

# Livingston Recreation District Number Five

## Annual Financial Statements

As of and for the Year Then Ended December 31, 2011  
With Supplemental Information Schedules

**Livingston Recreation District Number Five**  
**Annual Financial Statements**  
**As of and for the Year Ended December 31, 2011**  
**With Supplemental Information Schedules**

**TABLE OF CONTENTS**

	<b>Statement</b>	<b>Page</b>
Independent Accountant’s Review Report.....		5
Required Supplemental Information (Part I):		
Management’s Discussion and Analysis .....		8
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Assets .....	A	16
Statement of Activities.....	B	17
Fund Financial Statements:		
Governmental Funds Financial Statements:		
Balance Sheet, Governmental Funds.....	C	19
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Financial Statement of Net Assets.....	D	20
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	E	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities .....	F	22
Notes to the Financial Statements .....		24

**Livingston Recreation District Number Five**  
**Annual Financial Statements**  
**As of and for the Year Ended December 31, 2011**  
**With Supplemental Information Schedules**

	<b>Schedule</b>	<b>Page</b>
<b>Required Supplemental Information (Part II):</b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual General Fund .....	1	36
<b>Other Supplemental Schedules:</b>		
Schedule of Board Members .....	2	38
Independent Accountant’s Report on Applying Agreed-Upon Procedures.....		39
Louisiana Attestation Questionnaire .....		42

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### Independent Accountant's Review Report

To the Board of Commissioners  
Livingston Recreation District Number Five  
Livingston, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, and each major fund of the Livingston Recreation District Number Five, Livingston Louisiana, a component unit of Livingston Parish Council, as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents, and the accompanying supplementary information in this report, which are presented only for supplementary analysis purposes. A review includes primarily applying analytical procedures to management's financial data and making inquiries of District's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation  
June 4, 2012

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Required Supplemental Information (Part I)  
Management's Discussion and Analysis

## **Livingston Recreation District Number Five**

### **Management's Discussion and Analysis As of and for the Year Ended December 31, 2011**

#### **Introduction**

The Livingston Recreation District Number Five (the District) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), and related standards.

The District's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any significant variations from the District's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the District's financial statements in this report.

#### **Financial Highlights**

- At December 31, 2011, the District's government wide assets exceeded its liabilities by \$1,329,186 (net assets). Of this amount, \$512,830 (unrestricted net assets) may be used to meet the District's ongoing obligations to its citizens.
- For the year ended December 31, 2011, the District's total government wide net assets increased by \$54,311.
- At December 31, 2011, the District's governmental funds reported combined ending fund balances of \$651,602, a decrease of \$44,448 for the year. This entire amount is available for spending at the District's discretion (unreserved fund balances).
- For the year ended December 31, 2011, the District made long term debt payments of \$70,000 on the Certificate of Indebtedness, Series 2009, which were incurred for costs related to construction of the Colyell ball park renovations project in the prior period.

#### **Overview of the Annual Financial Report**

The financial statement focus is on both the District as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the District's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the District's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

## **Livingston Recreation District Number Five**

### **Management's Discussion and Analysis As of and for the Year Ended December 31, 2011**

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support are presented in separate columns along with a total column for the primary government. If the District determines that presentation of a component unit (which are other governmental units for which the District can exercise significant influences or for which the Primary Government financial statements would be misleading if component unit information is not presented) is necessary to allow the reader to determine the relationship of the component unit and primary government, the component unit information is presented in a separate column of the financial statements or in a separate footnote. For the current fiscal year, the Livingston Recreation District Number Five has no component units.

The Statement of Net Assets presents information on the District's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net assets. Over time, the increases or decreases in net assets and changes in the components of net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year, focusing on both the gross and net costs of various activities. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services.

In both of the government-wide financial statements, the District's activities are divided into two types:

- Governmental activities - Most of the District's basic services are reported here, including general government and recreation. These activities are financed primarily by ad valorem taxes.
- Business-type activities - If the District charges a fee to customers to help it cover all of the cost of the services provided. The District does not have any business-type activities.

Government-wide net assets are broken down into the following categories:

- Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or indebtedness attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Assets - This component of net assets consists of net assets that do not meet the definition of restricted net assets or invested in capital assets, net of related debt.

## **Livingston Recreation District Number Five**

### **Management's Discussion and Analysis As of and for the Year Ended December 31, 2011**

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The District uses one category of funds to account for financial transactions: governmental funds.

