

**JACKSON PARISH RECREATION DISTRICT
NATCHITOCHEs, LOUISIANA
ANNUAL FINANCIAL REPORT
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 11-3-04

Jackson Parish Recreation District
Jonesboro, Louisiana

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Jackson Parish Recreation District

**P. O. Box 315
Jonesboro, LA 71251**

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended December 31, 2003

The Management's Discussion and Analysis is an element of the new reporting model adopted by the *Governmental Accounting Standards Board (GASB)* in their Statement No. 34. As this is the first year the Recreation District will be reporting under this new model, certain comparative information with the previous year, which is by design included in this model, will not be presented in the analysis, as permitted by GASB No. 34 with respect to first year reporting.

Financial Highlights

This annual report consists of a series of new financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Recreation District as a whole and present a longer-term view of the Recreation District's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Assets

	Governmental <u>Activities</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 164,841
Receivables	<u>275,696</u>
Total Current Assets	\$ 440,537
Noncurrent Assets:	
Capital Assets (Net)	<u>788,942</u>
Total Assets	<u>\$1,229,479</u>
LIABILITIES:	
Accounts Payable	\$ 32,095
Payroll Payables	5,646
Long-term Debt	245,000
Compensated Absences	<u>11,603</u>
Total Liabilities	\$ <u>294,344</u>
NET ASSETS:	
Investment in Capital Assets, Net of Related Debt	\$ 543,942
Restricted for Debt Service	100,254
Unrestricted	<u>290,939</u>
Total Liabilities & Net Assets	<u>\$1,229,479</u>

Summary of Statement of Activities

	Governmental Activities
REVENUES:	
General Revenues:	
Charge for Services	\$ 45,989
Taxes	296,991
Interest	<u>3,025</u>
Total Revenues	\$346,005
EXPENDITURES:	
Recreation	<u>259,121</u>
Change in Net Assets	\$ <u>86,884</u>

General Fund Budgetary Highlights

The District did not amend its General Fund budget during the year. At year end, actual revenues were \$162,005 more than budgeted and actual expenditures were \$7,838 less than budgeted expenditures.

Economic Factors and Next Year's Budget

The District has prepared its 2004 budget for the General Fund on the assumption that revenues and expenditures will remain fairly constant next year.

Contacting the District

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the District at P. O. Box 315, Jonesboro, LA 71251.

Johnson, Thomas & Cunningham

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of the
Jackson Parish Recreation District
Jonesboro, LA 71251

We have audited the accompanying financial statements of the governmental activities and major funds of the Jackson Parish Recreation District, a component unit of the Jackson Parish Police Jury, as of and for the year ended December 31, 2003, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These basic financial statements are the responsibility of the Jackson Parish Recreation District. Our responsibility is to express an opinion on these financial statements based on our audit.

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 U. S. General Accounting Office and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities and major funds of the Jackson Parish Recreation District, as of December 31, 2003, and the respective changes in the financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the financial statements, the Jackson Parish Recreation District 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. This results in a change in the format and content of the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 19, 2004, on our consideration of the Jackson Parish Recreation District'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.

The Management's Discussion and Analysis and budgetary comparison information on pages 1 through 4 and 29 through 31, respectively, are not a required part of the basic financial statements but are supplementary 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 other required supplementary information. However, we did not audit the information and express no opinion on it.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

October 19, 2004

Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Jackson Parish Recreation District
Statement of Net Assets
December 31, 2003

	<u>Governmental Activities</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 164,841
Receivables	<u>275,696</u>
Total Current Assets	\$ 440,537
Noncurrent Assets:	
Capital Assets (Net)	<u>788,942</u>
Total Assets	<u>\$1,229,479</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	\$ 32,095
Payroll Payables	5,646
Current Portion - Long Term Debt	<u>44,000</u>
Total Current Liabilities	\$ <u>81,741</u>
Noncurrent Liabilities:	
Long-term Debt	\$ 201,000
Compensated Absences	<u>11,603</u>
Total Noncurrent Liabilities	\$ <u>212,603</u>
Total Liabilities	\$ <u>294,344</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	\$ 543,942
Restricted for Debt Service	100,254
Unrestricted	<u>290,939</u>
Total Net Assets	\$ <u>935,135</u>
Total Liabilities and Net Assets	<u>\$1,229,479</u>

See notes to financial statements.

