorating.

**THE DISTRICT AS A WHOLE**

The District implemented the new financial reporting model under GASB 34 rules with the current fiscal year ended December 31, 2003. Over time, changes in net assets may be observed and used to discuss the changing financial position of the District as a whole.

	<b>FY: 2003</b>
Beginning net assets	\$1,418,657
Increase in net assets	28,372
Ending net assets	\$1,447,029

**EAST OMAHA RECREATION DISTRICT NUMBER ONE**  
**(A Component Unit of Omaha Police Jury)**  
**Management's Discussion and Analysis**  
**For The Fiscal Year Ended December 31, 2003 And 2002**

**THE DISTRICT'S FUNDS**

The following schedule presents a summary of revenues and expenses for the fiscal year ended December 31, 2003, and the amount and percentage of increases and decreases in relation to the prior year.

	FY 2003 Amount	Percent of Total	Increase (Decrease) from FY 2002	Percent Increase (Decrease)
<b>Revenues:</b>				
<b>General Fund</b>				
Ad valorem taxes	\$672,560	84.00%	\$27,377	4.00%
Commissions	33,282	4.00%	1,697	5.00%
Membership dues	12,832	2.00%	(2,085)	-16.00%
Registration fees	32,468	4.00%	4,977	15.00%
Interest	2,718	0.00%	(1,881)	-68.00%
Other	40,402	5.00%	30,818	76.00%
<b>Debt Service Fund</b>				
Ad valorem taxes	2,760	0.00%	(1,975)	-71.00%
Interest	2,841	0.00%	20	0.80%
	<u>\$932,118</u>	<u>100.00%</u>	<u>(\$28,625)</u>	<u>-3.00%</u>

Revenues for the District were slightly due to increase in tax base and grant proceeds received for property purchase. There was no assessment for taxes for the debt service fund as the amount accumulated was sufficient to liquidate the debt.

	FY 2003 Amount	Percent of Total	Increase (Decrease) from FY 2002	Percent Increase (Decrease)
<b>Expenditures</b>				
Governmental Funds	\$775,826	100.00%	\$80,218	11.00%

The District's expenses increased moderately this year. This increase was mainly due to cost of property development.

**BUDGETARY HIGHLIGHTS**

The District's total revenues in fiscal year 2003 were more than the final budget by \$77,802. Actual expenses for the District in fiscal year 2003 were less than the final budget by \$79,270.

**EAST DUACHITA RECREATION DISTRICT NUMBER ONE**  
 (A Component Unit of Ouachita Parish Police Jury)  
**Management's Discussion and Analysis**  
 For The Fiscal Year Ended December 31, 2003 And 2002

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of December 31, 2003 and 2002, the District had \$4,064,562 and \$3,968,808 invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles (See table below).

	FYE 2003	FYE 2002
Buildings	\$3,448,712	\$3,448,712
Swimming pool	9,485	9,485
Office equipment	19,184	19,184
Janitorial	3,284	2,908
Recreational equipment	167,824	137,668
Concessions	9,130	8,958
Auto	64,784	64,784
Baseball field equipment	122,131	180,816
Baseball field lights	189,893	189,893
Fence	58,133	58,133
<b>Total</b>	<b>\$4,064,562</b>	<b>\$3,968,808</b>

This year's major additions included driveway/road improvements and baseball field equipment.

**Debt**

At year end, the District had a total of \$201,080 in general obligation bonds payable. The general obligation bonds are secured by a special tax in excess of all other taxes on all of the property subject to taxation within the territorial limits of the District. The bonds payable decreased about twenty-three percent as shown in the following table.

	FYE 2003	FYE 2002
Bonds payable	\$201,080	\$261,608

**ECONOMIC FACTORS**

The District's revenues consist of ad valorem taxes, state revenue sharing, and recreation program fees. The Board of Commissioners actively monitors revenues and expenses and evaluate the costs of proposed expansion projects. Currently the Board is preparing land for baseball and softball fields. They actively solicit parish government and state government aid whenever possible to help with the cost of these projects. We are however, committed to the construction of these new facilities, and plan to have them completed in the near future.