Governmental funds are used to account for most of the District's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The District's governmental funds for the fiscal year ending December 31, 2011 consist of the general fund, the debt service fund, and the capital projects fund. The debt service fund is maintained to accumulate resources for payment of the Certificate of Indebtedness, Series 2009, with principal and interest payments, and the Capital Projects Fund is used to record the costs of construction for recreation improvements financed by the Series 2009 Certificates.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the District's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations can be found in statements D and F respectively inside this report.

#### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Livingston Recreation District Number Five

### Management's Discussion and Analysis As of and for the Year Ended December 31, 2011

#### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the District's net assets for the current year as compared to the prior year. For more detailed information, see the Statement of Net Assets in this report.

#### Net Assets 2011 and 2010

	Governmental Activities	
	2011	2010
Assets:		
Current and Other Assets	\$ 699,645	\$ 754,351
Capital Assets	1,221,851	1,185,565
Total Assets	<u>1,921,496</u>	<u>1,939,916</u>
Liabilities:		
Long-Term Debt Outstanding	500,000	575,000
Other Liabilities	92,310	90,041
Total Liabilities	<u>592,310</u>	<u>665,041</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	646,851	540,565
Restricted for Capital Projects and Debt Service	169,505	71,757
Unrestricted	512,830	662,553
Total Net Assets	<u>\$ 1,329,186</u>	<u>\$ 1,274,875</u>

At December 31, 2011 net capital assets exceeded long term debt by \$646,851 resulting in forty nine percent invested in capital assets net of related debt. A total of \$169,505 or thirteen percent was restricted for the Debt Reserve Fund, and \$512,830 or thirty eight percent was unrestricted and available to meet the District's ongoing obligations to its citizens.

The major change in the District's net asset composition involved the completion of the Colyell ball park renovations project.

The District's activities increased its total net assets by \$54,311. The increase was consistent with projected levels of advalorem taxes and operating expenses. In order to further understand what makes up the changes in net assets, the following table provides a summary of the results of the District's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities in this report.

**Livingston Recreation District Number Five**

**Management's Discussion and Analysis  
As of and for the Year Ended December 31, 2011**

**Changes in Net Assets  
For the years ended December 31, 2011 and 2010**

	Governmental Activities	
	2011	2010
Revenues:		
General Revenues:		
Ad Valorem Taxes	\$ 289,540	\$ 267,530
Interest Income	1,447	1,873
Total Revenues	<u>290,987</u>	<u>269,403</u>
Expenses:		
General Government	24,743	28,482
Recreation	211,933	139,105
Total Expenses	<u>236,676</u>	<u>167,587</u>
Change in Net Assets	54,311	101,816
Net Assets, Beginning	<u>1,274,875</u>	<u>1,173,059</u>
Net Assets, Ending	<u>\$ 1,329,186</u>	<u>\$ 1,274,875</u>

**Governmental Activities**

Revenues for governmental activities increased by eight percent. Expenses increased by \$69,089, primarily due to increases in repairs and maintenance of \$55,000.

**Fund Financial Analysis**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

## Livingston Recreation District Number Five

### Management's Discussion and Analysis As of and for the Year Ended December 31, 2011

The general fund is the chief operating fund of the District. At the end of the current year, the total fund balance for the general fund decreased by \$141,998, totaling \$554,052, all of which was unreserved. Total expenditures in 2011 and 2010 for governmental funds were \$338,938 and \$749,887 respectively. The decrease was due primarily to the Colyell ball park renovations in 2010.

#### General Fund Budgetary Highlights

*Footnote 2 - Stewardship, Compliance and Accountability*, for the Livingston Recreation District Number Five, recaps whether the District complied with provisions of the Local Government Budget Act. This footnote indicates that actual expenditures did not exceed budgeted expenditures and other uses by five percent, and that actual revenues and other sources were above budgeted revenues and other sources.

#### Capital Assets and Debt Administration

##### Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2011 amounts to \$1,221,851 (net of depreciation). The total increase in the District's investment in capital assets for the current fiscal year was \$36,286 (net of depreciation).

The following table provides a summary of the District's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 6 to the financial statements in this report.

#### Capital Assets (Net of Depreciation) 2011 and 2010

Capital Assets	Governmental Activities	
	2011	2010
Land	\$ 40,000	\$ 40,000
Construction in Progress	-	-
Equipment	96,781	36,532
Recreational Facility Improvements	1,405,222	1,363,323
Subtotal Capital Assets	1,542,003	1,439,855
Less: Accumulated Depreciation	(320,152)	(254,290)
Capital Assets, Net	\$ 1,221,851	\$ 1,185,565

Additions totaled \$102,148 for the fiscal year ending December 31, 2011 and consisted of \$41,899 of capital outlay and \$60,249 of equipment purchased.

