

**RECREATION DISTRICT NO. 1
OF BIENVILLE PARISH
Arcadia, Louisiana**

**General Purpose Financial Statements
With Independent Auditors' Report
As of and for the Year Ended December 31, 2003
With Supplemental Information Schedule**

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.

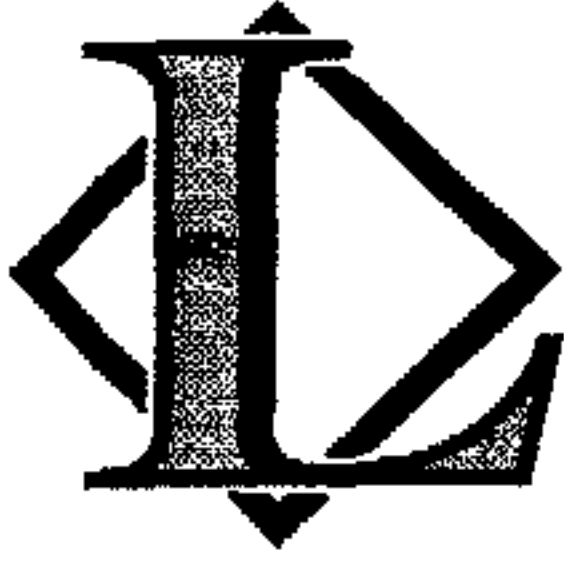
Release Date 8-4-04

RECREATION DISTRICT NO. 1
OF BIENVILLE PARISH
Arcadia, Louisiana

General Purpose Financial Statements
With Independent Auditors' Report
As of and for the Year Ended
December 31, 2003
With Supplemental Information Schedule

C O N T E N T S

	<u>Statement</u>	<u>Page No.</u>
Independent Auditors' Report		2
 General Purpose Financial Statements:		
Governmental Fund Type:		
Combined Balance Sheet - All Fund Types and Account Groups	A	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	B	5
Notes to the Financial Statements		6
	<u>Schedule</u>	<u>Page No.</u>
Independent Auditors' Report Required by Government Auditing Standards:		
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting		14
Schedule of Findings and Questioned Costs	1	16
Summary Schedule of Prior Audit Findings	2	17
Corrective Action Plan		18



LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

RECREATION DISTRICT NO. 1
OF BIENVILLE PARISH
Arcadia, Louisiana

We have audited the general purpose financial statements of Recreation District No. 1 of Bienville Parish, a component unit of the Bienville Parish Police Jury, as of December 31, 2003, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of Recreation District No. 1 of Bienville Parish. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Recreation District No. 1 of Bienville Parish as of December 31, 2003, and the results of its operations for the year then ended in conformity with U. S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 23, 2004, on Recreation District No. 1 of Bienville Parish's compliance with certain provisions of laws, regulations, contracts, and grants and our consideration of the agency's internal control over financial reporting. 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.

Little & Associates

Monroe, Louisiana
June 23, 2004

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

RECREATION DISTRICT NO. 1
OF BIENVILLE PARISH
Arcadia, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet
December 31, 2003

	GOVERNMENTAL FUND TYPE	ACCOUNT GROUP	TOTAL
	GENERAL FUND	GENERAL FIXED ASSETS	(MEMORANDUM ONLY)
ASSETS			
Cash and cash equivalents	\$148,243		\$148,243
Ad valorem tax receivable	139,608		139,608
Land, buildings, and equipment		<u>\$1,274,979</u>	<u>1,274,979</u>
TOTAL ASSETS	<u><u>\$287,851</u></u>	<u><u>\$1,274,979</u></u>	<u><u>\$1,562,830</u></u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$9,405		\$9,405
Payroll liabilities	<u>587</u>		<u>587</u>
Total Liabilities	<u>9,992</u>	<u>NONE</u>	<u>9,992</u>
Fund Equity:			
Investment in general fixed assets		\$1,274,979	1,274,979
Fund balance - unreserved - undesignated	<u>277,859</u>		<u>277,859</u>
Total Fund Equity	<u>277,859</u>	<u>1,274,979</u>	<u>1,552,838</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$287,851</u></u>	<u><u>\$1,274,979</u></u>	<u><u>\$1,562,830</u></u>

The accompanying notes are an integral part of this statement.

