

**REPORT****ST. TAMMANY PARISH RECREATION DISTRICT No. 2  
a Component Unit of  
ST. TAMMANY PARISH GOVERNMENT  
Bush, Louisiana****Annual Financial Statements  
As of and for Year  
Ended December 31, 2003  
with Supplemental Information Schedules**

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 6.2.04

ST. TAMMANY PARISH RECREATION DISTRICT # 2  
ST. TAMMANY PARISH GOVERNMENT  
Bush, Louisiana

Component Unit Financial Statements  
As of and for the Year Ended December 31, 2003  
With Supplemental Information Schedule

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**WILLIAM R. DURDEN**

*Certified Public Accountant*

820 11<sup>TH</sup> AVENUE  
FRANKLINTON, LOUISIANA 70438  
(985)839-4413  
FAX (985)839-4402

MEMBER  
A.I.C.P.A.

MEMBER  
L.C.P.A.

Board of Commissioners  
St. Tammany Parish  
Recreation District # 2  
Bush, Louisiana

I have compiled the accompanying financial statements, of the St. Tammany Parish Recreation District No, 2, (component unit of St. Tammany Parish Government), and supplemental information, contained in Schedules 1 & 2, which is presented only for supplemental analysis purposes, and the Louisiana attestation Questionnaire, as of and for the year ended December 31, 2003. These financial statements are reported in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information, on pages 3 through 11 and 25 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

In accordance with *Government Auditing Standards*, and the provisions of state law, I have also issued my report dated May 27, 2003, on the results of our agreed-upon procedures.



William R. Durden, CPA

May 14, 2004

# Management's Discussion and Analysis

**ST TAMMANY PARISH RECREATION DISTRICT NO. 2**  
**ST. TAMMANY PARISH GOVERNMENT**  
**Bush, Louisiana**

**Management's Discussion and Analysis**

**Introduction**

St. Tammany Parish Recreation District No. 2 is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standard Board Statement No. 34, Basic Financial Statements - Management's Discussion and Analysis -- For State and Local Governments (hereinafter referred to as GASB 34) and related standards.

**Financial Highlights**

- Total assets for the year were \$799,260 at December 31, 2003 and exceeded liabilities in the amount of \$190,217 (i.e., net assets). Of the total net assets, \$24,777 was unrestricted and available to support short-term operations, with the balance invested in capital assets, net of related debt or restricted for long-term debt service.
  
- Revenues consist of ad valorem taxes, state revenue sharing, and recreation program fees. The total revenues for the fiscal year ending December 31, 2003, were \$93,488 representing an approximate increase of 19.98% from total revenues for fiscal year December 31, 2002 of \$77,917. This increase was due to increase in recreation program fees.
  
- The District's operating expenditures for the governmental funds, consisting of those expenditures resulting from the District's ongoing operations, other than interest expense, decrease by \$67,246 (58.41%) to \$47,881 for fiscal year ended December 31, 2003, compared to \$115,127 for the fiscal year ended December 31, 2002. Capital outlay decreased \$78,873, while game fees and recreation supplies increased by \$8,404. In the government-wide statement of activities, the total expenses are \$78,032. The government-wide statement of activities recorded depreciation expenses of \$26,031 and interest expense of \$25,132, not included in total governmental fund expenses.
  
- Total long-term debt decreased from \$540,000 at December 31, 2002 to \$520,000 at December 31, 2003. This reflects the annual bond payment of \$20,000.

**ST TAMMANY PARISH RECREATION DISTRICT NO. 2**  
**ST. TAMMANY PARISH GOVERNMENT**  
**Bush, Louisiana**

**Management's Discussion and Analysis**

**Overview of Annual Financial Report**

Management's Discussion and Analysis (MD&A) serves as an introduction to basic financial statement. The District's basic financial statements are comprised of three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in additions to basic financial statements themselves.

**Government-wide financial statements.** The government –wide financial statements are designed to provide readers with a board overview of the District's finances, in a manner similar to private-sector business. These financial statements are reported using the full accrual accounting methods.

The statement of net assets presents information on all of the District's assets and liabilities, with difference between the two reported as net assets. Over time, increases or decreases in nets assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The statement of net assets and the statement of activities display information about the District as a whole. These statements distinguish between those activities of District that are governmental and those that are considered business type activities.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resource that has been segregated for specific activities or objective. The district segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The modified accrual basis of accounting is used by the governmental funds.

**Notes to financial statements.** The notes to the financial statements provide required disclosure essential to the understanding of the financial statements. The notes present information about the District's accounting policies, significant account balances and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule.

**ST TAMMANY PARISH RECREATION DISTRICT NO. 2**  
**ST. TAMMANY PARISH GOVERNMENT**  
 Bush, Louisiana

**Management's Discussion and Analysis**

**Financial Analysis**

Since this is the first year that Recreation District No. 2 is reporting under GASB 34 rules, which required government-wide statements, we are presenting a financial analysis based on the prior year and current year governmental funds only. The purpose of financial analysis is to help to determine whether the District is better off as a result of the current year's activities. In this analysis, we compared data from two of the basis financial statements, the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance.