## Livingston Recreation District Number Five

### Management's Discussion and Analysis As of and for the Year Ended December 31, 2011

#### Long-Term Debt

On December 10, 2009, the Livingston Recreation District Number Five issued \$715,000 of Certificate of Indebtedness, Series 2009 of Recreation District No. 5 of the Parish of Livingston, State of Louisiana. The Certificate was issued at an annual interest rate of 3.69 percent with annual principal payments due beginning May 1, 2010, and ending May 1, 2018, with interest payments due semi-annually on May 1, and November 1, beginning May 1, 2010, and ending May 1, 2018. Outstanding debt for the fiscal years ending December 31, 2011 and 2010 is as follows:

#### Outstanding Debt 2011 and 2010

	Governmental Activities	
	2011	2010
Revenue Bonds	\$ 575,000	\$ 645,000
Total Outstanding Debt	\$ 575,000	\$ 645,000

#### Other Factors Affecting the District

The Livingston Recreation District Number Five's management approach is conservative with the District implementing and maintaining recreational facility improvements directly or for eventual transfer for continued operation to local governmental authorities.

As noted in Footnote D, the property tax millage was renewed during year 2008 and will extend through year 2017.

#### Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, creditors and investors with a general overview of the District's finances and show the District's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Livingston Recreation District Number Five at Post Office Box 284, Livingston, LA 70754. The District's telephone number is (225) 341-0898.

**Basic Financial Statements**  
**Government-Wide Financial Statements**

**Livingston Recreation District Number Five  
Statement of Net Assets  
As of December 31, 2011**

**Statement A**

	<b>Governmental Activities</b>
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 254,476
Receivables, Net:	
Ad Valorem Taxes	244,055
Bond Issue Cost, Net	28,881
Prepaid Insurance	2,078
Utility Deposits	650
Total Current Assets	530,140
Restricted Assets:	
Restricted Cash and Cash Equivalents	169,505
Total Restricted Assets	169,505
Capital Assets:	
Land	40,000
Capital Assets, Net	1,181,851
Total Capital Assets	1,221,851
<b>Total Assets</b>	<b>1,921,496</b>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	-
Pension Deductions from Ad Valorem Taxes	11,917
Accrued Interest Payable	5,393
Bonds Payable	75,000
Total Current Liabilities	92,310
Long Term Liabilities:	
Bonds Payable	500,000
Total Long Term Liabilities	500,000
<b>Total Liabilities</b>	<b>592,310</b>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	646,851
Restricted for:	
Capital Projects and Debt Service	169,505
Unrestricted	512,830
<b>Total Net Assets</b>	<b>\$ 1,329,186</b>

See accompanying notes and independent accountant's review report.

Statement B

Livingston Recreation District Number Five  
 Statement of Activities  
 For the year ended December 31, 2011

	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for</u> <u>Services</u>	<u>Net (Expenses)</u> <u>Revenues</u>	<u>Net (Expenses)</u> <u>Revenues and Changes</u> <u>of Primary</u> <u>Government</u> <u>Governmental</u> <u>Activities</u>
<b>Governmental Activities</b>				
General Government	\$ 24,743	\$ -	\$ (24,743)	\$ (24,743)
Recreation	211,933	-	(211,933)	(211,933)
<b>Total Governmental Activities</b>	<u>236,676</u>	<u>-</u>	<u>(236,676)</u>	<u>(236,676)</u>
<b>General Revenues:</b>				
Taxes:				
Ad Valorem Taxes				289,540
Interest Income				1,447
<b>Total General Revenues</b>				<u>290,987</u>
<b>Change in Net Assets</b>				<u>54,311</u>
<b>Net Assets - Beginning</b>				<u>1,274,875</u>
<b>Net Assets - Ending</b>				<u>\$ 1,329,186</u>

See accompanying notes and independent accountant's review report.