RECREATION DISTRICT NO. 1
OF BIENVILLE PARISH
Arcadia, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 2003

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad valorem taxes	\$148,000	\$141,696	(\$6,304)
State revenue sharing	3,500	3,519	19
Fees, charges, and commissions for services:			
Concession sales	29,000	27,869	(1,131)
Admissions and other revenue	208,950	211,406	2,456
Use of money and property	2,500	2,583	83
Other revenues		1,372	1,372
Total revenues	<u>391,950</u>	<u>388,445</u>	<u>(3,505)</u>
EXPENDITURES			
Culture and recreation:			
Current:			
Personal services	144,350	146,108	(1,758)
Operating services	175,025	182,311	(7,286)
Materials and supplies	6,700	5,171	1,529
Capital outlay	25,600	26,423	(823)
Total expenditures	<u>351,675</u>	<u>360,013</u>	<u>(8,338)</u>
EXCESS OF REVENUES OVER EXPENDITURES	40,275	28,432	(11,843)
FUND BALANCE AT BEGINNING OF YEAR	<u>249,427</u>	<u>249,427</u>	0
FUND BALANCE AT END OF YEAR	<u>\$289,702</u>	<u>\$277,859</u>	<u>(\$11,843)</u>

The accompanying notes are an integral part of this statement.

**RECREATION DISTRICT NO. 1
OF BIENVILLE PARISH
Arcadia, Louisiana**

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recreation District No. 1 of Bienville Parish was created by the Bienville Parish Police Jury as authorized by Louisiana Revised Statute 33:4562. The district is governed by a board of five commissioners who are appointed by the Bienville Parish Police Jury. The district owns and operates recreational facilities and engages in activities designed to encourage recreation and promote the general health and well being of the community's youth.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Bienville Parish Police Jury is the financial reporting entity for Bienville Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Bienville Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and;
 - a. The ability of the police jury to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

RECREATION DISTRICT NO. 1
OF BIENVILLE PARISH
Arcadia, Louisiana
Notes to the Financial Statements (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints all board members of the district and can impose its will on the district, the district was determined to be a component unit of the Bienville Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, when the focus of attention is on the providing of services to the public, as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of governmental fund types only. The governmental fund types of the district are described as follows:

RECREATION DISTRICT NO. 1
OF BIENVILLE PARISH
Arcadia, Louisiana
Notes to the Financial Statements (Continued)

General Fund

The General Fund is the general operating fund of the district and is used to account for all financial activities not required to be accounted for in other funds.

C. FIXED ASSETS AND LONG-TERM DEBT

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at historical cost. No depreciation has been provided on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not recorded in the general fixed asset account group.

The recreation district has no long-term debt at December 31, 2003.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

RECREATION DISTRICT NO. 1
OF BIENVILLE PARISH
Arcadia, Louisiana
Notes to the Financial Statements (Continued)

Revenues

Ad valorem taxes and state revenue sharing are budgeted in the year they are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are generally collected in December of the current year and January through the time of the tax sale of the ensuing year.

Interest income on interest bearing demand deposits is recorded at the end of the month when credited by the bank.

Substantially all other revenues are recognized when received by the district.

Expenditures

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

E. BUDGET PRACTICES

A preliminary budget for the ensuing year is prepared by the board of commissioners and made available to the public. The budget is then adopted during the regular December meeting. The proposed budget for the General Fund is prepared on the modified accrual basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

RECREATION DISTRICT NO. 1
OF BIENVILLE PARISH
Arcadia, Louisiana
Notes to the Financial Statements (Continued)

F. CASH AND CASH EQUIVALENTS

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2003, the district had cash and cash equivalents (book balances) totaling \$148,243, as follows:

Demand deposits	\$18,243
Time deposits	<u>130,000</u>
Total	<u>\$148,243</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.

Cash and cash equivalents (bank balances) at December 31, 2003, are \$152,472 and are fully insured with FDIC insurance.

G. ANNUAL AND SICK LEAVE

All full-time employees of the Recreation District No. 1 earn 10 days of annual leave for every year worked with no accumulation. They also earn one day of sick leave per month, with no limit of accumulation. Upon termination, unused annual leave will be paid at the employee's current rate of pay, but unused sick leave is forfeited.

H. RISK MANAGEMENT

The district is exposed to various risk of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the district maintains commercial account policy covering; property and commercial general liability insurance, crime, and inland marine. Also the recreation district maintains director and officers liability, worker's compensation, a mobile home policy, and employers liability insurance. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amount.