**Condensed Balance Sheet**

	December 31, 2002	December 31, 2003	Dollar Change	Percent Change
Total Assets	<u>\$ 164,878</u>	<u>\$ 190,777</u>	<u>\$ 25,899</u>	<u>15.71%</u>
Total Liabilities	<u>\$ 84,022</u>	<u>\$ 89,446</u>	<u>\$ 5,424</u>	<u>6.46%</u>
Fund Balance- Unreserved	22,923	24,777	1,854	7.48%
Fund Balance- Reserved	<u>57,933</u>	<u>76,554</u>	<u>18,621</u>	<u>24.32%</u>
Total Fund Balances	<u>80,856</u>	<u>101,331</u>	<u>20,475</u>	<u>25.32%</u>
Total Liabilities and Fund Balances	<u>\$ 164,878</u>	<u>\$ 190,777</u>	<u>25,899</u>	<u>15.71%</u>

"Total Assets" consist of cash and cash equivalents, and accounts receivable.

Increase in total assets was due to increase in cash restricted for debt service (\$18,621), and increase in accounts receivable (\$6,299)

"Total Liabilities" consist of accounts payable and deferred revenue (offset to accounts receivable).

Increase in total liabilities was due to the increase in deferred revenue of \$6,299 and a decrease in accounts payable of \$1,278. The deferred revenue is the offset to the accounts receivable. These two accounts reflect the ad valorem taxes for the 2003 tax roll, which will be collected in 2004.

**ST TAMMANY PARISH RECREATION DISTRICT NO. 2**  
**ST. TAMMANY PARISH GOVERNMENT**  
**Bush, Louisiana**

**Management's Discussion and Analysis**

**Condensed Statement Of Revenues, Expenditures, and Changes in Fund Balance**

	December 31, 2002	December 31, 2003	Dollar Change	Percent Change
Total Revenues	\$ 78,675	\$ 93,488	\$ 14,813	18.83%
Expenditures:				
Operating Expenditures	13,164	26,869	13,705	104.11%
Debt Service	45,893	45,132	(761)	
Capital Outlay	81,963	1,012	(80,951)	-98.77%
Total Expenditures	<u>141,020</u>	<u>73,013</u>	<u>(68,007)</u>	-48.23%
Excess Revenue Over Expenditures	(62,345)	20,475	82,820	-132.84%
Fund Balance, Beginning of Year	<u>143,201</u>	<u>80,856</u>	<u>(62,345)</u>	-43.54%
Fund Balance , End of Year	<u><u>80,856</u></u>	<u><u>101,331</u></u>	<u><u>20,475</u></u>	25.32%

While the Balance Sheet shows the change in financial position of net assets, the Statement of Revenues, Expenditures, and changes in Fund Balance provide answers to the nature and scope of these changes. The above table gives an indication of how the Recreation District No. 2 has increased the recreation activity for the district. Total revenue increased \$14,813, from prior fiscal year. The increased revenues were mainly due to the increased income derived from program activities of \$10,386. Ad valorem tax revenue increased \$4,154 from \$75,582 in 2002 to \$79,736 for 2003. It appears the ad valorem taxes will also increase in 2004, based on the deferred revenue recorded on the Balance Sheet of \$86,568. The "Operating Expenditures" increased \$13,705 due to increases in program expenses of \$10,642, and telephone & utility expenses of \$1,741. The increased revenue and expenses reflect the goal of the board of commissioners "to provide increased recreational activities for the area included in recreation district 2". The large decrease in capital outlay indicates that the construction of the gym has been completed. In 2004 the District plans to construct baseball and softball fields.



**ST TAMMANY PARISH RECREATION DISTRICT NO. 2**  
**ST. TAMMANY PARISH GOVERNMENT**  
**Bush, Louisiana**

**Management's Discussion and Analysis**

**Budgetary Highlight**

The district adopted its 2003 budget at our regular meeting of November 9, 2002. The board of commissioners reviews the budget/actual financial figures on a quarterly basis. We amended the budget and approved it at the regular board meeting of November 9, 2003. all appropriations lapse at year-end.

