

RECREATION DISTRICT NO. 2
OF ALLEN PARISH
KINDER, LOUISIANA

A Component Unit of the
Allen Parish Police Jury

GENERAL PURPOSE FINANCIAL STATEMENTS

As of and For the Year Ended June 30, 2007

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 1/30/08

CONTENTS

	<u>Page</u>
ACCOUNTANT'S REPORT.....	2
GENERAL PURPOSE FINANCIAL STATEMENTS:	
Balance Sheet - All Fund Types and Account Groups.....	4
Governmental Funds:	
Statement of Revenues, Expenditures, and Changes in Fund Balances	5
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	6
Notes to the Financial Statements	7

Stutzman & Gates, LLC

Certified Public Accountants

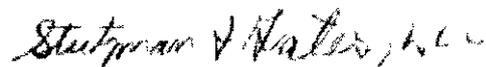
Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

Board of Commissioners
Recreation District No. 2 of Allen Parish
A Component Unit of the Allen Parish Police Jury
Kinder, Louisiana

We have compiled the accompanying general purpose financial statements of the Recreation District No. 2 of Allen Parish, a component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 2007, as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them. However, we did become aware of a departure from generally accepted accounting principles that is described in the following paragraph.

As explained in Note 1 to the financial statements, management has not implemented the new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as of June 30, 2007. Generally accepted accounting principles require that governmental entities adopt GASB No. 34. The effects of this departure from generally accepted accounting principles have not been determined.



Stutzman & Gates, LLC
December 10, 2007

GENERAL PURPOSE FINANCIAL STATEMENTS

**RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
ALL FUND TYPES AND ACCOUNT GROUPS
Balance Sheet, June 30, 2007**

	GOVERNMENTAL FUNDS		ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	CAPITAL PROJECTS FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
ASSETS AND OTHER DEBITS					
Assets:					
Cash and cash equivalents	\$ 101,857	\$ 2,276	\$ -	\$ -	\$ 104,133
Interest receivable	806	-	-	-	806
Land, buildings, & equipment	-	-	1,042,515	-	1,042,515
Other Debits:					
Amount to be provided for retirement of general long-term obligations	-	-	-	42,000	42,000
TOTAL ASSETS AND OTHER DEBITS	\$ 102,663	\$ 2,276	\$ 1,042,515	\$ 42,000	\$ 1,189,454
LIABILITIES, EQUITY, AND OTHER CREDITS					
Liabilities:					
Accounts payable	\$ 1,807	\$ -	\$ -	\$ -	\$ 1,807
Payroll deductions and withholding payable	571	-	-	-	571
Bonds payable	-	-	-	42,000	42,000
Total Liabilities	2,378	-	-	42,000	44,378
Equity and Other Credits:					
Investment in general fixed assets	-	-	1,042,515	-	1,042,515
Fund balances:					
Reserved for capital outlay	-	2,276	-	-	2,276
Unreserved - undesignated	100,285	-	-	-	100,285
Total Equity and Other Credits	100,285	2,276	1,042,515	-	1,145,076
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 102,663	\$ 2,276	\$ 1,042,515	\$ 42,000	\$ 1,189,454

See accompanying notes & accountant's report.

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2007

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
REVENUES			
Ad valorem taxes - net	\$ 110,658	\$ -	\$ 110,658
Other revenues:			
Interest	3,070	-	3,070
Miscellaneous	2,016	-	2,016
Total Revenues	<u>115,744</u>	<u>-</u>	<u>115,744</u>
EXPENDITURES			
Advertising	65	-	65
Gas & oil	1,445	-	1,445
Insurance	8,532	-	8,532
Miscellaneous	412	-	412
Payroll taxes	822	-	822
Printing & office supplies	243	-	243
Professional fees	3,445	-	3,445
Repairs & maintenance	23,106	-	23,106
Utilities	5,979	-	5,979
Wages	20,231	-	20,231
Capital outlay	41,954	-	41,954
Debt service:			
Principal retirement	41,000	-	41,000
Interest	2,308	-	2,308
Total Expenditures	<u>149,542</u>	<u>-</u>	<u>149,542</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(33,798)	-	(33,798)
FUND BALANCES AT BEGINNING OF YEAR	<u>134,083</u>	<u>2,276</u>	<u>136,359</u>
FUND BALANCES AT END OF YEAR	<u>\$ 100,285</u>	<u>\$ 2,276</u>	<u>\$ 102,561</u>

See accompanying notes & accountant's report.

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
GOVERNMENTAL FUND - GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2007

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Ad valorem taxes - net	\$ 110,800	\$ 110,658	\$ (142)
Other revenues:			
Interest	-	3,070	3,070
Miscellaneous	-	2,016	2,016
Total Revenues	<u>110,800</u>	<u>115,744</u>	<u>4,944</u>
EXPENDITURES			
Advertising	-	65	(65)
Gas & oil	1,000	1,445	(445)
Insurance	7,500	8,532	(1,032)
Miscellaneous	-	412	(412)
Payroll taxes	-	822	(822)
Printing & office supplies	-	243	(243)
Professional fees	1,500	3,445	(1,945)
Repairs & maintenance	11,000	23,106	(12,106)
Utilities	4,000	5,979	(1,979)
Wages	24,800	20,231	4,569
Capital outlay	18,000	41,954	(23,954)
Debt service:			
Principal retirement	40,000	41,000	(1,000)
Interest	3,000	2,308	692
Total Expenditures	<u>110,800</u>	<u>149,542</u>	<u>(38,742)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	(33,798)	(33,798)
FUND BALANCES AT BEGINNING OF YEAR	<u>134,083</u>	<u>134,083</u>	-
FUND BALANCES AT END OF YEAR	<u>\$ 134,083</u>	<u>\$ 100,285</u>	<u>\$ (33,798)</u>

See accompanying notes & accountant's report.

