

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
Kinder, Louisiana

A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
ANNUAL FINANCIAL STATEMENTS

As of and For the Year Ended June 30, 2014

GATES & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 1238
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Recreation District No. 2 Of Allen Parish
Annual Financial Statements
As of and for the Year Ended June 30, 2014
With Supplementary Information Schedules

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners
Recreation District No. 2 of Allen Parish
Kinder, Louisiana

We have compiled the accompanying financial statements of the governmental activities and each major fund of the Recreation District No. 2 of Allen Parish (the District), component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 2014, which collectively comprise the District's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Recreation District No. 2 of Allen Parish 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 compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information has been compiled by us without audit or review and accordingly, we do not express an opinion or provide any assurance on it.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Gates & Company, LLC

Gates & Company, LLC
December 9, 2014

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
Kinder, Louisiana
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2014

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash	\$ 142,252
Receivables	668
Prepaid insurance	248
Capital assets (net)	<u>731,377</u>
TOTAL ASSETS	<u>874,545</u>
LIABILITIES	
Accounts payable	2,423
Interest payable	1,277
Payroll liabilities	2,401
Bonds payable:	
Due within one year	26,000
Due in more than one year	<u>85,000</u>
TOTAL LIABILITIES	<u>117,101</u>
NET POSITION	
Net investment in capital assets	620,377
Restricted for debt service	1,915
Unrestricted	<u>135,152</u>
TOTAL NET POSITION	<u>\$ 757,444</u>

See accompanying notes and independent accountant's compilation report.

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
Kinder, Louisiana
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

Governmental Activities	Program Revenues			Governmental Activities	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Change in Net Position
General government	\$ 154,786	\$ -	\$ -	\$ -	\$ (154,786)
Interest	4,405	-	-	-	(4,405)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 159,191	\$ -	\$ -	\$ -	\$ (159,191)
GENERAL REVENUES:					
					132,044
					511
					547
					<u>133,102</u>
					(26,089)
					<u>783,533</u>
					<u>\$ 757,444</u>

See accompanying notes and independent accountant's compilation report.

FUND FINANCIAL STATEMENTS

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
Kinder, Louisiana
Balance Sheet, Governmental Funds
June 30, 2014

	<u>MAJOR FUNDS</u>		
	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
Assets:			
Cash and cash equivalents	\$ 142,252	\$ -	\$ 142,252
Receivables	668	-	668
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 142,920</u>	<u>\$ -</u>	<u>\$ 142,920</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,423	\$ -	\$ 2,423
Payroll deductions and withholding payable	2,401	-	2,401
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>4,824</u>	<u>-</u>	<u>4,824</u>
Fund Balances:			
Restricted for:			
Debt service	1,915	-	1,915
Unassigned	136,181	-	136,181
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>138,096</u>	<u>-</u>	<u>138,096</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 142,920</u>	<u>\$ -</u>	<u>\$ 142,920</u>

See accompanying notes and independent accountant's compilation report.

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
Kinder, Louisiana
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
For the Year Ended June 30, 2014

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS AT June 30, 2014	\$ 138,096
Total net position reported for governmental activities in the statement of net net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets, net of accumulated depreciation	731,377
Certain insurance cost which are reported as expenditures in the year incurred in the governmental funds will benefit future periods and are recorded as prepaid insurance on the statement of net position	
	248
Certain liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities are reported in the statement of net position:	
Bonds payable	(111,000)
Accrued interest payable	<u>(1,277)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES AT June 30, 2014	<u>\$ 757,444</u>

See accompanying notes and independent accountant's compilation 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, 2014

	MAJOR FUNDS		TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	DEBT SERVICE FUND	
REVENUES			
Ad valorem taxes	\$ 132,044	\$ -	\$ 132,044
Other revenues:			
Interest	511	-	511
Miscellaneous	547	-	547
Total Revenues	<u>133,102</u>	<u>-</u>	<u>133,102</u>
EXPENDITURES			
Current:			
Gas & oil	1,497	-	1,497
Insurance	3,214	-	3,214
Miscellaneous	896	-	896
Payroll taxes	3,220	-	3,220
Pension expense	4,171	-	4,171
Printing & office supplies	27	-	27
Professional fees	4,232	-	4,232
Repairs & maintenance	14,744	-	14,744
Supplies	13,721	-	13,721
Utilities	9,809	-	9,809
Wages	40,693	-	40,693
Capital outlay	8,696	-	8,696
Debt service:			
Principal retirement	-	25,000	25,000
Interest	-	4,692	4,692
Total Expenditures	<u>104,920</u>	<u>29,692</u>	<u>134,612</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>28,182</u>	<u>(29,692)</u>	<u>(1,510)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	29,692	29,692
Transfers out	(29,692)	-	(29,692)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(29,692)</u>	<u>29,692</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,510)	-	(1,510)
FUND BALANCES AT BEGINNING OF YEAR	<u>139,606</u>	<u>-</u>	<u>139,606</u>
FUND BALANCES AT END OF YEAR	<u>\$ 138,096</u>	<u>\$ -</u>	<u>\$ 138,096</u>

See accompanying notes and independent accountant's compilation report.

