

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, 2018

Annual Financial Statements  
As of and for the Year Ended June 30, 2018  
With Supplementary Information Schedules

**CONTENTS**

	<b>Page</b>
Independent Accountant's Compilation Report	2
<u>Basic Financial Statements</u>	
Government-Wide Financial Statements:	
Statement of Net Position - Governmental Activities	5
Statement of Activities	6
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	8
Reconciliation of the governmental funds balance sheet to the Statement of Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Balances	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
Notes to the Financial Statements	13 - 21
<u>Required Supplementary Information</u>	
Budgetary Comparison Schedule:	
General Fund	23
<u>Other Supplementary Information</u>	
Schedule of Compensation, Benefits, and Other Payments to Agency Head Or Chief Executive Officer	25

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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for the accompanying financial statements of the governmental activities and each major fund of the Recreation District No. 2 of Allen Parish, component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 2018, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these 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 for placing the basic financial statements in an appropriate operational, economic, or historical context. This information is the representation of management. This information was subject to my compilation engagement, however, I have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

The supplementary information contained in the Schedule of Compensation, Benefits, & Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

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.

*Steven M. Derouen & Associates*

Lake Charles, Louisiana  
August 6, 2018

## **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, 2018

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash	\$ 35,133
Certificate of deposit	43,263
Receivables	1,316
Capital assets (net)	<u>632,970</u>
TOTAL ASSETS	<u>712,682</u>
<b>LIABILITIES</b>	
Accounts payable	3,204
Payroll liabilities	<u>2,770</u>
TOTAL LIABILITIES	<u>5,974</u>
<b>NET POSITION</b>	
Net investment in capital assets	632,970
Unrestricted	<u>73,738</u>
TOTAL NET POSITION	<u><u>\$ 706,708</u></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, 2018

Governmental Activities	Expenses	Program Revenues			Governmental
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Activities
					Net (Expenses) Revenues and Change in Net Position
General government	\$ 207,068	\$ -	\$ -	\$ -	\$ (207,068)
Interest	690	-	-	-	(690)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 207,758</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (207,758)</b>
GENERAL REVENUES:					
					138,184
Property taxes, levied for general purposes					55
Interest					73,237
Miscellaneous					
<b>TOTAL GENERAL REVENUES</b>					<b>211,476</b>
<b>CHANGE IN NET POSITION</b>					<b>3,718</b>
<b>NET POSITION - BEGINNING</b>					<b>702,990</b>
<b>NET POSITION - ENDING</b>					<b>\$ 706,708</b>

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, 2018

	MAJOR FUNDS		TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	DEBT SERVICE FUND	
<b>ASSETS</b>			
Assets:			
Cash and cash equivalents	\$ 35,133	\$ -	\$ 35,133
Certificate of deposit	43,263	-	43,263
Receivables	1,316	-	1,316
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 79,712</u>	<u>\$ -</u>	<u>\$ 79,712</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 3,204	\$ -	\$ 3,204
Payroll deductions and withholding payable	2,771	-	2,771
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>5,975</u>	<u>-</u>	<u>5,975</u>
Fund Balances:			
Unassigned	<u>73,737</u>	<u>-</u>	<u>73,737</u>
TOTAL FUND BALANCES	<u>73,737</u>	<u>-</u>	<u>73,737</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 79,712</u>	<u>\$ -</u>	<u>\$ 79,712</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, 2018**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS AT  
June 30, 2018 \$ 73,737

Total net position reported for governmental activities in the statement of 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	632,970
Other	<u>1</u>

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES AT  
June 30, 2018 \$ 706,708

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, 2018

	MAJOR FUNDS		TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	DEBT SERVICE FUND	
<b>REVENUES</b>			
Ad valorem taxes	138,184	\$ -	\$ 138,184
Other revenues:			
Interest	55	-	55
Miscellaneous	73,237	-	73,237
Total Revenues	<u>211,476</u>	<u>-</u>	<u>211,476</u>
<b>EXPENDITURES</b>			
Current:			
Gas & oil	1,343	-	1,343
Insurance	3,862	-	3,862
Miscellaneous	2,920	-	2,920
Payroll taxes	3,269	-	3,269
Pension expense	1,401	-	1,401
Printing & office supplies	125	-	125
Professional fees	5,822	-	5,822
Repairs & maintenance	79,292	-	79,292
Supplies	6,993	-	6,993
Utilities	9,349	-	9,349
Wages	39,825	-	39,825
Capital outlay	95,097	-	95,097
Debt service:			
Principal retirement	-	30,000	30,000
Interest	-	1,035	1,035
Total Expenditures	<u>249,298</u>	<u>31,035</u>	<u>280,333</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(37,822)</u>	<u>(31,035)</u>	<u>(68,857)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	31,035	31,035
Transfers out	(31,035)	-	(31,035)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(31,035)</u>	<u>31,035</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(68,857)	-	(68,857)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	142,594	-	142,594
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 73,737</u>	<u>\$ -</u>	<u>\$ 73,737</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, 2018

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS INCREASE (DECREASE) \$ (68,857)

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	\$	95,097	
Depreciation expense		<u>(52,867)</u>	42,230

Other 345

Repayment of bond principal is an expenditure in the governmental funds, but reduces liabilities in the statement of net assets 30,000

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 3,718

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, 2018

## 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:	<hr/>
Maintenance	4.77 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, 2018, 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.

