

**LASALLE PARISH RECREATION
DISTRICT 22
OLLA, LOUISIANA**

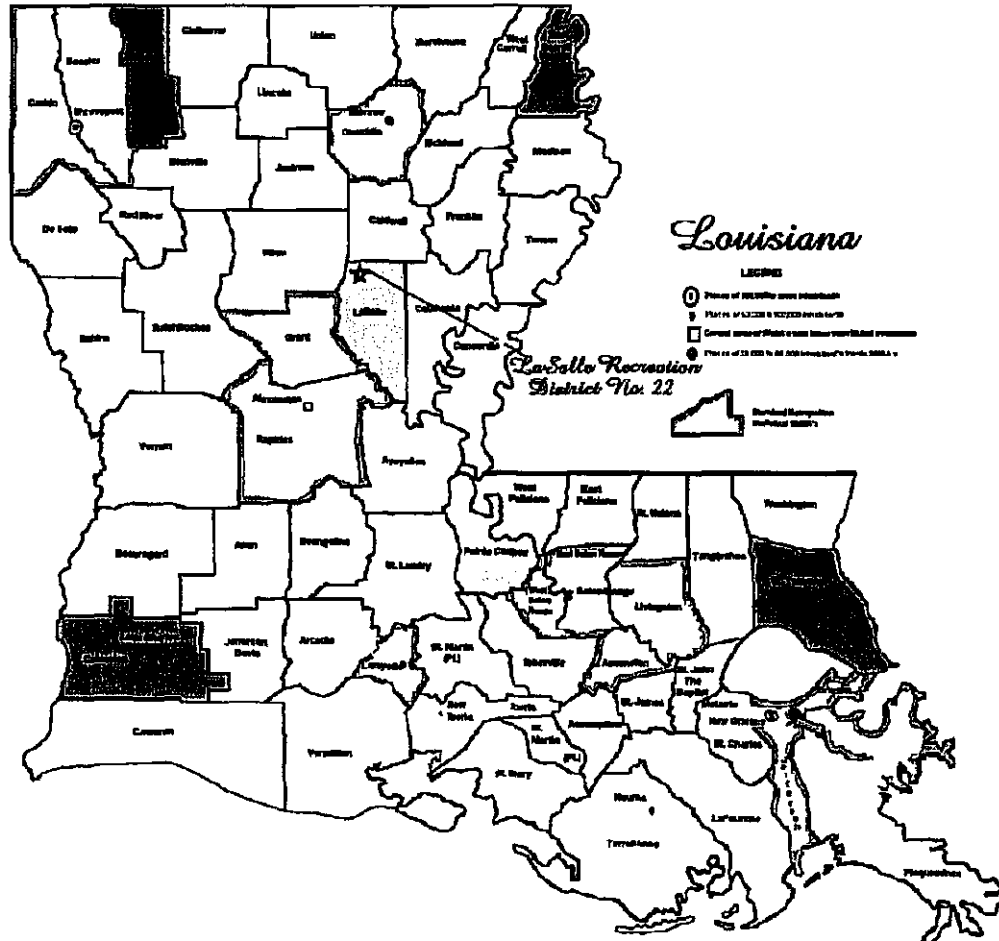
Financial Statements

December 31, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/13/08

LASALLE RECREATION DISTRICT NO. 22
LASALLE PARISH POLICE JURY
OLLA, LOUISIANA



- LaSalle Parish Recreation District No. 22 was created by ordinance of the LaSalle Parish Police Jury on April 7, 1964, as authorized by Louisiana Revised Statute 33:4562-4566. The Recreation District is administered by a board of five commissioners who are qualified voters and residents of the District. The five commissioners are collectively referred to as the board of commissioners and are appointed by the LaSalle Parish Police Jury. The Recreation District owns and operates bowling, swimming and recreational facilities in the District to promote recreation for the general health and well-being of youth.