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A Component Unit of the Allen Parish Police Jury
Kinder, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

INTRODUCTION

The Recreation District No. 2 of Allen Parish was created by the Allen Parish Police Jury. The District is governed by a board of five noncompensated commissioners who are appointed by the Allen Parish Police Jury. The District establishes regulations governing the park and playground and provides administration, management, maintenance and operations of the facilities. The District employs a varying number of seasonal, part-time employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Recreation District No. 2 of Allen Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* (Statement). The financial statements must include a Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations; financial statements prepared using full accrual accounting for all of the District's activities, including reporting infrastructure assets (roads, bridges, etc.); and, a change in the fund financial statements to focus on the *major* funds. The District has chosen not to apply GASB No. 34 in the preparation of its financial statements.

B. REPORTING ENTITY

The District is a component unit of the Allen Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.

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.

C. 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 relating to certain government functions or activities.

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

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
Kinder, Louisiana
Notes to the Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. FUND ACCOUNTING

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

1. General Fund—the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.
2. Capital Projects Fund—accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The 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 of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. 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 government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Revenues susceptible to accrual are property tax revenue and interest earned.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses). These are recorded in the year of occurrence.

E. BUDGETS

A budget is adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the general fund. All annual appropriations lapse at fiscal year end. The budget was amended once during the year.

Prior to the beginning of each fiscal year, the President of the District submits a budget to the Board of Commissioners. The budget is prepared by fund, function and activity. The board

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
Kinder, Louisiana
Notes to the Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated or the revenue estimates must be changed by an affirmative vote of a majority of the government's council.

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

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. DEPOSITS AND INVESTMENTS

The District'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 District's investment policy allow the District 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.

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. Construction period interest is immaterial and is not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

I. COMPENSATED ABSENCES

All employees of the District are part-time and utilized on a seasonal basis. The District has no policy of vacation or sick leave for these employees.

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

K. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
 Kinder, Louisiana
 Notes to the Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

L. FUND EQUITY

Reserves

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

M. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations 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.

NOTE 2 - LEVIED TAXES

For the year ended June 30, 2007, taxes were levied on property with assessed valuations as follows:

	<u>General Purposes</u>
Assessed Valuation	\$ 24,096,363
Millage	4.98

Total taxes levied were \$120,000 for 2007. These taxes were substantially collected by June 30, 2007.

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15 of the current year, and become delinquent after December 31. Property taxes not paid by the end of December are subject to lien. The District considers all uncollected taxes at December 31 to be uncollectible and are charged as bad debts. The District does not use a valuation account for bad debts and considers its method to not result in an outcome that differs materially from results if the allowance method had been used.

NOTE 3- CASH AND CASH EQUIVALENTS

At June 30, 2007, the District has cash and cash equivalents (book balances) totaling \$104,133 as follows:

Demand deposits	\$ 10,353
Interest-bearing demand deposits	8,327
Time deposits	85,403
Other	<u>50</u>
Total	<u>\$ 104,133</u>

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
 Kinder, Louisiana
 Notes to the Financial Statements (Continued)

NOTE 3- CASH AND CASH EQUIVALENTS

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 June 30, 2007, the District has \$104,083 in deposits (collected bank balances). These deposits are secured from risk by \$104,083 of federal deposit insurance.

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	06/30/06 Balance	Additions	Deletions	6/30/07 Balance
Land	\$ 53,015	\$ -	\$ -	\$ 53,015
Park improvements	853,037	41,954	-	894,991
Movable equipment	94,509	-	-	94,509
Total	<u>\$1,000,561</u>	<u>\$ 41,954</u>	<u>\$ -</u>	<u>\$ 1,042,515</u>

NOTE 5 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year:

Bonds payable, June 30, 2006	\$ 83,000
Bonds issued	-
Bonds retired	41,000
Bonds payable, June 30, 2007	<u>\$ 42,000</u>

General obligation bonds are comprised of the following individual issues:

\$170,000 Certificates of indebtedness, Series 2004 dated 01/01/04; due in annual installments of \$32,000-\$36,000 through March 1, 2008, interest at 3.25% (this issue secured by levy and collection of ad valorem taxes)	\$ 36,000
 \$30,000 Certificates of indebtedness, Series 2004 dated 01/01/04; due in annual installments of \$6,000 through March 1, 2008, interest at 0% (this issue secured by levy and collection of ad valorem taxes)	 6,000
Total	<u>\$ 42,000</u>

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
 Kinder, Louisiana
 Notes to the Financial Statements (Continued)

NOTE 5 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2008	\$ 42,000	\$ 1,170	\$ 43,170
Total	<u>\$ 42,000</u>	<u>\$ 1,170</u>	<u>\$ 43,170</u>

NOTE 6 - RISK MANAGEMENT

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

NOTE 7 - RETIREMENT COMMITMENTS

All employees of the District are part-time and utilized on a seasonal basis. The District has no policy of providing for the retirement of these employees.

NOTE 8 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There are a number of limitations and restrictions contained in the bond indenture. The District is in compliance with all significant limitations and restrictions. No material violations of finance related, legal and contractual provisions occurred for the year ended June 30, 2007.