RECREATION DISTRICT NO. 1
 OF BIENVILLE PARISH
 Arcadia, Louisiana
 Notes to the Financial Statements (Continued)

I. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis (overview). Data in these columns do not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. LEVIED TAXES

The district has an authorized tax millage of 3.52 mills which is restricted, by tax proposition, to operation and maintenance of the recreational facilities of the district. The tax is due to expire with the 2007 tax roll. For the year ended December 31, 2003, the district levied 3.11 mills as a result of reassessments of taxable property as required by Article 7, Section 18 of the Louisiana Constitution of 1974.

The following are the principal taxpayers for the parish and their 2003 assessed valuation (amounts in thousands):

	2003 Assessed Valuation	Percent of Total Assessed Valuation
Bear Creek Storage Company	\$18,474	13.08 %
Entergy-Koch Trading, LP	13,039	9.23 %
Conocophillips Company	6,106	4.32 %
Gulf South Pipeline Company LP	5,926	4.20 %
Centerpoint Energy Gas Trans.	4,601	3.26 %
Entergy Louisiana Inc.	4,488	3.18 %
El Paso Production Company	3,858	2.73 %
Centerpoint Energy - ARKLA	3,762	2.66 %
Energen Resources	2,821	2.00 %
Duke Energy Field Services Inc.	2,570	1.82 %
Total	<u>\$65,645</u>	<u>46.49 %</u>

RECREATION DISTRICT NO. 1
 OF BIENVILLE PARISH
 Arcadia, Louisiana
 Notes to the Financial Statements (Continued)

3. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in general fixed assets for the year ended December 31, 2003:

	Balance at January 1, 2003	Additions	Deletions	Balance at December 31, 2003
Land	\$906,953	\$26,423		\$933,376
Buildings	117,330			117,330
Equipment	224,273			224,273
Total	<u>\$1,248,556</u>	<u>\$26,423</u>	<u>NONE</u>	<u>\$1,274,979</u>

4. OPERATING LEASES

On August 13, 2003, the district entered into a 48-month lease for 44 golf carts to be used by the golf course. The lease required 48 monthly payments of \$2,600 each beginning in August, 2003. At December 31, 2003, the future minimum lease payments are summarized as follows:

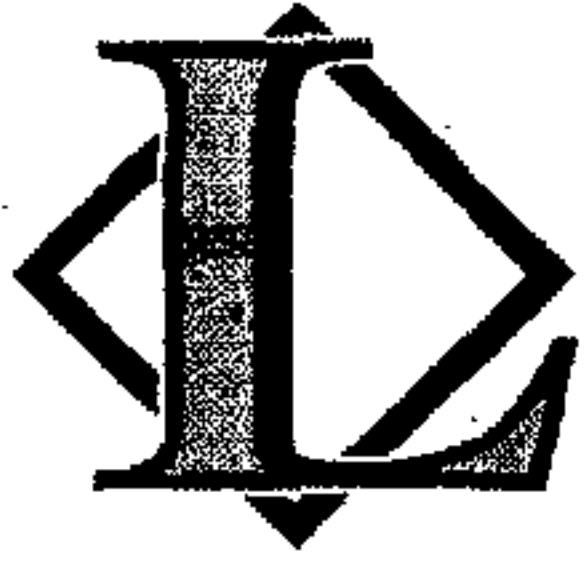
<u>Year</u>	<u>Amount</u>
2004	\$31,200
2005	31,200
2006	31,200
2007	18,200

5. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 2003, nor is it aware of any unasserted claims.

**Independent Auditors' Report Required
by *Government Auditing Standards***

The following Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



LITTLE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting

**RECREATION DISTRICT NO. 1
OF BIENVILLE PARISH
Arcadia, Louisiana**

We have audited the general purpose financial statements of Recreation District No. 1 of Bienville Parish, a component unit of the Bienville Parish Police Jury, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 23, 2004. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 Recreation District No. 1 of Bienville 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 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is identified as Finding 03-01 in the accompanying schedule of findings and questioned costs.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Recreation District No. 1 of Bienville 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 would not necessarily disclose all matters in 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 be detected within a timely period by employees in the normal course of performing their assigned