**EAST ORACHITA RECREATION DISTRICT NUMBER ONE**  
**(A Component Unit of Ouachita Parish Police Jury)**  
**Management's Discussion and Analysis**  
**For The Fiscal Year Ended December 31, 2003 And 2002**

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**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and creditors with general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lora Sivola, Secretary-Treasurer of the East Ouachita Recreation District #1, 208 Bulbow Dr., Monroe, Louisiana.

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**Joseph T. Robinson, CPA**

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## **INDEPENDENT AUDITORS' REPORT**

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

I have audited the accompanying basic 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, 2003, as listed in the table of contents. These statements are the responsibility of the Board of Commissioners of the Recreation District. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my 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. These standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic 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, 2003, and the results of its operations for the year ended, in conformity with accounting principles generally accepted in the United States of America.

My audit was made for the purpose of forming an opinion on the basic 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 basic 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 basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



Board of Commissioners  
East Ouachita Recreation District Number One  
Ouachita Parish, State of Louisiana  
Monroe, Louisiana  
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In accordance with Government Auditing Standards, I have also issued a report dated June 11, 2004 on my assessment 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. 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 my audit.

As described in Note 4 to the basic financial statements, the East Ouachita Recreation District Number One 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*, *Unaudited*, 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 content of the basic financial statements.

The Management's Discussion and Analysis and the required supplemental information on pages 1 through 4 and page 22, 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 or presentation of the supplemental information. However, we did not audit the information and express an opinion on it.

  
Scott T. Roberts, CPA

Monroe, Louisiana  
June 11, 2004

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

**BASIC FINANCIAL STATEMENTS**

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

**STATEMENT OF NET ASSETS  
DECEMBER 31, 2002**

<u>ASSETS</u>		
Cash and investments		\$ 587,580
Receivables		676,250
Capital assets, net of accumulated depreciation		1,915,844
Land		485,227
<b>Total assets</b>		<b>\$3,711,126</b>
 <u>LIABILITIES, EQUITY AND OTHER CREDITS</u> 		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses		\$ 25,148
Liabilities for compensated absences		1,848
Long-term debt - due in one year		61,608
Long-term debt - due in more than one year		138,608
<b>Total liabilities</b>		<b>238,197</b>
<b>NET ASSETS</b>		
Capital assets, net of related debt		1,248,071
Restricted for debt service		215,349
Unrestricted		1,485,028
<b>Total equity and other credits</b>		<b>1,485,028</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>		<b>\$3,711,126</b>

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

STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2003

<b>RECREATION FACILITIES AND OPERATION:</b>	
Administration	\$ 181,323
Operations, maintenance and athletics	190,278
Salaries and benefits	348,657
Depreciation	122,442
Interest	<u>17,380</u>
Total program expenses	779,680
<b>PROGRAM REVENUES:</b>	
Charges for services	66,298
Grants	<u>26,832</u>
Net program expenses	692,354
<b>GENERAL REVENUES:</b>	
Property taxes	673,268
Investment earnings	3,819
Miscellaneous	<u>43,847</u>
<b>INCREASE IN NET ASSETS</b>	<b>28,372</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,458,652</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$1,487,024</b>

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

**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2009**

	<u>General Fund</u>	<u>Debt Service Funds</u>	<u>Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash	\$ 371,101	\$216,569	\$ 587,808
Receivables	<u>631,696</u>	<u>0</u>	<u>631,696</u>
Total assets	<u>\$1,002,797</u>	<u>\$216,569</u>	<u>\$1,219,596</u>
<b><u>LIABILITIES, EQUITY AND OTHER CREDITS</u></b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 13,651	\$ 0	\$ 13,651
Accrued expenses	<u>8,738</u>	<u>0</u>	<u>8,738</u>
Total liabilities	<u>22,389</u>	<u>0</u>	<u>22,389</u>
<b>EQUITY AND OTHER CREDITS</b>			
<b>Fund balances:</b>			
Unreserved-undesignated	981,238	0	981,238
Reserved for debt service	<u>0</u>	<u>216,569</u>	<u>216,569</u>
Total equity and other credits	<u>981,238</u>	<u>216,569</u>	<u>1,197,807</u>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<u>\$1,002,797</u>	<u>\$216,569</u>	<u>\$1,219,596</u>

See accompanying notes to the financial statements.