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
Kinder, Louisiana
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS INCREASE (DECREASE) \$ (1,510)

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

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

Capital outlay	\$ 8,696	
Depreciation expense	<u>(56,315)</u>	(47,619)

In the statement of activities some expenses do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued interest expense for the current year	287
Bond issue amortization for the current year	<u>(2,250)</u>

The governmental funds report certain revenue and expenditures when received or paid. The statement of activities record revenues when earned and expenditures in the period benefited as follows:

Prepaid insurance	3
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Repayment of bond principal is an expenditure in the governmental funds, but reduces liabilities in the statement of net assets

<u>25,000</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

<u>\$ (26,089)</u>

See accompanying notes and independent accountant's compilation report.

NOTES TO THE FINANCIAL STATEMENTS

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, 2014

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.

Financial Reporting Entity

This report includes all funds which are controlled by or dependent on the Commissioners. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, ability to impose a financial benefit/burden, fiscal dependency, and other general oversight responsibility.

Based on the foregoing criteria, Recreation District No. 2 of Allen Parish has no other fiscal or significant managerial responsibility over any other governmental unit that is not included in the financial statements of Recreation District No. 2 of Allen Parish, Louisiana. The District is a component unit of the Allen Parish Police Jury.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Recreation District No. 2 of Allen Parish, (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of these notes.

Such accounting and reporting procedures also conform to the requirements of the Louisiana Revised Statutes 24.517 and to the guidance set forth in the industry audit guide, Audits of State and Local Governments, issued by the American Institute of Certified Public Accountants and the Louisiana Governmental Audit Guide.

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Recreation District No. 2 of Allen Parish. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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

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. 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. All assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains and losses are measured and reported using the economic resources measurement focus and accrual basis of accounting.

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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, 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 District. Interfund transfers are made to meet current or anticipated needs.

The District maintains two funds. They are categorized as governmental funds. The emphasis on fund financial statements is on major governmental 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, deferred outflows, liabilities, deferred inflows, 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
- b. Total assets, deferred outflows, liabilities, deferred inflows, 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 are described below:

- a. General Fund –the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- b. Debt Service Fund – is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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. 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.

The District reports deferred inflows of resources on its governmental fund balance sheet. For governmental fund financial statements, deferred inflows arise when potential revenue does not meet both the "measureable" and "available" criteria for recognition in the current period. Deferred inflows also arise when recourses are received before the District has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the deferred inflow is removed from the balance sheet and revenue is recognized.

C. 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 Recreation District No. 2 of Allen Parish'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.

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."

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.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and are actually billed to the taxpayers in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. Property taxes not paid by the end of February are subject to lien. The following is a summary of authorized and levied ad valorem taxes:

	Authorized And Levied Millage
Taxes due for:	
Maintenance	4.92 mills

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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. As of June 30, 2014, all assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Recreation District No. 2 of Allen Parish maintains a threshold level of \$2,500 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 asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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>
Buildings & building improvements	7-20 years
Equipment	7-20 years
Furniture & fixtures	7 years
Vehicles	5 years
Infrastructure	20-40 years

F. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities type statement of net position.

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

G. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position/fund balance as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position/fund balance as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position 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 provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

As of June 30, 2014, the District had \$1,915 in restricted net position for interest due.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance of the governmental funds are classified as follows:

1. *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal decision of the Recreation District’s Board of Commissioners (the District’s highest level of decision-making authority),
4. *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent can be expressed by the Board of Commissioners or by an official or body to which the Board of Commissioners delegates the authority, and
5. *Unassigned* fund balance is all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As of June 30, 2014, the District did not have any non-spendable, assigned, or committed fund balances. The District had a restricted fund balance in the general fund of \$1,915 for interest due.

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Recreation District No. 2 of Allen Parish uses the following budget practices:

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.

On or before the last meeting of each year, the budget is prepared by fund, function, and activity and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the District's Board of Commissioners for review. The board holds a public hearing 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. The budget was not amended for the year ended June 30, 2014.

3. CASH AND CASH EQUIVALENTS

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

In accordance with a fiscal agency agreement that is approved by the Board of Commissioners, the District maintains demand and time deposits through local depository banks that are members of the Federal Reserve System.

Interest rate risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk. The District places no limit on the amount the District may invest in any one issuer.

At June 30, 2014, the Recreation District No. 2 of Allen Parish has cash and cash equivalents (book balances) totaling \$142,252 as follows:

Recreation District No. 2 of Allen Parish
Notes to the Financial Statements (Continued)

3. CASH AND CASH EQUIVALENTS

Demand deposits	\$ 13,229
Interest-bearing demand deposits	53,903
Time deposits	<u>75,120</u>
Total	<u>\$ 142,252</u>

At June 30, 2014, the Recreation District No. 2 of Allen Parish had \$133,263 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal deposit insurance.

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The District makes routine transfers between funds to pay routine expenses that occur during the year.