Jackson Parish Recreation District
Statement of Activities
December 31, 2003

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u> Governmental <u>Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Recreation-					
Personnel	\$ 87,884	\$ 0	\$0	\$0	\$ (87,884)
Programs	28,962	32,523			3,561
Concessions	10,334	13,466			3,132
Utilities	23,402	0			(23,402)
Repair & Maintenance	40,469	0			(40,469)
Operations	<u>68,070</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(68,070)</u>
Total Governmental Activities	<u>\$259,121</u>	<u>\$(45,989)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$(213,132)</u>
General Revenues:					
					\$ 296,991
					<u>3,025</u>
					<u>\$ 300,016</u>
					\$ 86,884
					Net Assets December 31, 2002 (Restated - See note 2)
					<u>848,251</u>
					Net Assets December 31, 2003
					<u>\$ 935,135</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Jackson Parish Recreation District
Balance Sheet-Governmental Funds
December 31, 2003

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS:				
Cash	\$ 80,943	\$ 46,264	\$37,634	\$164,841
Receivables	<u>221,706</u>	<u>53,990</u>	<u>0</u>	<u>274,696</u>
Total Assets	<u>\$302,649</u>	<u>\$100,254</u>	<u>\$37,634</u>	<u>\$440,537</u>
LIABILITIES:				
Accounts Payable	\$ 13,608	\$ 0	\$18,487	\$ 32,095
Payroll Expenses	<u>5,646</u>	<u>0</u>	<u>0</u>	<u>5,646</u>
Total Liabilities	<u>\$ 19,254</u>	<u>\$ 0</u>	<u>\$18,487</u>	<u>\$ 37,741</u>
FUND BALANCES:				
Reserved for:				
Debt Service	\$ 0	\$100,254	\$ 0	\$100,254
Unreserved	<u>283,395</u>	<u>0</u>	<u>19,147</u>	<u>302,542</u>
Total Fund Balance	<u>\$283,395</u>	<u>\$100,254</u>	<u>\$19,147</u>	<u>\$402,796</u>
Total Liabilities & Fund Balances	<u>\$302,649</u>	<u>\$100,254</u>	<u>\$37,634</u>	<u>\$440,537</u>

See notes to financial statements.

Jackson Parish Recreation District
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Assets
December 31, 2003

Total Fund Balance for the Governmental Fund at December 31, 2003	\$ 402,796
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 fund. Those assets consist of:	
Land, Equipment, Buildings, and Vehicles, Net of Accumulated Depreciation	788,942
Long-term liabilities, including bonds payable are not reported in the fund:	
Long-term Debt	(245,000)
Accrued Compensated Absences	<u>(11,603)</u>
Total Net Assets of Governmental Activities at December 31, 2003	<u>\$ 935,135</u>

See notes to financial statements.

Jackson Parish Recreation District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
December 31, 2003