**LaSalle Parish Recreation District 22
Olla, Louisiana**

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INDEPENDENT ACCOUNTANT'S REPORT

LaSalle Parish Recreation District 22
Olla, Louisiana

We have reviewed the accompanying financial statements of the governmental-type activities of the LaSalle Parish Recreation District 22, Olla, Louisiana as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the LaSalle Parish Recreation District 22's management.

Our review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. A review consists principally of inquiries of District personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, 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.

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 generally accepted accounting principles.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated May 1, 2008, on the results of our agreed-upon procedures.

The management's discussion and analysis and budgetary comparison schedule is not a required part of the basic financial statements but is 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 were 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.

John R. Vercher PC

Jena, Louisiana
May 1, 2008

LaSalle Parish Recreation District 22

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MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the District, we offer readers of the LaSalle Parish Recreation District 22's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$435,760 (*net assets*). Of this amount, \$51,914 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The District had total revenue of \$221,018. This is a \$39,249 decrease from last year, mainly due to a decrease in grant monies.
- The District had total expenditures of \$234,822. This is a \$185,706 decrease from last year, mainly due to the fact that most of the construction for the new recreational building was completed last year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The District is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the District adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

MD&A

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 legal requirements.

USING THIS ANNUAL REPORT

The District's annual report consists of financial statements that show information about the District's fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

The General Fund is the primary operating fund of the District. It accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policy.

Table 1
Balance Sheet

The following table represents a Comparative Balance Sheet as of December 31, 2007:

Assets	2006	2007	% Change
Current Assets	\$ 67,192	\$ 52,624	-21.7%
Capital Assets, Net	413,625	486,043	17.5%
Total Assets	480,817	538,667	12.0%
Liabilities & Net Assets			
Current Liabilities	1,474	10,391	604.9%
Non-Current Liabilities	36,934	92,516	150.5%
Total liabilities	38,408	102,907	167.9%
Net Assets			
Invested in Capital Assets, Net of Related Debt	376,691	383,846	1.9%
Unrestricted	65,718	51,914	-21.0%
Total Net Assets	442,409	435,760	-1.5%
Total Liabilities & Net Assets	\$ 480,817	\$ 538,667	12.0%

MD&A

Table 2
Changes in Net Assets

The following table represents the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance for the year ended December 31, 2007:

	2006	2007	% Change
Beginning Fund Balance	\$ 225,979	\$ 65,718	-70.9%
Total Revenues	260,267	221,018	-15.1%
Total Expenditures	(420,528)	(234,822)	44.2%
Increase (Decrease) in Fund Balance	(160,261)	(13,804)	91.4%
Ending Fund Balance	\$ 65,718	\$ 51,914	-21.0%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2007, the District had \$486,043 invested in capital assets including buildings, land, and equipment.

	Capital Assets	
	2006	2007
Land *	\$ 12,760	\$ 12,760
Building	-0-	382,406
Equipment	-0-	117,176
Construction in Progress	400,865	-0-
Accumulated Depreciation	-0-	(26,299)
Total Net Capital Assets	\$ 413,625	\$ 486,043

* Land is not being depreciated.

Debt

The District has a line of credit with Southern Heritage Bank. The remaining balance as of December 31, 2007 was \$30,197. The District also took out two loans with Southern Heritage Bank during the year. The principal balance as of December 31, 2007 was \$72,000.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Dawn Stott, at the LaSalle Parish Recreation District 22, PO Box 223, Olla, Louisiana 71465, telephone number (318) 495-5151.

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the LaSalle Parish Recreation District 22

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the LaSalle Parish Recreation District 22 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the LaSalle Parish Recreation District 22's compliance with certain laws and regulations during the year ended December 31, 2007 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 whether 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 \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the Public Bid Law).

*Our review found that there were no expenditures for public works exceeding \$100,000 or expenditures for materials and supplies exceeding \$20,000.

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 immediate families.