**H. Equity Classifications**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- 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.”

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.

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

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, 2018, the District did not have any non-spendable, assigned, or committed fund balances.

**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, 2018.

**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.

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

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

At June 30, 2018, the Recreation District No. 2 of Allen Parish has cash and cash equivalents (book balances) totaling \$78,396 as follows:

Demand deposits	\$ 2,197
Interest-bearing demand deposits	32,936
Time deposits	<u>43,263</u>
Total	<u>\$ 78,396</u>

At June 30, 2018, the Recreation District No. 2 of Allen Parish had \$78,396 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal deposit insurance.

**3. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

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

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2018, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 53,015	\$ 73,352	\$ -	\$ 126,367
Total capital assets not being depreciated				
Capital assets being depreciated:				
Buildings & building improvements	346,649	13,996	-	360,645
Equipment	191,738	7,749	-	199,487
Furniture & fixtures	269	-	-	269
Infrastructure	980,322	-	-	980,322
Total capital assets being depreciated	<u>1,518,978</u>	<u>21,745</u>	<u>-</u>	<u>1,540,723</u>
Less accumulated depreciation for:				
Buildings & building improvements	203,644	14,002	-	217,646
Equipment	166,675	7,977	-	174,652
Furniture & fixtures	269	-	-	269
Infrastructure	610,665	30,888	-	641,553
Total accumulated depreciation	<u>981,253</u>	<u>52,867</u>	<u>-</u>	<u>1,034,120</u>
Total capital assets being depreciated, net	<u>\$ 537,725</u>	<u>\$ (31,122)</u>	<u>\$ -</u>	<u>\$ 506,603</u>

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

Depreciation expense of \$52,867 for the year ended June 30, 2018 was charged to the following governmental functions:

General government	<u>\$ 52,867</u>
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**5. LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended June 30, 2018.

	Bonded Debt
Long-term obligations at Beginning of Year	\$ 30,000
Additions	-
Deductions	<u>30,000</u>
Long-term obligations at End of Year	<u>\$ -</u>

**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, 2018.

**8. SUBSEQUENT EVENT REVIEW**

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

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**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, 2018**

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>UNFAVORABLE)</u>
<b>REVENUES</b>			
Ad valorem taxes	\$ 137,000	\$ 138,184	\$ 1,184
Other revenues:			
Interest	-	55	55
Miscellaneous	2,500	73,237	70,737
Total Revenues	<u>139,500</u>	<u>211,476</u>	<u>71,976</u>
<b>EXPENDITURES</b>			
Current:			
Equipment	10,000	-	10,000
Gas & oil	1,500	1,343	157
Insurance	4,000	3,862	138
Miscellaneous	-	2,920	(2,920)
Operations	2,000	-	2,000
Payroll taxes	5,000	3,269	1,731
Pension expense	-	1,401	(1,401)
Printing & office supplies	-	125	(125)
Professional fees	4,000	5,822	(1,822)
Repairs & maintenance	63,000	79,292	(16,292)
Supplies	8,000	6,993	1,007
Umpires	5,000	-	5,000
Utilities	10,000	9,349	651
Wages	45,000	39,825	5,175
Capital outlay	45,000	95,097	(50,097)
Total Expenditures	<u>202,500</u>	<u>249,298</u>	<u>(46,798)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(63,000)</u>	<u>(37,822)</u>	<u>25,178</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	-
Transfers out	(32,000)	(31,035)	965
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(32,000)</u>	<u>(31,035)</u>	<u>965</u>
<b>NET CHANGE IN FUND BALANCES</b>	(95,000)	(68,857)	26,143
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>142,594</u>	<u>142,594</u>	<u>-</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 47,594</u>	<u>\$ 73,737</u>	<u>\$ 26,143</u>

Notes to the Schedule:

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

There were no amendments to the budget for the year ending June 30, 2018.

See independent accountant's compilation report.

**OTHER SUPPLEMENTARY INFORMATION**

**RECREATION DISTRICT NO. 2 OF ALLEN PARISH**  
**A Component Unit of the Allen Parish Police Jury**  
**Schedule of Compensation, Benefits and Other Payments to Agency Head**  
**or Chief Executive Officer**  
**For the Year Ended June 30, 2018**

Agency Head Name: Jeremy Walker

<b>Purpose</b>	<b>Amount</b>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

See independent accountant's compilation report.