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

**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>General</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Ad valorem taxes	\$872,580	\$ 3,783	\$ 876,363
Concessions	33,482	0	33,482
Membership dues	13,823	0	13,823
Registration fees	32,488	0	32,488
Interest	3,778	2,041	5,819
Other	48,482	0	48,482
Total revenues	997,133	5,824	1,002,957
<b>EXPENDITURES</b>			
Current:			
Administration	92,187	9,126	101,313
Athletics	21,670	0	21,670
Operations and maintenance	147,996	0	147,996
Salaries and benefits	147,936	0	147,936
Concessions	28,684	0	28,684
Capital outlay	68,654	0	68,654
Debt service:			
Principal retirement	0	68,000	68,000
Interest and fiscal	0	13,633	13,633
Total charges	897,001	92,759	989,760
Excess of Revenues Over (Under) Expenditures	99,132	( 86,935)	12,197
Other Financing Sources (Uses)			
Transfer in	0	0	0
Transfer out	0	0	0
Total other financing sources (uses)	0	0	0
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	99,132	( 86,935)	12,197
<b>FUND BALANCE, DECEMBER 31, 2002</b>	<b>882,282</b>	<b>223,549</b>	<b>1,105,831</b>
<b>FUND BALANCE, DECEMBER 31, 2003</b>	<b>\$981,414</b>	<b>\$ 216,587</b>	<b>\$ 1,197,991</b>

See accompanying notes to the financial statements.

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

**INTRODUCTION**

The East Ouachita Recreation District Number One, Moussie, 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: Swartz Lakefront, Grandland and Starlighton.

GAAP Statement No. 34, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the East Ouachita Recreation District Number One is considered a component unit of Ouachita Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the East Ouachita Recreation District Number One. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

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

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 generally are recorded when a liability is incurred, in order accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The East Ouchita Recreation District Number One reports the following governmental funds:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

The Debt Service Fund accounts for transactions relating to resources retained and used for payment of principal and interest on long-term obligations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.



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

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002

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

**Deposits and Investments**

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the East Calachita Recreation District Number One's investment policy allow the entity to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, drainage, lighting, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The East Calachita Recreation District Number One maintains a threshold level of \$200 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Infrastructure assets	15-25 years
Land improvements	15-25 years
Buildings and building improvements	38-40 years
Furniture and fixtures	3-10 years
Vehicles	3-5 years
Equipment	3-10 years

**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 was completed and available for public inspection on November 15, 2002. A public hearing was held on December 18, 2002 to discuss the budget. The budget was approved by the Board on that day. 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 capital items. Appropriations lapse at year-end.

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

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

**Compensated Absences**

The District has the following policy relating to vacation and sick leave:

All full-time employees earn five to ten days of vacation leave each year, depending on their length of service. Part-time employees earn 20 hours annually after one year of service. Vacation time can be accumulated up to twenty days. Employees earn five to ten days of sick leave each year. Sick leave is not accumulated.

The District's recognition and measurement criteria for compensated absences follows:

GAAP Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GAAP Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

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

**Long-term Obligations**

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balances represent tentative management plans that are subject to change.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from these estimates.

**Reconciliations of Government-wide and Fund Financial Statements**

The following reconciles the fund balances of governmental funds to the government-wide statement of net assets:

Bond-related adjustments	\$ 201,000
Capital assets and depreciation	2,449,071
Accrued interest payable	( 3,589)
Property taxes accrued	44,529
Compensated absences	( 1,893)
Net adjustment	\$ 2,287,110

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

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

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

**Reconciliations of Government-wide and Fund Financial Statements (Continued)**

The following reconciles the net changes in fund balances-total governmental funds to the changes in net assets of governmental activities.