*We obtained a list from the District.

3. Obtain from management a listing of all employees paid during the period under examination.

*We obtained a listing of all employees from the District.

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.

*None of the employees included on the list of employees provided by District appeared on the list provided by District in agreed-upon procedure (2).

Budgeting

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

*We obtained the legally adopted budget and the amended budget.

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

* We traced the budget adoption to the District's minute book.

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 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

* The District had a favorable expenditure variance and a favorable revenue variance.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and :

(a) trace payments to supporting documentation as to proper amount and payee;

*We randomly selected six disbursements using a random number generator. We examined supporting documents for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

*All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

*All of the payments received approval from proper authorities.

Meetings

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

*Inquiries of management found that notices were posted at the business office of the District of the meetings' time, place, and agenda.

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.

*We reviewed the books and records of the District and found that the District received two loans from Southern Heritage Bank during the year. The District did obtain approval from the State Bond Commission.

Advances and Bonuses

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.

*Our review of the payroll records and discussions with District personnel found no evidence of bonuses, advances or gifts being made.

Our prior year report, dated June 11, 2007, included one management letter comment.

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 the LaSalle Parish Recreation District 22 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.

John R. Vercher PC

Jena, Louisiana
May 1, 2008

Basic Financial Statements

LaSalle Parish Recreation District 22
Olla, Louisiana
Statement of Net Assets
December 31, 2007

ASSETS	
Current Assets	
Cash	\$ 8,801
Petty Cash	513
Ad Valorem Tax Receivable	43,310
Total Current Assets	<u>52,624</u>
Non-Current Assets	
Property, Plant, & Equipment	486,043
Total Non-Current Assets	<u>486,043</u>
TOTAL ASSETS	<u>538,667</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	710
Notes Payable	9,681
Total Current Liabilities	<u>10,391</u>
Non-Current Liabilities	
Notes Payable	92,516
Total Non-Current Liabilities	<u>92,516</u>
TOTAL LIABILITIES	<u>102,907</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	383,846
Unrestricted	51,914
TOTAL NET ASSETS	<u>\$ 435,760</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

LaSalle Parish Recreation District 22
Olla, Louisiana
Statement of Activities
Year Ended December 31, 2007

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>CAPITAL GRANTS & OTHER CONTRIBUTIONS</u>	<u>NET (EXPENSE) REVENUE</u>
Governmental Activities:				
General Government - Judicial	\$ (153,581)	\$ 58,409	\$ 1,000	\$ (94,172)
Recreational Activities:				
Interest Expense	(2,086)	-0-	-0-	(2,086)
Total	\$ (155,667)	\$ 58,409	\$ 1,000	(96,258)
REVENUES:				
				85,745
				3,864
				<u>89,609</u>
				(6,649)
				442,409
				<u>\$ 435,760</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

LaSalle Parish Recreation District 22
Olla, Louisiana
Balance Sheet
December 31, 2007

	GENERAL FUND
ASSETS	
Cash	\$ 8,801
Petty Cash	513
Ad Valorem Tax Receivable	43,310
TOTAL ASSETS	<u>52,624</u>
 LIABILITIES & FUND BALANCE	
LIABILITIES	
Accounts Payable	710
TOTAL LIABILITIES	<u>710</u>
 FUND BALANCES	
Unrestricted	51,914
TOTAL FUND BALANCES	<u>51,914</u>
 TOTAL LIABILITIES & FUND BALANCE	 \$ <u>52,624</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

LaSalle Parish Recreation District 22
Olla, Louisiana
Reconciliation of the Balance Sheet
to the Statement of Net Assets
Year Ended December 31, 2007

Total fund balance -- governmental funds	\$ 51,914
Amounts reported for governmental activities in the statement of net assets are different because:	
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	(102,197)
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the balance sheet -- governmental funds.	<u>486,043</u>
Total net assets of governmental activities	\$ <u>435,760</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