	General Fund	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Ad Valorem Taxes	\$296,918	\$ 73	\$ 0	\$ 296,991
Fees, Charges & Commissions for Services:				
Baseball & Softball	18,599	0	0	18,599
Basketball	7,295	0	0	7,295
Other Programs	6,629	0	0	6,629
Concessions	13,466	0	0	13,466
Interest	<u>1,698</u>	<u>0</u>	<u>1,327</u>	<u>3,025</u>
Total Revenues	<u>\$344,605</u>	<u>\$ 73</u>	<u>\$ 1,327</u>	<u>\$ 346,005</u>
Expenditures:				
Culture & Recreation:				
Baseball & Softball	\$ 21,071	\$ 0	\$ 0	\$ 21,071
Basketball	7,891	0	0	7,891
Concessions	10,334	0	0	10,334
Operating	99,314	0	0	99,314
Salary & Related Expenditures	87,884	0	0	87,884
Statutory Deduction	11,102	0	0	11,102
Capital Outlay	2,316	0	211,292	213,608
Debt Service:				
Principal	0	42,000	0	42,000
Interest	<u>0</u>	<u>11,909</u>	<u>0</u>	<u>11,909</u>
Total Expenditures	<u>\$239,912</u>	<u>\$ 53,909</u>	<u>\$ 211,292</u>	<u>\$ 505,113</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$104,693</u>	<u>\$ (53,836)</u>	<u>\$(209,965)</u>	<u>\$(159,108)</u>
Other Financing Sources (Uses)				
Transfers In	\$ 0	\$ 0	\$ 44,210	\$ 44,210
Transfers Out	<u>(44,210)</u>	<u>0</u>	<u>0</u>	<u>(44,210)</u>
Total Other Financing Sources (Uses)	<u>\$(44,210)</u>	<u>\$ 0</u>	<u>\$ 44,210</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 60,483	\$ (53,836)	\$(165,755)	\$(159,108)
Fund Balance-Beginning of Year	<u>222,912</u>	<u>154,090</u>	<u>184,902</u>	<u>561,904</u>
Fund Balance-End of Year	<u>\$283,395</u>	<u>\$100,254</u>	<u>\$ 19,147</u>	<u>\$ 402,796</u>

See notes to financial statements.

Jackson Parish Recreation District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
for the Year Ended December 31, 2003

Total Net Change in Fund Balance at December 31, 2003, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$(159,108)
The Change in Net Assets reported for Governmental Activities in the Statement of Activities is different because:	
ADD: Repayment of debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the Statement of Net Assets.	42,000
ADD: Capital Outlay costs which are considered expenditures on the Statement of Revenues, Expenditures and Change in Fund Balance are shown as increases in assets in the Statement of Activities	213,607
LESS: Governmental Funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense for the year ended December 31, 2003.	<u>(9,615)</u>
Total changes in Net Assets at December 31, 2003, per Statement of Activities	\$ <u>86,884</u>

See accountant's notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2003

Introduction:

The Jackson Parish Recreation District, created March 21, 2001, as provided by Louisiana Revised Statute 33:4562, is located in Jackson Parish in northeast Louisiana. The District is governed by ten uncompensated board members, appointed by the Jackson Parish Police Jury to act as the governing authority. The terms of the board members are five years and vacancies are filled by the Jackson Parish Police Jury.

The Recreation District was established to provide recreational programs and facilities for the residents of the parish and funded by ad valorem taxes and program revenues.

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

As the governing authority of the parish, for reporting purposes, the Jackson Parish Police Jury is the financial reporting entity for Jackson 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 Jackson Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2003

Because the police jury appoints the organization's governing body, and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury, the Jackson Parish Recreation District was determined to be a component unit of the Jackson Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Jackson Parish Recreation 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. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. FUND ACCOUNTING-

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The District has only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2003

- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the District are described below:

Governmental Fund-

1. General Fund - used to account for all financial resources, except those required to be accounted for in another funds.
2. Special Revenue Fund - used to account for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds. The one capital projects fund of the District at December 31, 2003, is used to account for construction of the Nine Pines Recreational Facility.
3. Debt Service Fund - used to account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations.

D. 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, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement is used as appropriate.

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2003

- b. The government-wide financial statement utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost of recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets.

Basis of Accounting-

In the government-wide Statement of Net Assets and Statement of Activities, the governmental 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 assets 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 collected 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. However, debt service expenditures are recorded only when payment is due.

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts of the District.

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column 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 District maintains a threshold level of \$500 or more for capitalizing capital assets.

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

Depreciation of all exhaustible capital assets is recorded as an 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.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2003

The range of useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-10 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. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

G. EQUITY CLASSIFICATIONS-

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 provision 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.