**Budget vs. Actual – Fiscal Year End December 31, 2003**

	General Fund		
	Budget Year Ended December 31, 2003	Actual Year Ended December 31, 2003	Favorable (Unfavorable) Variance
<b>Revenues:</b>			
Advalorem taxes	\$ 16,782	\$ 16,782	\$ -
State revenue sharing	1,379	1,378	(1)
Building usage	1,500	1,969	469
Basketball	2,500	6,582	4,082
Concessions (net of expense)	-	2,593	2,593
Other revenue	200	130	(70)
Total Revenue	22,361	29,434	7,073
<b>Expenditures:</b>			
Accounting	2,000	2,200	(200)
Advertising	200	198	2
Insurance	5,000	4,983	17
Basketball fees & officials	-	5,929	(5,929)
Supplies	2,500	4,936	(2,436)
Professional fees	700	640	60
Utilities & telephone	5,175	5,097	78
Office expense	250	261	(11)
Janitor & yard	4,000	2,238	1,762
Other	1,600	86	1,514
Total Expenditures	21,425	26,568	(5,143)
Excess revenues over (under) expenditures	\$ 936	\$ 2,866	\$ 1,930

Actual revenues exceeded budget revenues by \$7,073, primarily because recreation programs were up. Actual expenditures exceeded budget expenditures by \$5143, due to increases in recreation program expenditures (officials, supplies, janitor, and utilities).

**ST TAMMANY PARISH RECREATION DISTRICT NO. 2**  
**ST. TAMMANY PARISH GOVERNMENT**  
**Bush, Louisiana**

**Management's Discussion and Analysis**

**Capital Assets**

At the end of the fiscal year December 31, 2003, the Recreation District No. 2 had \$508,852 (net of accumulated depreciation) recorded in capital assets. Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statements. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method of depreciation with the following estimated useful life:

Buildings	31 years
Parking lot	10 years
Equipment	7-10 years

Fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated assets are valued at fair market value on the date donated.

Capital asset activity for the year ended December 31, 2003 follows:

	December 31, 2002	December 31, 2003	Dollar Change	Percent Change
Land	\$ 100,034	\$ 100,034	\$ -	0.00%
Gymnasium	494,013	495,025	1,012	0.20%
Parking Lot	9,459	9,459	-	0.00%
Equipment	70,838	70,838	-	0.00%
subtotal	674,344	675,356	1,012	0.15%
Less Accumulated				
Depreciation	(40,439)	(66,470)	(26,031)	64.37%
Net Capital Assets	\$ 633,905	\$ 608,886	\$ (25,019)	-3.95%

Purchases of capital assets for fiscal year ended December 31, 2003 were only \$1,012. This expenditure was for a concrete pad and wiring for the air conditioners for the gym.

**ST TAMMANY PARISH RECREATION DISTRICT NO. 2**  
**ST. TAMMANY PARISH GOVERNMENT**  
**Bush, Louisiana**

**Management's Discussion and Analysis**

**Long-Term Debt Activity**

The primary source of long-term financing for St. Tammany Recreation District No. 2 is general obligation bonds in the amount of \$600,000, issued to finance construction of the gymnasium, and purchase recreation equipment. The bonds were issued September 1, 1998, bearing interest rates from 3.5% to 6.65%. Interest is paid semi-annually on March 1 and September 1 and principal is paid annually on September 1, with payment terms for 20 years. The initial principal payment was made September 1, 1999. The bonds are financed with ad valorem taxes assessed on property with-in the district.


The property tax collections appear to be sufficient to service the future debt of the District. The largest annual debt obligation is \$51,150 and occurs in the year 2007. Following is the property tax assessments over the past two years and the next year:

<u>Year</u>	<u>Assessment</u>	<u>Debt Obligation</u>
2002	\$ 75,582	\$ 45,893
2003	80,269	45,132
2004	86,568	49,353

Long-term obligations are reported as liabilities in the government-wide financial statements, and in the debt service fund for governmental fund statements. The schedule of annual long-term debt obligations is presented in note No. 8 to the financial statements.

**Future Economic Plans**

The St. Tammany Recreation District No. 2's management approach is conservative. The Board of Commissioners actively monitor revenues and expenses and evaluate the costs of proposed expansion projects. Currently the Board is preparing land for baseball and softball fields. They actively solicit parish government and state government aid whenever possible to help with the cost of these projects. We are however, committed to the construction of these new facilities, and plan to have them completed in the near future.

  
\_\_\_\_\_  
Officer  
Chairman

# FINANCIAL STATEMENTS

STATEMENT A

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2  
ST. TAMMANY PARISH GOVERNMENT  
Bush, Louisiana  
Statement of Net Assets  
December 31, 2003

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 103,806
Receivables	86,568
Capital assets, net of depreciation	508,852
Land	100,034
<b>Total Assets</b>	<u>799,260</u>
<b>LIABILITIES:</b>	
Accounts payable	2,475
Deferred revenue	86,568
Long-term debt due in one year	25,000
Long-term debt due more than one year	495,000
<b>Total Liabilities</b>	<u>609,043</u>
<b>NET ASSETS:</b>	
Invested in capital assets, net of related debt	88,886
Restricted for debt service	76,554
Unrestricted	24,777
<b>Total Net Assets</b>	<u>\$ 190,217</u>

See accountant's report and accompanying notes to the financial statements

## STATEMENT B

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2  
 ST. TAMMANY PARISH GOVERNMENT  
 Bush, Louisiana  
 STATEMENT OF ACTIVITIES  
 For the Year ended December 31, 2003