LaSalle Parish Recreation District 22
Olla, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balances
For The Year Ended December 31, 2007

REVENUE		
Ad Valorem Tax	\$	85,745
Service Revenue		58,409
Other Revenue		<u>3,864</u>
TOTAL REVENUE		<u>148,018</u>
 EXPENDITURES		
Capital Purchase		98,717
Payroll & Related Taxes		48,224
Supplies		30,855
Utilities		16,791
Insurance		12,537
Office Expense		6,068
Town of Urania		5,094
Repairs & Maintenance		3,277
Professional Fees		1,931
Miscellaneous		2,505
Debt Service		<u>8,823</u>
TOTAL EXPENDITURES		<u>234,822</u>
 EXCESS REVENUES OVER (UNDER) EXPENDITURES		 <u>(86,804)</u>
 OTHER FINANCING SOURCES (USES)		
Loan Proceeds		72,000
Capital Grant		<u>1,000</u>
TOTAL OTHER FINANCING SOURCES (USES)		<u>73,000</u>
 NET CHANGE IN FUND BALANCE		 (13,804)
 FUND BALANCE – BEGINNING OF YEAR		 <u>65,718</u>
FUND BALANCE – END OF YEAR	\$	<u>51,914</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

Net change in fund balance – total governmental funds	\$ (13,804)
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The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Loan Proceeds	(72,000)	
Principal Paid	<u>6,737</u>	
		(65,263)

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 which capital outlays exceeded depreciation in the current period.

Capital Outlays	98,717	
Depreciation	<u>(26,299)</u>	
		72,418

Change in net assets of governmental activities	\$ (6,649)
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**Notes to the Basic Financial
Statements**

LaSalle Parish Recreation District 22
Olla, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

LaSalle Parish Recreation District 22 was created on April 7, 1964 by the LaSalle Parish Police Jury, as authorized by Louisiana Revised Statute 33:4562. The Recreational District is administered by a board of five commissioners who are appointed by the LaSalle Parish Police Jury. The District owns and operates recreational facilities and engages in activities designed to provide recreation to the Olla communities.

For financial reporting purposes, the District is a component unit of the LaSalle Parish Police Jury, the governing body of the parish. The accompanying financial statements present financial information only on the funds maintained by LaSalle Parish Recreation District 22 and do not present information on the Police Jury and the general government services provided by that governmental unit or any of its other component units.

1. SUMMARY OF SIGNIFICANT POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the LaSalle Parish Recreation District 22 have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations;
- Financial statements prepared using full accrual accounting for all of the District's activities; and
- A change in the fund financial statements to focus on the major funds.

B. REPORTING ENTITY

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

LaSalle Parish Recreation District 22
Jena, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

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

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

Because the police jury appoints the District's board, the District was determined to be a component unit of the LaSalle Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by the police jury, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

Governmental funds account for all or most of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District. The following are the District's governmental funds:

General Fund - The primary operating fund of the District, it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policy.

LaSalle Parish Recreation District 22
Jena, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations. (See the reconciliation statements).

The amounts reflected in the General Fund of Statements in the FFS use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

Charges for services are recorded when received. Interest income on time deposits is recorded when the time deposits have matured. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, ad valorem taxes have been treated as susceptible to accrual.

Expenditures

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

LaSalle Parish Recreation District 22
Jena, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities are derived directly from the District's users as a charge for services; program revenues reduce the cost of the function to be financed from the District's general revenues.

E. DEPOSITS & INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificate of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the District are reported at fair value.

F. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable columns in the government-wide financial statements. Capital assets are capitalized at historical cost.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense included during the current fiscal year was \$-0-. Of this amount, \$-0- was included as part of the cost of capital assets under construction in connection with construction projects.

LaSalle Parish Recreation District 22
Olla, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

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	40	years
Equipment	7	years

G. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. 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.

H. ESTIMATES

The preparation of financial statements inconformity 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.