H. 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 statement and the reported amounts of revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2003

I. BUDGET-

Prior to the beginning of each fiscal year, the District adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

2. Change in Accounting Principles:

For the year ended December 31, 2003, the District has implemented GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. GASB No. 34 creates new basic financial statements for reporting on 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 implementation of GASB 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		\$561,904
Add: Cost of capital assets at December 31, 2002	\$ 659,292	
Less: Accumulated Depreciation at December 31, 2002	(74,342)	
Less: Long-Term debt at December 31, 2002	(287,000)	
Less: Compensated Absences at December 31, 2002	(11,603)	<u>286,347</u>
Net Assets at December 31, 2002		<u>\$848,251</u>

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2003

3. Cash and Cash Equivalents:

For reporting purposes, cash and cash equivalents include demand deposits, time deposits, and certificates of deposit. At December 31, 2003, the District had cash and cash equivalents (collected bank balances) totaling \$165,159. Cash and cash equivalents are stated at cost, which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a holding or custodial bank in the form of safekeeping receipts held by the District. The deposits at December 31, 2003, were secured as follows:

Demand Deposits	\$ 165,159
FDIC	(100,000)
Pledged Securities	<u>(65,159)</u>
Uninsured	\$ <u>0</u>

4. Compensated Absences:

The following annual and sick leave policies were in effect for the year ended December 31, 2003:

All full-time employees earn annual leave at rates varying from five to twenty days each year depending upon length of service. Annual leave can accumulate without limitation. Upon termination, employees have the option to either receive compensation for all unused annual leave at the employee's current rate of pay or apply the unused annual leave to years of service for retirement benefit computation. In addition, all full-time employees earn five to ten days of sick leave each year depending on length of service. Sick leave can accumulate without limitation. Upon termination, employees have the option to either receive compensation for all unused sick leave at the employee's current rate of pay or receive compensation for up to twenty-five days of accumulated sick leave at the employee's current rate of pay and apply the remainder to years of service for retirement benefits computation.

5. Fund Equity:

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for specific future use.

Designated fund balances represent tentative plans for future use of financial resources.

At December 31, 2003, the fund balance of the Debt Service Fund has been reserved in the amount equal to the upcoming annual principal and interest requirement. All other fund balances of the Jackson Parish Recreation District were unreserved and undesignated.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2003

6. Ad Valorem Taxes:

The District levies taxes on real and business personal property located within the boundaries of Jackson Parish. Property taxes are levied by the District on property values assessed by the Assessor and approved by the State of Louisiana Tax Commission.

The Jackson Parish Sheriff's office bills and collects property taxes for the District. Collections are remitted to the District monthly. The District recognizes property tax revenues when levied.

Property Tax Calendar

Assessment date	January 1, 2003
Levy date	November 15, 2003
Total taxes are due	December 31, 2003
Penalties and interest added	January 31, 2004
Lien date	January 31, 2004
Tax sale	May 17, 2004

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish wide Taxes:			
Recreation	<u>4.49</u>	<u>4.95</u>	2007

7. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2003, is as follows:

<u>Governmental Activities</u>	<u>Balance 01-01-03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-03</u>
Capital Assets Not Depreciated:				
Land	\$110,055	\$ 0	\$0	\$110,055
Construction in Progress	<u>397,131</u>	<u>211,292</u>	<u>0</u>	<u>608,423</u>
Total Assets Not Depreciated	<u>\$507,186</u>	<u>\$211,292</u>	<u>\$0</u>	<u>\$718,478</u>