# Basic Financial Statements

## Fund Financial Statements

## Statement C

**Livingston Recreation District Number Five**  
**Balance Sheet, Governmental Funds**  
**As of December 31, 2011**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and Equivalents	\$ 254,476	\$ -	\$ -	\$ 254,476
Receivables, Net:				
Ad Valorem Taxes	244,055	-	-	244,055
Prepaid Insurance	2,078	-	-	2,078
Utility Deposits	650	-	-	650
Restricted Cash	71,955	97,550	-	169,505
<b>Total Assets</b>	<u>\$ 573,214</u>	<u>\$ 97,550</u>	<u>\$ -</u>	<u>\$ 670,764</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Pension Deductions from Ad Valorem Taxes	11,917	-	-	11,917
Deferred Revenue	7,245	-	-	7,245
<b>Total Liabilities</b>	<u>19,162</u>	<u>-</u>	<u>-</u>	<u>19,162</u>
Fund Balances:				
Nonspendable Fund Balances	2,078	-	-	2,078
Unassigned Fund Balances	551,974	-	-	551,974
Restricted Fund Balances	-	97,550	-	97,550
<b>Total Fund Balances</b>	<u>554,052</u>	<u>97,550</u>	<u>-</u>	<u>651,602</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 573,214</u>	<u>\$ 97,550</u>	<u>\$ -</u>	<u>\$ 670,764</u>

See accompanying notes and independent accountant's review report.

**Statement D**

**Livingston Recreation District Number Five  
Reconciliation of the Governmental Funds Balance Sheet  
to the Government-Wide Financial Statement of Net Assets  
As of December 31, 2011**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

<b>Fund Balances, Total Governmental Funds (Statement C)</b>	\$	651,602
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Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.

Governmental capital assets net of depreciation		1,221,851
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Some of the District's ad valorem taxes will be collected after year end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		7,245
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Long-term liabilities including bonds payable, are not due and payable in the current period and, therefore, the liabilities along with any issuance costs are not reported in the governmental funds.

Bonds Payable		(575,000)
Accrued Interest		(5,393)
Bond Issuance Costs		38,631
Accumulated Amortization		(9,750)

<b>Net Assets of Governmental Activities (Statement A)</b>	\$	1,329,186
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See accompanying notes and independent accountant's review report.

**Livingston Recreation District Number Five**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the year ended December 31, 2011**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Ad Valorem Taxes	\$ 293,043	\$ -	\$ -	\$ 293,043
Interest	1,310	137	-	1,447
<b>Total Revenues</b>	<u>294,353</u>	<u>137</u>	<u>-</u>	<u>294,490</u>
<b>Expenditures</b>				
General Government				
Benefits - Pensions	11,917	-	-	11,917
Other operating	676	-	-	676
Professional Fees	12,150	-	-	12,150
Supplies	-	-	-	-
Recreation				
Insurance	3,992	-	-	3,992
Other operating	2,232	78	-	2,310
Repairs and Maintenance	109,405	-	-	109,405
Utilities	3,831	-	-	3,831
Capital Outlays	102,148	-	-	102,148
Debt Service				
Principal	-	70,000	-	70,000
Interest	-	22,509	-	22,509
<b>Total Expenditures</b>	<u>246,351</u>	<u>92,587</u>	<u>-</u>	<u>338,938</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>48,002</u>	<u>(92,450)</u>	<u>-</u>	<u>(44,448)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	190,000	-	190,000
Operating Transfers (Out)	(190,000)	-	-	(190,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(190,000)</u>	<u>190,000</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(141,998)</u>	<u>97,550</u>	<u>-</u>	<u>(44,448)</u>
<b>Fund Balances, Beginning</b>	<u>696,050</u>	<u>-</u>	<u>-</u>	<u>696,050</u>
<b>Fund Balances, Ending</b>	<u>\$ 554,052</u>	<u>\$ 97,550</u>	<u>\$ -</u>	<u>\$ 651,602</u>

See accompanying notes and independent accountant's review report.

**Livingston Recreation District Number Five  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the year ended December 31, 2011**

Amounts reported for governmental activities in the Statement of Activities are different because:

**Net Change in Fund Balances, Total Governmental Funds, Statement E** \$ (44,448)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets:		
Capital expenditures - General Fund	\$ 102,148	
Less:		
Current year depreciation	(65,862)	36,286

Repayment of long-term debt principal is an expenditure in governmental funds but the repayment reduces long-term liabilities in the statement of net assets.

Principal payments - certificates of indebtedness - Bonds		70,000
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Deferred ad valorem tax revenues in the governmental funds will not be collected for several months after the District's fiscal year end and are not considered "available" revenues in the government wide financial statements.

Decrease in deferred revenues from prior year		(3,503)
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Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These differences consist of:

Net increase in accrued interest from prior year		656
Amortization on Bond Issuance Costs		(4,680)

**Change in Net Assets of Governmental Activities, Statement B** \$ 54,311

See accompanying notes and independent accountant's review report.