## EXPENSES:

Advertising	\$ 198
Accounting	2,200
Depreciation	26,031
Game fees, officials	5,929
Insurance	4,983
Interest	25,132
Janitor & yard	2,238
Office expense, postage	261
Professional fees	640
Supplies	4,936
Utilities & telephone	5,097
Other	387
Total Program Expenses	<u>78,032</u>

## PROGRAM REVENUES:

Ad valorem taxes	79,736
State revenue sharing	1,378
Basketball program	6,582
Gym usage fees	1,969
Concessions-net of expenses	2,593
Investment earnings	1,100
Other	130
Net Program Revenues	<u>93,488</u>

Change in Net Assets	15,456
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Net Assets Beginning of Year	<u>174,761</u>
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Net Assets End of Year	<u><u>\$ 190,217</u></u>
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See accountant's report and accompanying notes to financial statements.

STATEMENT C

ST. TAMMANY PARISH RECREATION DISTRICT No.2  
ST. TAMMANY PARISH GOVERNMENT  
Bush, Louisiana

GOVERNMENTAL FUNDS

BALANCE SHEET  
December 31, 2003

	Governmental Funds			Total Governmental Funds
	General Fund	Capital Projects Fund	Debt Service Fund	
<b>ASSETS AND OTHER DEBITS</b>				
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 25,167	\$ 2,085	\$ 76,554	\$ 103,806
Due from other funds	403	-	-	403
Receivables	18,551	-	68,017	86,568
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u>\$ 44,121</u>	<u>\$ 2,085</u>	<u>\$ 144,571</u>	<u>\$ 190,777</u>
<b>LIABILITIES AND FUND BALANCE.</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 2,475	\$ -	\$ -	\$ 2,475
Due to other funds	-	403	-	403
Deferred revenue	18,551	-	68,017	86,568
<b>Total Liabilities</b>	<u>21,026</u>	<u>403</u>	<u>68,017</u>	<u>89,446</u>
<b>FUND BALANCE</b>				
Fund balance - unreserved	23,095	1,682	76,554	101,331
<b>Total Equity and Other Credits</b>	<u>23,095</u>	<u>1,682</u>	<u>76,554</u>	<u>101,331</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 44,121</u>	<u>\$ 2,085</u>	<u>\$ 144,571</u>	<u>\$ 190,777</u>
<b>RECONCILIATION:</b>				
Total Governmental Funds Balance				\$ 101,331
Capital Assets-net of depreciation				508,852
Land				100,034
Total Bonded Debt				(520,000)
<b>Net Assets of Governmental Activities</b>				<u>\$ 190,217</u>

See accountant's report and accompanying notes to the financial statements.

## STATEMENT D

ST. TAMMANY PARISH RECREATION DISTRICT # 2  
ST. TAMMANY PARISH GOVERNMENT  
Bush, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended December 31, 2003

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 16,782	\$ 62,954	\$ -	\$ 79,736
State revenue sharing	1,378	-	-	1,378
Interest earned	-	1,100	-	1,100
Basketball program	6,582	-	-	6,582
Rental	1,969	-	-	1,969
Concessions - net of expenses	2,593	-	-	2,593
Other revenues	130	-	-	130
<b>Total Revenues</b>	<u>29,434</u>	<u>64,054</u>	<u>-</u>	<u>93,488</u>
<b>Expenditures:</b>				
Advertising	198	0	0	198
Insurance	4,983	-	-	4,983
Game fees, officials	5,929	-	-	5,929
Supplies	4,936	-	-	4,936
Capital Outlay	-	-	1,012	1,012
Legal and accounting	2,200	-	-	2,200
Utilities and telephone	5,097	-	-	5,097
Office expense, bank charges	261	-	-	261
Professional fees	640	-	-	640
Janitor & yard	2,238	-	-	2,238
Debt service:				
Principal retirement	-	20,000	-	20,000
Interest	-	25,132	-	25,132
Other	86	301	-	387
<b>Total expenditures</b>	<u>26,568</u>	<u>45,433</u>	<u>1,012</u>	<u>73,013</u>
<b>Excess of revenues over (under) expenditures</b>	2,866	18,621	(1,012)	20,475
<b>Fund balance, January 1, 2003</b>	<u>20,229</u>	<u>57,933</u>	<u>2,694</u>	<u>80,856</u>
<b>Fund balance, December 31, 2003</b>	<u>\$ 23,095</u>	<u>\$ 76,554</u>	<u>\$ 1,682</u>	<u>\$ 101,331</u>
<b>RECONCILIATION:</b>				
Change in Fund Balance				\$ 20,475
Capital purchases				1,012
Principal retirement				20,000
Depreciation expense				(26,031)
Change in Net Assets				<u>\$ 15,456</u>

See accountant's report and accompanying notes to the financial statements.