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2003

<u>Governmental Activities</u>	<u>Balance 01-01-03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-03</u>
Capital Assets Depreciated:				
Athletic Equipment	\$ 4,291	\$ 0	\$0	\$ 4,291
Vehicles	26,415	0	0	26,415
Buildings	12,524	0	0	12,524
Grounds Equipment	40,660	2,316	0	42,976
Kitchen Equipment	4,621	0	0	4,621
Land Improvements	16,503	0	0	16,503
Office Equipment	8,742	0	0	8,742
Outdoor Equipment	<u>38,349</u>	<u>0</u>	<u>0</u>	<u>38,349</u>
Total Assets Depreciated	<u>\$152,105</u>	<u>\$ 2,316</u>	<u>\$0</u>	<u>\$154,421</u>
Total Assets	<u>\$659,291</u>	<u>\$213,608</u>	<u>\$0</u>	<u>\$872,899</u>
Less, Accumulated Depreciation:				
Athletic Equipment	\$ 3,676	\$ 205	\$0	\$ 3,881
Vehicles	24,076	2,339	0	26,415
Buildings	3,704	527	0	4,231
Grounds Equipment	11,579	2,804	0	14,383
Kitchen Equipment	1,948	385	0	2,333
Land Improvements	6,236	825	0	7,061
Office Equipment	7,627	611	0	8,238
Outdoor Equipment	<u>15,496</u>	<u>1,919</u>	<u>0</u>	<u>17,415</u>
Total Depreciation	<u>\$ 74,342</u>	<u>\$ 9,615</u>	<u>\$0</u>	<u>\$ 83,957</u>
Net Capital Assets	<u>\$584,949</u>	<u>\$203,993</u>	<u>\$0</u>	<u>\$788,942</u>

Depreciation expense of \$9,615 was charged to the recreation function.

8. Long-term Obligations:

In 2001, the District issued Certificates of Indebtedness, Series 2001 for the purpose of constructing a ball park and purchasing equipment. All principal and interest requirements are funded by the annual ad valorem tax levied on taxable property within the parish. The loan agreement provides for thirteen semi-annual installments. Interest on the principal is 4.48% per annum. The first installment was paid on March 1, 2002, and the final payment is due on March 1, 2008. The following is a summary of the general long-term obligation transactions relating to these certificates as of December 31, 2003.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2003

Balance at January 1, 2003	\$287,000
Additions	0
Payments	<u>(42,000)</u>
Balance at December 31, 2003	<u>\$245,000</u>

The debt service requirements to maturity including \$28,605 of interest are as follows:

<u>Fiscal Year Ending December 31, 2003</u>	<u>Requirement</u>
2004	\$ 53,990
2005	53,974
2006	54,847
2007	55,584
2008	<u>55,210</u>
Total	<u>\$273,605</u>

9. Pension Plans:

Substantially all employees of the Jackson Parish Recreation District are members of the Parochial Employee's Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate in the System. As of January 1, 1997, elected officials, except coroners and justices of the peace, may no longer join the retirement system. Those elected officials enrolled as of January 1, 1997 will maintain membership as long as they hold office. Justices of the Peace have an option to join at any time within twelve months of taking the oath of office. Coroners may join at any time on a current basis and now have the option of purchasing prior service as coroners at actuarial cost. Under Plan A, employees who retire at age 65 with at least 7 years of creditable service, at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980.

Jackson Parish Recreation District
Notes to Financial Statements
December 31, 2003

Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, P. O. Box 14619, Baton Rouge, LA 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Jackson Parish Recreation District is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Jackson Parish Recreation District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Jackson Parish Recreation District's contributions to the System under Plan A for the years ending December 31, 2003, 2002, and 2001, were \$5,378, \$4,858, and \$4,674, respectively, equal to the required contributions for each year.

10. Litigation and Claims:

Management has advised that there is no litigation pending against the Jackson Parish Recreation District at December 31, 2003.

11. Receivables:

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

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Taxes-			
Ad Valorem	\$221,706	\$53,990	\$275,696

Substantially all receivables are considered to be fully collectable, and no allowance for uncollectables is used.

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

Jackson Parish Recreation District
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2003