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2014, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 53,015	\$ -	\$ -	\$ 53,015
Total capital assets not being depreciated	<u>\$ 53,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,015</u>
Capital assets being depreciated:				
Buildings & building improvements	\$ 346,649	\$ -	\$ -	\$ 346,649
Equipment	164,542	8,696	-	173,238
Furniture & fixtures	269	-	-	269
Infrastructure	<u>970,082</u>	<u>-</u>	<u>-</u>	<u>970,082</u>
Total capital assets being depreciated	<u>\$ 1,481,542</u>	<u>\$ 8,696</u>	<u>\$ -</u>	<u>\$ 1,490,238</u>
Less accumulated depreciation for:				
Buildings & building improvements	\$ 145,514	\$ 14,710	\$ -	\$ 160,224
Equipment	129,221	8,166	-	137,387
Furniture & fixtures	269	-	-	269
Infrastructure	<u>480,557</u>	<u>33,439</u>	<u>-</u>	<u>513,996</u>
Total accumulated depreciation	<u>\$ 755,561</u>	<u>\$ 56,315</u>	<u>\$ -</u>	<u>\$ 811,876</u>
Total capital assets being depreciated, net	<u>\$ 725,981</u>	<u>\$ (47,619)</u>	<u>\$ -</u>	<u>\$ 678,362</u>

Depreciation expense of \$56,315 for the year ended June 30, 2014 was charged to the following governmental functions:

General government	<u>\$ 56,315</u>
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6. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2014.

	Bonded Debt
Long-term obligations at Beginning of Year	\$ 136,000
Additions	-
Deductions	<u>25,000</u>
Long-term obligations at End of Year	<u>\$ 111,000</u>

6. LONG-TERM OBLIGATIONS

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2014.

	Bonded Debt
Current portion	\$ 26,000
Long-term portion	85,000
Total	\$ 111,000

All District bonds outstanding at June 30, 2014, are general obligation bonds with maturities to 2018 and interest rates of 3.45%. Bond principal and interest payable in the next fiscal year are \$26,000 and \$3,830 respectively. The individual issues are as follows:

Bond	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding	Funding Source
C.O.I. Series 2008-A	\$ 250,000	3.45%	March 1, 2018	\$ 9,799	\$ 111,000	Ad valorem taxes

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the District.

Year Ending June 30,	Principal Payments	Interest Payments	Total
2015	\$ 26,000	\$ 3,830	\$ 29,830
2016	27,000	2,933	29,933
2017	28,000	2,001	30,001
2018	30,000	1,035	31,035
Total	\$ 111,000	\$ 9,799	\$ 120,799

7. 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 these 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. The District did not reduce insurance coverage during the year ended June 30, 2014.

8. SUBSEQUENT EVENT REVIEW

The District's management has evaluated subsequent events through December 9, 2014, the date which the financial statements were available to be issued.

9. ACCOUNTING CHANGE

During the fiscal year ended June 30, 2014, the Recreation District No. 2 of Allen Parish adopted Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which provides clarity for reporting deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. Certain items previously reported as assets or liabilities are now reported as deferred outflows of resources or deferred inflows of resources.

REQUIRED SUPPLEMENTARY INFORMATION

RECREATION DISTRICT NO. 2 OF ALLEN PARISH
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY
GOVERNMENTAL FUND - GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad valorem taxes	\$ 134,000	\$ 132,044	\$ (1,956)
Other revenues:			
Interest	-	511	511
Miscellaneous	-	547	547
Total Revenues	<u>134,000</u>	<u>133,102</u>	<u>(898)</u>
EXPENDITURES			
Current:			
Equipment	10,000	-	10,000
Gas & oil	1,500	1,497	3
Insurance	4,000	3,214	786
Miscellaneous	-	896	(896)
Payroll taxes	10,000	3,220	6,780
Pension expense	-	4,171	(4,171)
Printing & office supplies	-	27	(27)
Professional fees	4,000	4,232	(232)
Repairs & maintenance	20,000	14,744	5,256
Supplies	8,000	13,721	(5,721)
Utilities	10,000	9,809	191
Wages	45,000	40,693	4,307
Capital outlay	120,000	8,696	111,304
Total Expenditures	<u>232,500</u>	<u>104,920</u>	<u>127,580</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(98,500)</u>	<u>28,182</u>	<u>126,682</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(32,000)	(29,692)	2,308
TOTAL OTHER FINANCING SOURCES (USES)	<u>(32,000)</u>	<u>(29,692)</u>	<u>2,308</u>
NET CHANGE IN FUND BALANCES	(130,500)	(1,510)	128,990
FUND BALANCES AT BEGINNING OF YEAR	<u>139,606</u>	<u>139,606</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 9,106</u>	<u>\$ 138,096</u>	<u>\$ 128,990</u>

Notes to the Schedule:

The budget is adopted on a basis consistent with generally accepted accounting principles.

The following expenditures were under budgeted by 10% or more: miscellaneous, pension expense, printing & office, and supplies

There were no amendments to the budget for the year ending June 30, 2014.

See independent accountant's compilation report.