## NOTES TO FINANCIAL STATEMENTS

**ST. TAMMANY PARISH RECREATION DISTRICT # 2**  
**ST. TAMMANY PARISH GOVERNMENT**  
Bush, Louisiana

Notes to the Financial Statements  
For the year Ended December 31, 2003

**NOTE 1 – DESCRIPTION OF COMPONENT UNIT AND REPORTING ENTITY**

**INTRODUCTION**

The St. Tammany Parish Recreation District No. 2 (district) was created by Legislative Act 1988, No. 658 as a pilot program to foster and encourage recreational activities and related programs on a parish wide basis, in cooperation with all political subdivisions and interested private parties of St. Tammany Parish. As provided by Louisiana Revised Statute 40:1496, the district is governed by a five member board, who are resident property taxpayers of the district. The board members are referred to as the Board of Commissioners. The parish governing authority appoints them for terms of two to four years. The board members are not compensated for their services. The district is located in Bush, Louisiana. The district has completed construction of a gym, and is constructing baseball and softball fields to complete a sports complex in Bush, Louisiana.

**Reporting Entity**

As the governing authority of the parish, for reporting purposes, the St. Tammany Parish Government is the financial reporting entity for St. Tammany Parish. The financial reporting entity consists of (a) the primary government, parish council, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. 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 parish government 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 parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
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 parish government appoints a voting majority of the district's governing board and the parish government has the ability to impose its will on the district, the district was determined to be a component unit of the St. Tammany Parish Government, 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 parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**ST. TAMMANY PARISH RECREATION DISTRICT # 2**  
**ST. TAMMANY PARISH GOVERNMENT**  
*Bush, Louisiana*

**Notes to the Financial Statements (Continued)**  
**For the year Ended December 31, 2003**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the St. Tammany Parish Recreation District No. 2 have been prepared in conformity with generally accepted accounting principles of the United States of America (GAAP) as applied to government units. This is the first year that the accompanying financial statements have been prepared in conformity with Governmental Accounting Standards Board Statement No. 34. Under GASB-34, a statement of net assets and a statement of activities are prepared, which are presented on accrual basis of accounting. The significant differences are the reporting of 1) capital outlays as assets and corresponding depreciation, 2) long term obligations as liabilities in the government-wide statement. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**A. BASIS OF PRESENTATION**

**Government-Wide Statements**

The statement of net assets and the statement of activities displays information, about the Recreation District No. 2, as a whole. These statements distinguish between those activities of the District that are governmental and those that are considered business type activities.

**Fund Financial Statements**

During the year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

**B. FUND ACCOUNTING**

The District uses funds to maintain its financial records during the year. A fund is a separate accounting entity with a self-balancing set of accounts.

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

- a. **General Fund** – the general operating fund of the district accounts for all financial resources, except those, required to be accounted for in other funds.
- b. **Debt Service Fund** – accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the General Long-term Debt Account Group.
- c. **Capital Projects Fund** – accounts for financial resources received from the issuance of general obligation bonds and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

**ST. TAMMANY PARISH RECREATION DISTRICT # 2**  
**ST. TAMMANY PARISH GOVERNMENT**  
Bush, Louisiana

**Notes to the Financial Statements (Continued)**  
**For the year Ended December 31, 2003**

**C. GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all activities of the District. For the most part the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and inter-governmental 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 expenses 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 would be reported as general revenues.

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. With this measurement of focus, only current assets and current liabilities generally are included on the balance sheet in the fund statements. Long-term assets and long-term liabilities are included in the governmental-wide statements. Operating statements of governmental funds present increases in revenues, and other financing sources, and decreases in expenditures and other financing uses in current assets.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation of these activities are included on the statement of net assets. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The modified accrual basis of accounting is used by governmental funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. Effective for financial statements issued after June 30, 2000, GASB Statement 33, *Accounting and Financial Reporting for Non-exchange Transactions*, defines a non-exchange transaction as a transaction whereby the government gives or receives value without directly receiving or giving equal value in return. Property taxes are imposed non-exchange revenues, which result from assessments imposed on non-governmental entities including individuals. Assets should be recognized when the government has an enforceable lien or legal claim to the resources, or the resources are received, whichever occurs first. Revenues are recognized in the period when use of the resources is required or first permitted by time requirements, for example for property taxes, the period for which (budget period) they are levied, or at the same time the assets are recognized, if no time requirements have been established. Resources received or recognized as receivable before the time requirements are met should be recognized as deferred revenue. However, for revenue to be recognized under the modified accrual basis, the measurable and available criteria must also be met. Governmental funds use the following practices in recording revenues and expenditures:

ST. TAMMANY PARISH RECREATION DISTRICT # 2  
ST. TAMMANY PARISH GOVERNMENT  
Bush, Louisiana

Notes to the Financial Statements (Continued)  
For the year Ended December 31, 2003

Revenues

Revenues are recognized in the accounting period they become available and measurable. State revenue sharing is recorded when received. Ad valorem taxes become a lien against the assessed property on assessment date or levy date, therefore, a receivable is recorded at this time, however the actual amount paid to the governmental unit may not be collected until a later budget period, thus the revenue is recorded as deferred revenue and earned as collected.