# Basic Financial Statements

## Notes to the Financial Statements

## **Livingston Recreation District Number Five**

### **Notes to the Financial Statements As of and for the Year Ended December 31, 2011**

#### **Introduction**

The Livingston Recreation District Number Five was created by the Livingston Parish Council under the provisions of LRS 33:4562-4566, to provide playgrounds and other facilities which promote recreation and the general health and well-being of area youths. The District accomplishes its goals through recreational facility improvements and maintenance and through cooperative activities with local governmental units. The District is governed by a board of seven commissioners who are appointed by the Livingston Parish Council. These commissioners serve without compensation and are not reimbursed for expenses. The District includes the areas Colyell, Satsuma, and the Town of Livingston.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the District is considered a component unit of the Livingston Parish Council.

#### **1. Summary of Significant Accounting Policies**

##### **A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all nonfiduciary activities of the component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities. Governmental activities are supported by ad valorem tax collections dedicated for support of recreational activities and projects.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are presented as separate columns in the fund financial statements. Both the general and debt service funds are presented as major funds.

##### **B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

## **Livingston Recreation District Number Five**

### **Notes to the Financial Statements As of and for the Year Ended December 31, 2011**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The District reports the following major governmental funds:

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

The Debt Service Fund accounts for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations. The Debt Service Fund is maintained for the Certificate of Indebtedness, Series 2009 issued December 10, 2009.

The Capital Project Fund accounts for financial resources received and used for acquisition, construction, or improvement of capital facilities not reported in other governmental funds.

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

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

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

#### **C. Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, time 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 deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

**Livingston Recreation District Number Five**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2011**

Investments for the District, when held, are reported at fair market value. The state investment pool, LAMP, operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of December 31, 2011, the District held no investments.

**D. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
General and Recreation	15 mills	15 mills

On July 18, 2008, the property tax millage was renewed and is approved beginning in year 2008 and ending with the year 2017.

**E. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**F. Restricted Assets**

Certain proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes are classified as restricted assets because their use is limited to specific expenditures. There were restricted assets held at December 31, 2011 within the General Fund for reserve cash related to the debt covenants for the bonds paid through the Debt Service Fund for the bonds for the Colyell Park Renovations.

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if

**Livingston Recreation District Number Five**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2011**

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 the asset or materially extend assets lives are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Equipment	7 - 20 Years
Recreational Facility Improvements	20 - 30 Years

**H. Compensated Absences**

The District did not have any employees which accumulate or vest benefits during the year ended December 31, 2011.

**I. Long-Term Obligations**

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

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

**J. Fund Equity**

In the government-wide financial statements, net assets are classified in the following categories:

- **Invested in capital assets, net of related debt.** This component of net assets includes capital assets, net of accumulated depreciation, reduced by the outstanding balance of any bonds, or indebtedness attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset calculation as unspent proceeds.
- **Restricted.** This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or

## Livingston Recreation District Number Five

### Notes to the Financial Statements As of and for the Year Ended December 31, 2011

regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted.** This component of net assets consists of 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. The District adopted GASB 54 for the year ended December 31, 2011. As such, fund balances of the governmental fund are classified as follows:

- **Nonspendable.** These are amounts that can not be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision making authority for the District.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes.
- **Unassigned.** These are all other spendable amounts.

#### **K. Comparative Data/Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

#### **L. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the district, which are either unusual in nature or infrequent in occurrence.

#### **M. 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**Livingston Recreation District Number Five**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2011**

**N. Reconciliations of Government-Wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

**2. Stewardship, Compliance and Accountability**

The District's budget procedures are defined in state law, Louisiana Revised Statutes 39:1301-14. The major requirements of the Local Government Budget Act are summarized as follows:

1. The District must adopt a budget each year for the general fund and each special revenue fund, if applicable.
2. The chairman must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District had jurisdiction. The proposed expenditures were less than \$500,000; therefore a public hearing was not required.
3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on December 7, 2010.
4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The budget was not required to be amended at fiscal year end.
5. The budget for the General Fund was adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, the Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

**3. Cash and Cash Equivalents**

At December 31, 2011, the District has cash and cash equivalents (book balances) as follows:

	<b>December 31, 2011</b>
Demand Deposits	\$ 423,981
	<u>\$ 423,981</u>

## Livingston Recreation District Number Five

### Notes to the Financial Statements As of and for the Year Ended December 31, 2011

Total deposits of \$423,981 consist of \$423,981 in demand deposits within one bank, which are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2011, the demand deposits of \$423,981 in deposits (collected bank balances) within the bank were secured from risk by \$250,000 of federal deposit insurance and \$173,981 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statutes 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds on demand.