Property taxes receivable	\$ 1,9670
Salaries and benefits	( 121)
Depreciation	(122,942)
Interest income	1,894
Capital outlay	66,634
Payment of bond principal	<u>60,608</u>
Net adjustment	\$ <u>4,000</u>

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

At December 31, 2003, the District had cash and cash equivalents (bank balances) totaling \$487,900 as follows:

Demand deposits	\$482,942
Savings accounts	<u>49,958</u>
Total	<u>\$532,900</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the District had \$482,297 in deposits (collected bank balances). These deposits are secured from risk by \$244,099 of federal deposit insurance and \$238,298 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provision of GASB Statement 3, Louisiana Revised Statute 18:1228 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

**NOTE 3. RECEIVABLES**

The following is a summary of receivables at December 31, 2003:

	General Fund	Debt Service Fund	Total
Taxes:			
Ad valorem taxes	\$631,696	\$ 0	\$631,696
Grant revenue	0	0	0
<b>Total</b>	<b>\$631,696</b>	<b>\$ 0</b>	<b>\$631,696</b>

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

**NOTE 4. CAPITAL ASSETS**

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

	Balance December 31, 2002	Additions	Deletions	Balance December 31, 2003
Buildings	\$3,445,712	\$ 2,880	\$ 0	\$3,448,592
Swimming pool	9,465	0	0	9,465
Office equipment	18,304	0	0	18,304
Sanitary	3,809	435	0	4,244
Recreation equipment	157,860	18,184	0	176,044
Commodions	8,930	380	0	9,310
Auto	64,784	0	0	64,784
Baseball field equipment	188,916	22,415	0	211,331
Baseball field lights	189,895	0	0	189,895
Fence	58,333	0	0	58,333
<b>Total</b>	<b>3,958,808</b>	<b>38,154</b>	<b>0</b>	<b>4,096,962</b>
Accumulated depreciation	1,929,636	325,942	0	2,255,578
Net capital assets	2,029,172			1,841,384
<b>Land</b>	<b>\$ 482,727</b>	<b>\$ 38,500</b>	<b>\$ 0</b>	<b>\$ 521,227</b>

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

**NOTE 5 - LEVIED TAXES**

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

The Parish of Ouchita bills and collects its own property taxes for the District using the assessed values determined by the tax assessors 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 Starbuck, Louisiana. A tax of 1.3 mills was levied to repay the bonds. In addition, voters approved an increase in the millage for operations from 5.11 mills to 7.0 mills.

For the year ended December 31, 2003, taxes of 7.63 mills were levied on property with assessed valuations totaling \$88,638,879 and were dedicated as follows:

	<u>Authorized</u> <u>Millages</u>	<u>Levied</u> <u>Millages</u>
General Fund, Operation and Maintenance	7.50	7.63 Mills
Total taxes levied were \$676,255 for 2003.		

**NOTE 6 - LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligation transactions for the year ended December 31, 2003:

	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Liability for</u> <u>Composited</u> <u>Accounts</u>	<u>Total</u>
Long-term obligations payable at December 31, 2000	\$261,080	\$1,727	\$262,807
Additions	0	121	121
Principal reductions	68,080	0	68,080
Long-term obligations payable at December 31, 2003	200,000	1,848	201,848
Less: current portion	61,000	0	61,000
Long-term portion	\$139,000	\$1,848	\$140,848

General obligation bonds payable at December 31, 2003 are comprised of the following:

\$600,000 Limited Tax Bonds, Series 1996-dated June 8, 1996 due in annual installments; interest at 5.1% to 6.75%. The issue is secured by levy and collection of ad valorem taxes.