I. BUDGETS

Budgets for the LaSalle Parish Recreation District 22 are adopted on a basis consistent with U.S. generally accepted accounting principles. The proposed budget, prepared on the modified accrual basis of accounting, for fiscal year December 31, 2007 was completed, published, and made available for public inspection in December 2006. The budget was legally adopted and amended, as necessary, by the LaSalle Parish Recreation District 22 following the public hearing. All expenditure appropriations lapse at year end. The LaSalle Parish Recreation District 22 has sole authority to make changes or amendments within various budget classifications.

2. CASH & INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

At December 31, 2007, the District had cash and investments (bank balances) totaling \$10,178 as follows:

Cash in Bank	\$ 10,178
Total	<u>\$ 10,178</u>

LaSalle Parish Recreation District 22
Olla, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

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

At December 31, 2007, the District had \$10,178 in deposits (collected bank balances). These deposits are secured from risk by \$10,178 of federal deposit insurance and \$ -0- of pledged securities held by the custodial bank in the name of the fiscal agent bank.

3. RECEIVABLES

The ad valorem taxes receivable as of December 31, 2007 were \$43,310. Allowance for doubtful accounts is considered immaterial and is not presented.

4. CAPITAL ASSETS

Capital asset activity as of and for the year ended December 31, 2007, for the primary government is as follows:

	<u>Beginning of Period</u>	<u>Additions</u>	<u>Deletions Transfers</u>	<u>End of Period</u>
Capital Assets				
Land	\$ 12,760	\$ -0-	\$ -0-	\$ 12,760
Buildings	-0-	382,406	-0-	382,406
Equipment	-0-	117,176	-0-	117,176
Construction in Progress	400,865	98,717	(499,582)	-0-
Total Capital Assets	<u>413,625</u>	<u>598,299</u>	<u>(499,582)</u>	<u>512,342</u>
Accumulated Depreciation	-0-	(26,299)	-0-	(26,299)
Net Capital Assets	<u>\$ 413,625</u>	<u>\$ 572,000</u>	<u>\$ (499,582)</u>	<u>\$ 486,043</u>

Land in the amount of \$12,760 is not being depreciated.

In November 2004 the District's recreational building was destroyed by a tornado. The building was still under construction at December 31, 2006, thus there is no prior depreciation. The District opened to the public in January of 2007.

5. ACCOUNTS PAYABLE

The payables of \$710 at December 31, 2007 were as follows:

Vendors Payable	\$ 710
Total	<u>\$ 710</u>

**LaSalle Parish Recreation District 22
Olla, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

6. LONG-TERM OBLIGATIONS

The District has a line of credit with Southern Heritage Bank with an interest rate of 4.25%.

The District obtained two loans from Southern Heritage Bank during the current year. The first one was received on March 23, 2007 in the amount of \$25,000, with interest set at 6.5%. Principal and interest are payable in 4 equal installments in the amount of \$6,006.80 commencing on February 27, 2008 and continuing annually thereafter, and one final installment payment consisting of the full amount of the principal and all accrued interest remaining due and payable on February 27, 2012.

The other loan was received on October 31, 2007 in the amount of \$47,000, with interest set at 6%. Principal and interest are payable in 6 equal installment payments in the amount of \$8,119.31 each commencing on February 27, 2008 and continuing annually thereafter, and one final installment payment consisting of the full amount of the principal and all accrued interest remaining due and payable on February 27, 2014.

The following is a summary of note payable transactions of the LaSalle Parish Recreation District 22 for the year ended December 31, 2007.