#### 4. Restricted Assets

The following is a summary of restricted assets at December 31, 2011:

	<u>December 31, 2011</u>
Restricted Cash and Cash Equivalents	
General Fund	
Reserve Fund	\$ 71,955
Debt Service Fund	
Sinking Fund	97,550
Total Restricted Assets	<u>\$ 169,505</u>

#### 5. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. The major receivable balance for the governmental activities and on the fund financials is for ad valorem taxes and totals \$244,055 at December 31, 2011.

Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded only if paid within sixty days since they would be considered both measurable and available.

**Livingston Recreation District Number Five**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2011**

**6. Capital Assets**

Capital assets and depreciation activity as of and for the year ended December 31, 2011 for governmental activities is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities Capital Assets:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 40,000	\$ -	\$ -	\$ 40,000
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Capital Assets Being Depreciated:				
Equipment	36,532	60,249	-	96,781
Recreational Facility Improvements	1,363,323	41,899	-	1,405,222
Total Capital Assets Being Depreciated	<u>1,399,855</u>	<u>102,148</u>	<u>-</u>	<u>1,502,003</u>
Less Accumulated Depreciation for:				
Equipment	27,587	5,817	-	33,404
Recreational Facility Improvements	226,703	60,045	-	286,748
Total Accumulated Depreciation	<u>254,290</u>	<u>65,862</u>	<u>-</u>	<u>320,152</u>
Total Capital Assets Being Depreciated, Net	<u>1,145,565</u>	<u>36,286</u>	<u>-</u>	<u>1,181,851</u>
<b>Total Governmental Activities Capital Assets, Net</b>	<u>\$ 1,185,565</u>	<u>\$ 36,286</u>	<u>\$ -</u>	<u>\$ 1,221,851</u>

Depreciation was charged to governmental functions as follows:

Recreational Facilities Maintenance	\$ 65,862
	<u>\$ 65,862</u>

Additions totaled \$102,148 for the fiscal year ending December 31, 2011 and consisted of \$60,249 of new equipment and \$41,899 of capital outlay.

**7. Interfund Transfers**

The following is a detailed list of interfund transfers reported in the fund financial statements on December 31, 2011:

<b>Interfund Transfers</b>	<u>Transfers In</u>	<u>Transfers Out</u>
<b>General Fund</b>		
Capital Project Fund	\$ -	\$ 190,000
<b>Capital Project Fund</b>		
General Fund	190,000	-
<b>Total Interfund Transfers</b>	<u>\$ 190,000</u>	<u>\$ 190,000</u>

The reason for the interfund transfers was to transfer funds to fully fund the capital project for the Coyell ball field renovations.

**Livingston Recreation District Number Five**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2011**

**8. Accounts, Salaries, and Other Payables**

The Governmental Fund payables at December 31, 2011 are as follows:

Governmental Funds Payable	General Fund	Debt Service Fund	Capital Projects Fund	Total
				Governmental Funds
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Pension Deductions from Ad Valorem Taxes	11,917	-	-	11,917
Deferred Revenue	7,245	-	-	7,245
<b>Total Government Funds Payable</b>	<b>\$ 19,162</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,162</b>

**9. Long-Term Debt**

The following is a summary of long-term debt transactions for the fiscal year ending December 31, 2011:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Long-Term Debt					
Certificates of Indebtedness, Series 2009	\$ 645,000	\$ -	\$ 70,000	\$ 575,000	\$ 75,000
Ending Balance	<u>\$ 645,000</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 575,000</u>	<u>\$ 75,000</u>

On December 10, 2009, the Livingston Recreation District Number Five issued \$715,000 Certificate of Indebtedness, Series 2009 of Recreation District No. 5 of the Parish of Livingston, State of Louisiana. The Certificate of Indebtedness was issued at an annual interest rate of 3.69 percent with annual principal payments due annually beginning May 1, 2010, through May 1, 2018, and semi-annual interest payments due May 1 and November 1 of each year through May 1, 2018. Interest expense for the year included in recreational expenditures for governmental activities totaled \$22,509.