RECREATION DISTRICT NO. 1
OF BIENVILLE PARISH
Arcadia, Louisiana
Independent Auditors' Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2003

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 the members of the Recreation District No. 1 of Bienville Parish, management of the district, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Little + Associates
Monroe, Louisiana
June 23, 2004

RECREATION DISTRICT NO. 1
OF BIENVILLE PARISH
Arcadia, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2003

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of Recreation District No. 1 of Bienville Parish.
2. One instance of noncompliance material to the financial statements of Recreation District No. 1 of Bienville Parish was disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

03-01 Board Minutes Not Published

Finding: Recreation District No. 1 of Bienville Parish did not publish the minutes of the meetings of its Board of Commissioners. In accordance with Attorney General Opinion No. 94-133(A), by definition, recreation districts are political subdivisions of the state. Therefore, a recreation district must publish the minutes of such meetings.

Recommendation: In the future, Recreation District No. 1 of Bienville Parish should publish the minutes of the meetings of its Board of Commissioners as required by state law and opinions of the Attorney General.

RECREATION DISTRICT NO. 6
OF BIENVILLE PARISH
Arcadia, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2003

There were no audit findings reported in the audit for the year ended December 31, 2002.

Bienville Parish Recreation District No. 1

Trails End Golf Course
400 Trails End Rd.
Phone 283-7420
Arcadia, La. 71001

CORRECTIVE ACTION PLAN

The following is Recreation District No. 1 of Bienville Parish's response to the compliance finding reported in its 2003 audit:

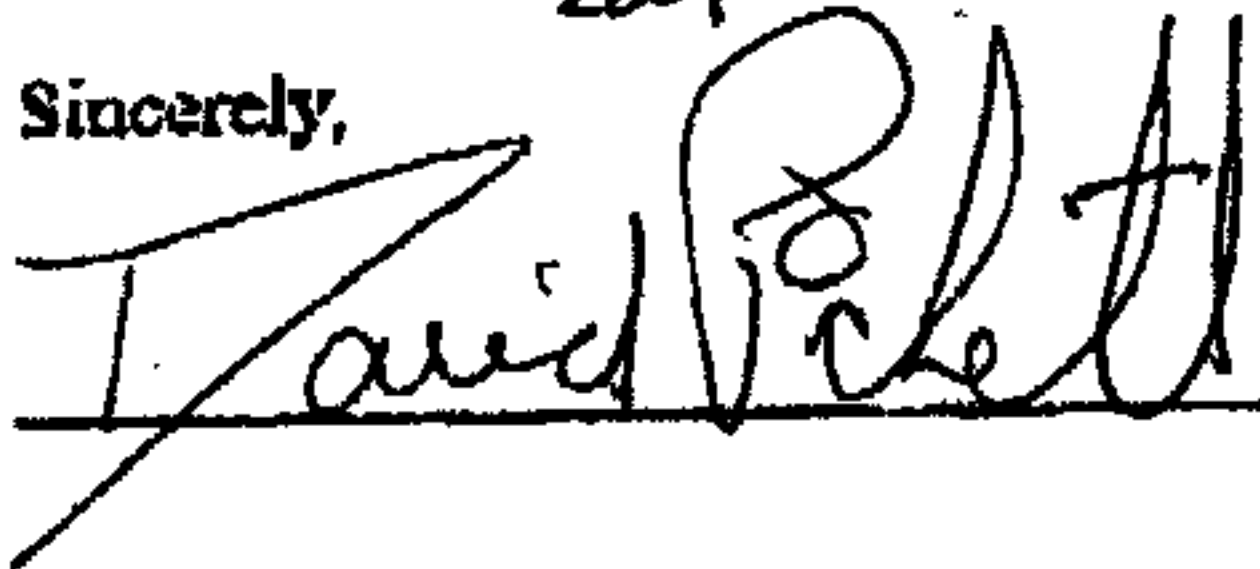
Finding 03-01

The minutes of the meetings of the Board of Commissioners of Recreation District No. 1 of Bienville Parish were not published in the local newspaper.

Corrective Action:

Recreation District No. 1 of Bienville Parish will begin publishing the minutes of the meetings of the Board of Commissioners beginning with the regularly scheduled Board Meeting in July ~~2003~~²⁰⁰⁴. The minutes will be published in the local newspaper.

Sincerely,



David P. Bell