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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

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

The bonds are scheduled to mature as follows:

	Principal	Interest
2004	\$ 63,000	\$ 9,362
2005	63,000	1,819
2006	<u>71,000</u>	<u>1,888</u>
	<b>\$200,000</b>	<b>\$12,069</b>

All December 31, 2003, employees of the District have accumulated and vested \$1,848 of employer leave benefits, which was computed in accordance with GASB Codification Section 608. This amount is reported within the general long-term obligations account group.

**NOTE 7 - 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 8 - 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 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 statements. The District also implemented GASB Standard No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 4, Recognition and Measurement of Certain Liabilities and Dependence in Governmental Fund Financial Statements.

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 funds at December 31, 2002	\$1,075,527
Add: Cost of capital assets less depreciation	1,904,839
Accrual of property taxes receivable	45,622
Less: Long term bonds payable	(261,000)
Accrual interest payable	(9,624)
Compensated Absences	(1,322)
<b>Net assets at December 31, 2002</b>	<b>\$1,458,642</b>

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

**REQUIRED SUPPLEMENTAL INFORMATION (PART II)**



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

**BUDGET COMPARISON SCHEDULE  
BUDGET (NON-GAAP BASIS) AND ACTUAL (BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Actual	Budget	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Ad valorem taxes	\$218,959	\$ 181,000	\$ 37,959
Concessions	33,282	30,000	3,282
Membership dues	13,822	12,800	1,022
Registration fees	22,668	23,900	(1,232)
Interest	3,378	5,000	(1,622)
Other	40,402	8,200	32,202
<b>Total revenues</b>	<b>332,509</b>	<b>661,700</b>	<b>329,191</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
Administration	74,405	68,800	(5,605)
Athletics	13,838	28,500	14,662
Operations and maintenance	133,604	167,900	34,296
Salaries and benefits	143,445	395,700	252,255
Concessions	20,804	28,000	(7,196)
Capital outlay	(8,834)	(8,000)	(834)
<b>Total charges</b>	<b>676,831</b>	<b>1,072,700</b>	<b>395,869</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(351,322)</b>	<b>(411,000)</b>	<b>59,678</b>
<b>Other Financing Sources (Uses)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total other financing sources (uses)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(351,322)</b>	<b>(411,000)</b>	<b>59,678</b>
<b>FUND BALANCE, DECEMBER 31, 2002</b>	<b>283,832</b>	<b>205,000</b>	<b>78,832</b>
<b>FUND BALANCE, DECEMBER 31, 2001</b>	<b>\$171,531</b>	<b>\$ 126,000</b>	<b>\$ 45,531</b>

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

**NOTES TO BUDGET COMPARISON SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**NOTE 1 - RECONCILIATION OF ACTUAL RESULTS TO BUDGETARY BASIS**

The budget for the year ended December 31, 2005 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 Fund:	GAAP			Cash
	Basis	Receivables	Payables	Basis
<b>Revenues</b>				
Ad valorem tax	\$671,508	\$(338,489)	\$ 346,888	\$679,907
Commissions	33,282	0	0	33,282
Membership fees	13,823	0	0	13,823
Registration fees	32,468	0	0	32,468
Interest	3,778	0	0	3,778
Other	40,402	0	0	40,402
<b>Total revenues</b>	<b>795,312</b>	<b>(338,489)</b>	<b>346,888</b>	<b>799,711</b>
<b>Expenditures</b>				
Administration	82,197	1,811	( 18,800)	74,408
Activities	21,878	0	( 8,812)	13,066
Operations	147,996	14,267	( 3,039)	159,224
Salaries	247,808	4,247	( 8,738)	243,317
Commodities	28,604	( 8,738)	0	28,604
Capital Outlay	86,839	0	0	86,839
<b>Total expenditures</b>	<b>625,322</b>	<b>19,667</b>	<b>( 30,389)</b>	<b>604,600</b>
<b>Fund Balance, Beginning of year</b>	<b>\$381,981</b>	<b>\$ 19,963</b>	<b>\$396,888</b>	<b>\$381,981</b>

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

**OTHER SUPPLEMENTAL INFORMATION SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**COMPENSATION PAID BOARD MEMBERS**

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1879 Session of the Louisiana Legislature.