	<u>Balance</u> <u>12/31/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2007</u>
Southern Heritage Bank (Line of Credit)	\$ 36,934	\$ -0-	\$ (6,737)	\$ 30,197
Southern Heritage Bank	-0-	25,000	-0-	25,000
Southern Heritage Bank	-0-	47,000	-0-	47,000
Total	<u>\$ 36,934</u>	<u>\$ 72,000</u>	<u>\$ (6,737)</u>	<u>\$ 102,197</u>

7. BOARD MEMBERS FOR THE YEAR ENDING DECEMBER 31, 2007

H.M. Vickers	Chairman
Gayle Meredith	Vice-Chairman
Carl Vickers	Board Member
Steven McBroom	Board Member
S.L. Etheridge	Board Member
Steve Barbo	Board Member

Board members are paid \$-0- for their services.

Required Supplementary Information

LaSalle Parish Recreation District 22
Olla, Louisiana
General Fund
Budgetary Comparison Schedule
Year Ended December 31, 2007

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES				
Ad Valorem Tax	\$ 77,000	\$ 78,650	\$ 85,745	\$ 7,095
Service Revenue	43,295	56,150	58,409	2,259
Other Revenue	-0-	3,682	3,864	182
TOTAL REVENUES	<u>120,295</u>	<u>138,482</u>	<u>148,018</u>	<u>9,536</u>
EXPENDITURES				
Capital Purchase	84,700	105,539	98,717	6,822
Payroll & Related Taxes	33,819	48,060	48,224	(164)
Supplies	19,225	31,214	30,855	359
Utilities	13,422	21,418	16,791	4,627
Insurance	12,000	12,537	12,537	-0-
Office Expense	3,564	3,259	6,068	(2,809)
Town of Urania	6,000	4,747	5,094	(347)
Repairs & Maintenance	1,500	2,007	3,277	(1,270)
Professional Fees	2,000	1,931	1,931	-0-
Miscellaneous	2,250	826	2,505	(1,679)
Debt Service	8,350	8,346	8,823	(477)
TOTAL EXPENDITURES	<u>\$ 186,830</u>	<u>\$ 239,884</u>	<u>234,822</u>	<u>\$ 5,062</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(66,535)</u>	<u>(101,402)</u>	<u>(86,804)</u>	<u>14,598</u>
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	-0-	72,000	72,000	-0-
Capital Grant	50,000	1,000	1,000	-0-
TOTAL OTHER FINANCING SOURCES (USES)	<u>50,000</u>	<u>73,000</u>	<u>73,000</u>	<u>-0-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (16,535)</u>	<u>\$ (28,402)</u>	<u>(13,804)</u>	<u>\$ 14,598</u>
FUND BALANCE - BEGINNING			<u>65,718</u>	
FUND BALANCE - END			<u>\$ 51,914</u>	

See accountant's report.
The accompanying notes are an integral part of this statement.

Other Reports

John R. Vercher C.P.A.
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Jonathan M. Vercher M.S., C.P.A.
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JOHN R. VERCHER PC
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MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the District's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

There are no current year management letter comments.

**LASALLE PARISH RECREATION DISTRICT 22
OLLA, LOUISIANA**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the LaSalle Parish Recreation District 22, Olla, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended December 31, 2006.

PRIOR YEAR FINDINGS

2006-M-1 Budget Variance in Excess of 5% (Resolved)

Finding: The District had an unfavorable revenue variance of \$78,630 or 23.2% during the year. The Budget Act requires that budgets be amended when the variance exceeds 5%.

Corrective Action Taken: The District has begun to monitor its budgeted revenues and expenditures and amend the budget when revenues and/or expenditures exceed budgeted amounts by 5% or more.

LOUISIANA ATTESTATION QUESTIONNAIRE

JOHN R. VERCHER PC
Certified Public Accountant
P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

In connection with your review of our financial statements as of December 31, 2007 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 regulation 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 May 1, 2008 (date of completion/representations).

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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ No ☐

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

Yes ☒ 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.

Yes [☒] No [☐]

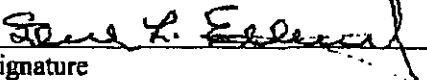
Advances and Bonuses

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.


Signature