Expenditures

Under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred.

**E. BUDGETS**

The budget for the year ending December 31, 2003 was adopted at the district's December 8, 2002 regular meeting. The budget was amended and the amended budget was adopted at the district's November 9, 2003 meeting. The 2004 budget was presented and adopted at the district's regular meeting in November 2003. All appropriations lapse at year-end.

**F. ENCUMBRANCES**

The District does not use encumbrance accounting.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**H. PREPAID ITEMS**

The district uses the non-allocation method of recording prepaid expenses.

**I. CAPITAL ASSETS**

Capital assets are recorded as expenditures of the General Fund and as assets in the government-wide financial statement. Interest costs incurred during construction are not capitalized. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Buildings	31 years
Parking Lot	10 years
Equipment	5-7 years

Fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated assets are valued at fair market value on the date donated.

ST. TAMMANY PARISH RECREATION DISTRICT # 2  
ST. TAMMANY PARISH GOVERNMENT  
Bush, Louisiana

Notes to the Financial Statements (Continued)  
For the year Ended December 31, 2003

J. COMPENSATED ABSENCES

The district does not have any full time compensated employees and therefore does not have a policy relating to vacation and sick leave.

K. LONG-TERM OBLIGATIONS

Long-term obligations are reported in the government-wide financial statements as liabilities.

L. FUND BALANCE RESERVES

Reserves

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

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

2. LEVIED TAXES

On July 18, 1998, the voters of the district passed two propositions to provide funding for the recreation district:

1. A 3 mill ad valorem tax was approved for the purpose of acquiring, constructing, improving, maintaining or operating parks, playgrounds, recreation centers and other recreational facilities in the district for a period of 10 years beginning in 1998. For the period covered by these financial statements, the millage was set at 3 mills.
2. A proposition was also passed to issue general obligation bonds in the amount of \$600,000. to run 20 years for purchasing, acquiring, construction and improving parks, playgrounds, recreation centers and other recreational facilities, together with the necessary furnishings and equipment there for, title to which shall be in the public. Bonds shall be payable from ad valorem taxes, the millage of which was set at 11 mills for the period covered by these financial statement.

11 mill tax (less pension deduction)	<u>\$ 68,017</u>
3 mill tax (less pension deduction)	<u>\$ 18,551</u>

**ST. TAMMANY PARISH RECREATION DISTRICT # 2**  
**ST. TAMMANY PARISH GOVERNMENT**  
 Bush, Louisiana

**Notes to the Financial Statements (Continued)**  
**For the year Ended December 31, 2003**

**3. CASH AND CASH EQUIVALENTS**

At December 31, 2003 the district has cash and cash equivalents totaling \$103,806, as follows:

Demand deposits	\$	27,416
Interest bearing demand deposits		76,390
Total cash and cash equivalents	<u>\$</u>	<u>103,806</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are to be 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, 2003 the district had \$79,135, in deposits (collected bank balances, including certificates of deposit). These deposits were secured from risk by \$79,135, of federal deposit insurance and \$309,332, of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**4. RECEIVABLES**

The following is a summary of receivables at December 31, 2003:

Class of receivable	Ad valorem taxes	
General Fund-Ad Valorem Taxes	\$	18,551
Debt Service Fund-Ad Valorem Taxes		68,017
Total receivables	<u>\$</u>	<u>86,568</u>

These balances will be collected during the period from January 1, 2004 to May 31, 2004.

ST. TAMMANY PARISH RECREATION DISTRICT # 2  
ST. TAMMANY PARISH GOVERNMENT  
Bush, Louisiana

Notes to the Financial Statements (Continued)  
For the year Ended December 31, 2003

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003:

	Balance January 1, 2003	Additions	Deductions	Balance December 31, 2003
Land	100,034	-	-	100,034
Playground equip.	27,100	-	-	27,100
Gym Building	494,013	1,012	-	495,025
Parking lot	9,459	-	-	
Other equipment	43,738	-	-	43,738
<b>TOTAL</b>	<b>\$ 674,344</b>	<b>\$ 1,012</b>	<b>\$ -</b>	<b>\$ 665,897</b>

6. GENERAL LONG-TERM DEBT

The following is a summary of the long-term obligation transactions during 2003:

Balance January 1, 2003	Additions	Payments	Balance December 31, 2003	Amount Due In One Year
\$ 540,000	-	\$ 20,000	\$ 520,000	\$ 25,000
<u>\$ 540,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 520,000</u>	<u>\$ 25,000</u>

General long-term obligations are comprised of the following issues:

1998 General obligation bonds dated September 1, 1998 with an original issue amount of \$600,000, maturing September 1, 2018, and bearing interest at rates of 3.5% to 6.65%. Principal is due annually on September 1 and interest is due semi-annually on March 1 and September 1. These bonds were issued for the purpose of purchasing, acquiring, constructing and improving parks, playgrounds, recreation centers and other recreational facilities, together with the necessary furnishings and equipment, said bonds to be payable from ad valorem taxes. The annual requirements to amortize General Obligation Bonds outstanding at December 31, 2003, including interest of \$221,500, are as follows:

Year Ending December 31,	Principal	Interest	Total
2004	\$ 25,000	\$ 24,353	\$ 49,353
2005	25,000	23,353	48,353
2006	25,000	22,328	47,328
2007-2011	155,000	91,313	246,313
2012-2016	195,000	52,743	247,743
2017-2018	95,000	7,410	102,410
	<u>\$ 520,000</u>	<u>\$ 221,500</u>	<u>\$ 741,500</u>



ST. TAMMANY PARISH RECREATION DISTRICT # 2  
ST. TAMMANY PARISH GOVERNMENT  
Bush, Louisiana

Notes to the Financial Statements (Continued)  
For the Year Ended December 31, 2003

**FUND BALANCE – RESERVE**

The reserved fund balance is funds set aside to pay the next installment of the general obligation Bonds.

**7. LITIGATION AND CLAIMS**

As of December 31, 2003, there were no litigations or claims against the district.

**8. INTERGOVERNMENTAL TRANSACTIONS**

Pursuant to Louisiana Revised Statute 33:4713, all tax recipient agencies in the parish shall reimburse the Parish Government for their proportionate share of expenditures for furniture, equipment and supplies for the Tax Assessor's Office. The district's reimbursement to the Parish Government for the year ended December 31, 2003 was \$139.32.

**9. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year 2003.

**10. SUBSEQUENT EVENTS**

No subsequent events occurred affecting the financial statements.

**SUPPLEMENTAL INFORMATION**

Schedule 1

ST TAMMANY PARISH RECREATION DISTRICT # 2  
ST. TAMMANY PARISH GOVERNMENT  
Bush, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget and Actual - General Fund  
For the Year Ended December 31, 2003

	General Fund			
	Original Budget	Amended Budget	Actual	Variance
<b>Revenues:</b>				
Ad valorem taxes	\$ 15,406	\$ 16,782	\$ 16,782	\$ -
State revenue sharing	1,398	1,379	1,378	(1)
Building usage	6,000	1,500	1,969	469
Basketball	2,500	2,500	6,582	4,082
Concessions (net of expense)	100	-	2,593	2,593
Other revenue	500	200	130	(70)
<b>Total Revenues</b>	<u>25,904</u>	<u>22,361</u>	<u>29,434</u>	<u>7,073</u>
<b>Expenditures:</b>				
Advertising	200	200	198	2
Insurance	4,500	5,000	4,983	17
Basketball fees & officials	-	-	5,929	(5,929)
Repairs and maintenance	22,200	-	-	-
Supplies	2,700	2,500	4,936	(2,436)
Capital Outlay	-	-	-	-
Legal and accounting	1,000	2,000	2,200	(200)
Professional fees	1,000	700	640	60
Utilities & Telephone	5,300	5,175	5,097	78
Office expense	237	250	261	(11)
Janitor & yard	4,400	4,000	2,238	1,762
Other	1,500	1,600	86	1,514
<b>Total expenditures</b>	<u>43,037</u>	<u>21,425</u>	<u>26,568</u>	<u>(5,143)</u>
<b>Excess of revenues over (under) expenditures</b>	(17,133)	936	2,866	<u>\$ 1,930</u>
<b>Fund balance, January 1, 2003</b>	<u>20,229</u>	<u>20,229</u>	<u>20,229</u>	
<b>Fund balance, December 31, 2003</b>	<u>\$ 3,096</u>	<u>\$ 21,165</u>	<u>\$ 23,095</u>	

See auditor's report and accompanying notes to the financial statements.

Schedule 2

ST. TAMMANY PARISH RECREATION DISTRICT # 2  
ST. TAMMANY PARISH GOVERNMENT  
Bush, Louisiana

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

The Board of Commissioners of the District consists of five members appointed by the St. Tammany Parish Government.

Board members were not paid any compensation for the year ended December 31, 2003.

See accountant's report and accompanying notes to the financial statements.

**INDEPENDENT  
ACCOUNTANT'S REPORT**

*Certified Public Accountant*

820 11<sup>TH</sup> AVENUE  
FRANKLINTON, LOUISIANA 70438  
(985)839-4413  
FAX (985)839-4402

MEMBER  
A.I.C.P.A.

MEMBER  
L.C.P.A.

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

St. Tammany Parish Council  
Chairman and Board of Commissioners  
St. Tammany Parish Recreation District No. 2  
Bush, Louisiana

**Commissioners:**

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the St. Tammany Parish Recreation District No. 2, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2003, 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. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Public Bid Law**

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LAS-RS 38:2211-2251 (the public bid law).

The District had no items, which were subject to the public bid laws during the year ended December 31, 2003.

**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.

Management provided me with the required list including the noted information.