	<u>Budget</u> <u>Original/Final</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
REVENUES:			
Ad Valorem	\$136,000	\$296,918	\$160,918
Fees for Services & Programs	45,400	45,989	589
Interest Earnings	<u>1,200</u>	<u>1,698</u>	<u>498</u>
Total Revenues	<u>\$182,600</u>	<u>\$344,605</u>	<u>\$162,005</u>
EXPENDITURES:			
Recreation	\$195,250	\$237,596	\$ (42,346)
Capital Outlay	<u>52,500</u>	<u>2,316</u>	<u>50,184</u>
Total Expenditures	<u>\$247,750</u>	<u>\$239,912</u>	<u>\$ 7,838</u>
Excess (Deficiency) Revenues over Expenditures	\$ (65,150)	\$104,693	\$169,843
OTHER FINANCING SOURCES (USES):			
Transfers Out	0	(44,210)	(44,210)
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(65,150)	60,483	125,633
Fund Balance-Beginning of Year	<u>219,858</u>	<u>222,912</u>	<u>3,054</u>
Fund Balance-End of Year	<u>\$154,708</u>	<u>\$283,395</u>	<u>\$128,687</u>

Jackson Parish Recreation District
Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2003

	<u>Budget</u> <u>Original/Final</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable/</u> <u>(Unfavorable)</u>
REVENUES:			
Ad Valorem	\$53,917	\$ 73	\$ (53,844)
EXPENDITURES:			
Debt Service	<u>53,917</u>	<u>53,909</u>	<u>8</u>
Excess (Deficiency) Revenues over Expenditures	\$ 0	\$ (53,836)	\$ (53,836)
Fund Balance-Beginning of Year	<u>0</u>	<u>154,090</u>	<u>154,090</u>
Fund Balance-End of Year	<u>\$ 0</u>	<u>\$100,254</u>	<u>\$100,254</u>

Jackson Parish Recreation District
Capital Projects
Budgetary Comparison Schedule
For the Year Ended December 31, 2003

	<u>Budget Original/Final</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
REVENUES:			
Interest	\$ 0	\$ 1,327	\$ 1,327
EXPENDITURES:			
Capital Outlay	<u>206,295</u>	<u>211,292</u>	<u>(4,997)</u>
Excess (Deficiency) Revenues over Expenditures	\$(206,295)	\$(209,965)	\$ (3,670)
OTHER FINANCING SOURCES (USES):			
Transfers In	<u>0</u>	<u>44,210</u>	<u>44,210</u>
Excess (Deficiency) Revenues and Other Sources over Expenditures and Other Uses	\$(206,295)	\$(165,755)	\$ 40,540
Fund Balance-Beginning of Year	<u>206,295</u>	<u>184,902</u>	<u>(21,393)</u>
Fund Balance-End of Year	<u>\$ 0</u>	<u>\$ 19,147</u>	<u>\$ 19,147</u>

Johnson, Thomas & Cunningham
Certified Public Accountants

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Mark D. Thomas, CPA – A Professional Corporation
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REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF THE GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the
Jackson Parish Recreation District
Jonesboro, LA 71251

We have audited the financial statements of the Jackson Parish Recreation District, a component unit of the Jackson Parish Police Jury, as of and for the year ended December 31, 2003, and have issued our report thereon dated October 19, 2004. We conducted our audit in accordance with auditing standards accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

Compliance

As part of obtaining reasonable assurance about whether the Jackson Parish Recreation District's general purpose 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 one 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 2003-1.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Jackson Parish Recreation District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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 general purpose 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. 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 management of the Jackson Parish Recreation District, the Legislative Auditor, and interested state and federal agencies, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

October 19, 2004
Natchitoches, Louisiana

Jackson Parish Recreation District

Schedule of Findings and Questioned Costs

Year Ended December 31, 2003

Finding:

2003-1 Condition – Louisiana Revised Statutes require that an audit report be submitted within six months after the end of the fiscal year. The report was due not later than June 30, 2004. This condition was created by the originally engaged auditor being unable to perform the audit within the required time frame.

Recommendation – Since this condition was not directly caused by the District, we have no formal recommendation. However, we would suggest that the District maintain contact with the auditor, after the books have been submitted for audit, to ensure the report will be submitted on a timely basis.

Jackson Parish Recreation District

Schedule of Prior Year Audit Findings
Year Ended December 31, 2003

Compliance Findings:

(1) Unsecured Bank Balances

Condition – At December 31, 2002, the Jackson Parish Recreation District failed to have its bank balance fully secured by FDIC and of budgeted securities.

Current Status – Corrected. We consider this finding closed.