The total proceeds of \$715,000 from the sale of the Certificates were used for the following purposes:

1. A total of \$71,500 was required to be deposited into the Reserve Fund. At December 31, 2011, the Reserve Fund was fully funded with the District maintaining a Reserve Fund balance of \$71,955. Bond covenants specify that the Paying Agent shall transfer money from the Reserve Fund to pay interest on and principal on the Certificates whenever and to the extent the money received by the Paying Agent pursuant to the Ordinance is insufficient. The Paying Agent shall notify the Owner if it applies moneys in the Reserve Fund to the payment of principal of and interest on the Certificates, as set forth in the Ordinance. Following a drawing on the Reserve Fund by the Paying Agent, on the twenty-fifth (25<sup>th</sup>) day of each month, the Issuer shall remit an amount to the Paying Agent sufficient to cause the balance in the Reserve Fund to equal the Reserve Requirement in twelve (12) months.

**Livingston Recreation District Number Five**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2011**

2. A total of \$643,500 was required to be deposited into the Project Fund held by the Paying Agent and \$600,000 shall be used to provide sufficient funds to (i) acquire and construct upgrades to existing recreational facilities within the Issuer, including, but not limited to, new lighting, resurfacing of parking and installation of new playground equipment, and (ii) pay the engineering and inspection fees thereto and \$43,500 will be used to pay the costs of issuance of the Certificates. The project was completed by December 31, 2010, with total payments of \$53,001 in engineering costs, \$38,631 in bond issuance costs, and \$551,868 in construction costs totaling \$643,500.

Also required with the issuance of the Certificate of Indebtedness, Series 2009 was the creation of a special fund to be known as the "Recreation District No. 5 of the Parish of Livingston, Certificate of Indebtedness, Series 2009 Sinking Fund" for the payment of the principal of and the interest on the Certificates as set forth in the Ordinance. The Issuer shall transfer from the Sinking Fund at least three (3) days in advance of the date on which each payment of principal and/or interest falls due, funds fully sufficient to promptly pay the maturing principal and/or interest so falling due on such date to the Paying Agent.

	<u>Bonds Payable</u> <u>End of Year</u>	<u>Due Within One</u> <u>Year</u>
Governmental Funds: \$ 715,000 Certificates of Indebtedness, Series 2009 bearing interest at a rate of 3.69%		
Dated 12/10/2009 due in semi-annual installments of principal and interest of on May and November first, commencing in 2010 through 2018	\$ 575,000	\$ 75,000
	<u>\$ 575,000</u>	<u>\$ 75,000</u>

The annual requirements to amortize the outstanding Certificate of Indebtedness as of December 31, 2011, including interest payments of \$77,214 is as follows:

<u>Year Ending</u> <u>12/31/11</u>	<u>Certificate of</u> <u>Indebtedness</u> <u>\$ 715,000</u>
2012	\$ 94,834
2013	92,066
2014	94,207
2015	91,255
2016	93,210
2017 to 2018	186,642
	<u>\$ 652,214</u>

**Livingston Recreation District Number Five**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2011**

**10. Contingent Liabilities**

At December 31, 2011, the District was not involved in any outstanding litigation or claims.

**11. Subsequent Events**

Subsequent events were evaluated through June 4, 2012, for the purposes of this report.

## Required Supplemental Information (Part II)

**Livingston Recreation District Number Five**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**General Fund**  
**For the year ended December 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable</u>
<b>Revenues</b>				
Ad Valorem Taxes	\$ 260,000	\$ 270,000	\$ 293,043	\$ 23,043
Interest	2,300	1,300	1,310	10
<b>Total Revenues</b>	<u>262,300</u>	<u>271,300</u>	<u>294,353</u>	<u>23,053</u>
<b>Expenditures</b>				
General Government				
Benefits - Pensions	15,000	11,800	11,917	(117)
Other operating	1,200	600	676	(76)
Professional Fees	20,200	14,700	12,150	2,550
Supplies	500	200	-	200
Recreation				
Insurance	5,000	4,000	3,992	8
Other operating	2,500	2,800	2,162	638
Repairs and Maintenance	113,300	93,350	109,405	(16,055)
Supplies	1,500	350	70	280
Utilities	4,700	4,300	3,831	469
Capital Outlays	100,000	130,000	102,148	27,852
<b>Total Expenditures</b>	<u>263,900</u>	<u>262,100</u>	<u>246,351</u>	<u>15,749</u>
<b>Excess Revenues (Expenditures)</b>	<u>(1,600)</u>	<u>9,200</u>	<u>48,002</u>	<u>38,802</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	(187,600)	(187,600)	(190,000)	(2,400)
<b>Total Other Financing Sources (Uses)</b>	<u>(187,600)</u>	<u>(187,600)</u>	<u>(190,000)</u>	<u>(2,400)</u>
<b>Net Change in Fund Balances</b>	<u>(189,200)</u>	<u>(178,400)</u>	<u>(141,998)</u>	<u>36,402</u>
<b>Fund Balances, Beginning</b>	696,050	696,050	696,050	-
<b>Fund Balances, Ending</b>	<u>\$ 506,850</u>	<u>\$ 517,650</u>	<u>\$ 554,052</u>	<u>\$ 36,402</u>

See independent accountant's review report.