Board members received no compensation for the year ended December 31, 2003.

**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 basic 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, 2003, and have issued my report thereon dated June 11, 2004. I conducted my 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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*.

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 involve 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.

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

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.

  
Francis T. Robinson, CPA

Morrow, Louisiana  
June 11, 2004

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended December 31, 2003

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 Condition:  Yes  No

Compliance  
Compliance Material to Financial Statements:  Yes  No

b. Not applicable

c. Not applicable

Section II. Financial Statement Findings

Reportable Conditions

1800-1 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.

**CRITERIA:** A fundamental concept in a good system of internal control is the segregation of duties.

**EFFECT:** Errors and irregularities could occur without detection.

**RECOMMENDATION:** While the size of the District's staff prohibits complete adherence to duty segregation, management should provide additional oversight to compensate for the lack of controls.

**CORRECTIVE ACTION PLAN:** Management will implement the recommendations to the extent possible. However, a limited number of employees do not allow for adequate separation of duties.

**Responsible person:** James McKay.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

Section II. Financial Statement Findings (Continued)

Compliance Findings

None

Section III. Federal Award Findings and Questioned Costs

Not Applicable

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

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

Reportable Conditions:

2002 a. Inadequate Segregation of Duties (originally cited 58.1)

STATUS: See current year condition.



RECEIVED  
LEGISLATIVE AUDITOR

04 JUL -6 AM11:29

Russell T. Ralston, CPA  
P. O. Box 7030  
Metairie, LA 70001  
504-885-8888  
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MANAGEMENT LETTER

Board of Commissioners  
East Ouachita Recreation District  
Iberville, LA 71291

In planning and performing my audit of the financial statements of East Ouachita Recreation District for the year ended December 31, 2003, I considered its internal control structure 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 structure. The following recommendations is submitted to assist in improving the District's ability to report data consistent with the assertions of management in the financial statements.

**COMPLIANCE WITH BUDGET LAWS**

The District is required by USA-RS 19:1137 to publish a notice at least 10 days prior to the public hearing on the proposed budget adoption. The notice is required to be published in the official publication of the district. The notice of the public hearing for the 2004 budget was not published in the newspaper. This results in the district violating budget laws. The District should set up a budget calendar listing all requirements to ensure compliance with the statute.

**Corrective Action Plan:** The District will obtain the latest budget requirements from the Louisiana Legislative Auditor and develop a checklist to ensure all budget requirements are completed in a timely manner.

**Person Responsible:** Leon Smith, Secretary - Treasurer  
**Date to be completed:** August 1, 2004

**FUEL RECEIPTS**

During my test work, I noted that fuel receipts were not being turned in by employees in several instances. The fuel receipts serve as evidence of the person purchasing the fuel as well as evidence the fuel was received by an employee of the district. All employees should be required to retain and turn in the receipts proper matching with the invoice.

**Corrective Action Plan:** Corrective action was implemented June 23, 2004 as follows: Employees were notified that they are required to turn in the receipts and in failing to do so will be reprimanded and authority to purchase fuel will be taken away from that employee. We will continue to address this problem.

**Person Responsible:** James McKay, Director  
**Date to be completed:** Immediately

East Ouachita Recreation District  
Management Letter  
page 2

I appreciate the opportunity to present these comments for your consideration. I am prepared to discuss them at your convenience and to provide such assistance in their implementation as you may desire.



Joseph T. Robinson, CPA

Monroe, Louisiana  
June 11, 2004

EAST CHAPEL RECREATION DISTRICT NUMBER ONE  
MANAGEMENT LETTER  
STATUS OF FISCAL YEAR COMMENTS  
DECEMBER 31, 2000

**1801 COMMENTS**

**1818.000000**

Status: Included as comment in recent year management letter.

**1819.000000**

Status: Resolved.