## Other Supplemental Information

**Schedule 2**

**Livingston Recreation District Number Five  
Schedule of Board Members  
For the year ended December 31, 2011**

<u>Name and Title / Contact Number</u>	<u>Address</u>	<u>Term Renewal</u>
Gregory L. Bencaz, Chairman (225) 341-0898	P.O. Box 16 Livingston, LA 70754	5/23/2014
Randall Andrews, Vice Chairman (225) 686-6563	24479 Effie Andrew Lane Livingston, LA 70754	5/23/2015
Mathew Turner 225-626-0662	20100 Steve Hughes Road Walker, LA 70785	5/23/2012
Mike Kilcrease, Jr. (225) 686-0640	20315 Steve Hughes Road Walker, LA 70785	5/23/2016
Milburn Ziegler (225) 698-6313	17691 Hood Road Livingston, LA 70754	5/23/2014

Each director is appointed by the Livingston Parish Council. The Board was appointed on a staggered term basis starting on May 23, 1996. All reappointments after initial terms will be for five years. No compensation is paid to these board members.

Bruce C. Harrell, CPA

Dale H. Jones, CPA  
Eric J. Rodrigue, CPA  
Kristi U. Bergeron, CPA  
Michael P. Estay, CPA  
Jessica H. Jones, CPA

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FAX: (985) 229-5951

### **Independent Accountant's Report on Applying Agreed-Upon Procedures**

Board of Commissioners  
Livingston Recreation District Number Five  
P.O. Box 284  
Livingston, Louisiana 70754

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Livingston Recreation District Number Five and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating managements assertions about the District's compliance with certain laws and regulations during the fiscal year ended December 31, 2011, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### *Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

*Results:* There were no expenditures exceeding threshold which was required to be bid.

#### *Code of Ethics for Public Officials and Public Employees*

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their families.

*Results:* Management provided us with the required list.

3. Obtain from management a listing of all employees paid during the period under examination.
4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

## **Independent Accountant's Report on Agreed Upon Procedures**

*Results for items three and four:* The District has no employees.

### *Budgeting*

5. Obtain a copy of the legally adopted budget and all amendments.

*Results:* Management provided us with a copy of the original budget and amendments.

6. Trace the budget adoption and amendments to the minute book.

*Results:* We traced the budget and amendments to the minutes.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by five percent or more or if actual expenditures exceed budgeted amounts by five percent or more.

*Results:* We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures did not exceed budgeted amounts by more than five percent.

### *Accounting and Reporting*

8. Randomly select six disbursements made during the period under examination and:  
a. Trace payments to supporting documentation as to proper amount and payee;  
b. Determine if payments were properly coded to the correct fund and general ledger account;  
c. Determine whether payments received approval from proper authorities.

*Results:* We examined supporting documentation for the six disbursements and noted that inspection of the documentation indicated approvals by the Board of Commissioners.

### *Meetings*

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS42:1 through 42:12 (the open meetings law).

*Results:* The District properly complied with the requirements of the open meetings law.

### *Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

*Results:* There was no new debt issued for the fiscal year ending December 31, 2011.

## Independent Accountant's Report on Agreed Upon Procedures

### *Advances*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

*Results:* The District has no employees.

The prior year report did not include any comments or unresolved matters.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Livingston Recreation District Number Five and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

June 4, 2012

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

For: Livingston Recreation District Number Five  
Fiscal Year Ending: December 31, 2011

Bruce Harrell & Company, CPAs  
P.O. Box 45  
909 Avenue G  
Kentwood, LA 70444

In connection with your review of our financial statements as of December 31, 2011 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 12, 2012.

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [ X ] No [ ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [ X ] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [ X ] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [ X ] No [ ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [ X ] No [ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [ X ] No [ ]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.  
Yes  No

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.  
Yes  No

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.  
Yes  No

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.  
Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Dea McDonald Secretary 6/12/12 Date  
\_\_\_\_\_  
Treasurer \_\_\_\_\_ Date  
\_\_\_\_\_  
President \_\_\_\_\_ Date