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

The District did not have any employees during the year ended December 31, 2003.

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 procedure (2) as immediate family members.

The District did not have any employees during the year ended December 31, 2003.

#### Budgeting

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

Management provided me with copies of the original and amended budgets for the year ended December 31, 2003.

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

I traced the adoption of the original budget to the minutes of the regular meeting held on December 8, 2002. The budget was adopted by a vote of three in favor and zero opposed. I also traced the adoption of an amended budget to the regular meeting held on November 9, 2003.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

I compared the revenues and expenditures of the final budget to the actual revenues and expenditures to determine if there were any unfavorable variances exceeding 5% of budgeted amounts.

Actual revenues exceeded budget amounts by \$7,073 (31)%.

Actual expenditures exceeded budget amounts by \$5,143 (24%). There was no line item in the budget for "Basketball Fees & Officials". Actual expenditure for 2003 was \$5,929.

#### Accounting and Reporting

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

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

I examined supporting documentation for each of the nine selected disbursements for the general fund, and the one disbursement from the capital projects fund. I found each payment to be 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;

The selected disbursements I examined were coded to the correct general ledger accounts and proper fund.

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

Inspection, of documentation supporting the ten selected disbursements, indicates approval by the board of commissioners for all items except for two expenditures from the sports recreation account. Recurring expenditures for utilities, telephone, ect. are not approved at each board meeting. Invoices do not show initials for approval.

### Meetings

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

The District is only required to post a notice of each meeting and the accompanying agenda on the door of the building where the meetings for the District are held. Copies of the notices are attached to the minutes of each meeting. The notices are posted in three locations throughout Bush, LA, including the Gym, which is the location where the meetings are held. Agendas for meetings were included in the notices that were posted each month.

### 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.

I inspected copies of all bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

### Advances and Bonuses

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

A reading of the minutes of the District indicated no approval for bonuses or advances. The District did not have any paid employees during the year ended December 31, 2003.

### Prior Comments and Recommendations

12. Review any prior year suggestions, recommendations, and/or comments and indicate the extent to which such matters have been resolved.

- a. Agendas of meetings not posted on door of building where meeting was to be held. Per item 9 above the District properly posted its meeting notice and agenda of the meeting.
- b. District did not prepare and adopt a budget for the year ended December 31, 2002. They did adopt a budget for 2003 and it was amended at the November 9, 2003 meeting. There was one expenditure item for which a budget line was not prepared on the 2003 amended budget and it made for an unfavorable variance of 24% in expenditures.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the St. Tammany Parish Recreation District No. 2, the Legislative Auditor, State of Louisiana and the St. Tammany Parish Government 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. However, this report is a matter of public record and its distribution is not limited.



William R. Durden  
Certified Public Accountant  
May 20, 2004



**SUMMARY OF PRIOR YEAR FINDINGS  
AND  
MANAGEMENT'S CORRECTIVE ACTION PLAN**

**ST. TAMMANY PARISH RECREATION DISTRICT # 2**  
**ST. TAMMANY PARISH GOVERNMENT**  
 Bush, Louisiana

**Summary Schedule of Prior Year Findings**  
**For The Year Ended December 31, 2003**

Ref. No.	Finding Initially Occurred	Description of Finding	Action Take Yes, No Partially	Planned Corrective Action/Partial Corrective Action Taken
<b>Section I - Independent Accountant's Report on Applying Agreed-Upon Procedures:</b>				
<b>Meetings:</b>				
2002-1	2002	Agenda of meetings not posted on door of building where meeting was to be held	yes	Notices and agendas from June 2003 were properly posted by the secretary/ treasurer.
<b>Compliance:</b>				
2002-2	2000	District did not prepare and adopt a budget for the period ending December 31, 2002	partially	The District prepared and adopted a budget for the year ended December 31, 2003. The 2003 budget was amended in November; however expenditures exceeded budget by 24%

**ST. TAMMANY PARISH RECREATION DISTRICT # 2  
ST. TAMMANY PARISH GOVERNMENT  
Bush, Louisiana**

**Corrective Action Plan for Current Year Findings  
For the Year Ended December 31, 2003**

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken Yes, No Partially	Planned Corrective Action/Partial Corrective Action Taken
<b>Section I - Independent Accountant's Report on Applying Agreed-Upon Procedures</b>				
<b>Compliance: 2002-2</b>	<b>2000</b>	<b>Actual expenditures exceeded budget by more than 5%.</b>	<b>yes</b>	<b>The District did prepare and adopt a budget for the period ending December 31, 2003 at their December 8, 2002 meeting, and reviewed the budget/actual detail on a quarterly basis. Secretary/ treasurer will review the budget/actual report with CPA in September to insure actual figures do not vary un-favorable with budget.</b>

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Government)**  
\_\_\_\_\_ (Date Transmitted)

St. Tammany Parish Recreation District #2

William R. Durden, CPA (Auditor)

In connection with your compilation of our financial statements as of [date] 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 (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**

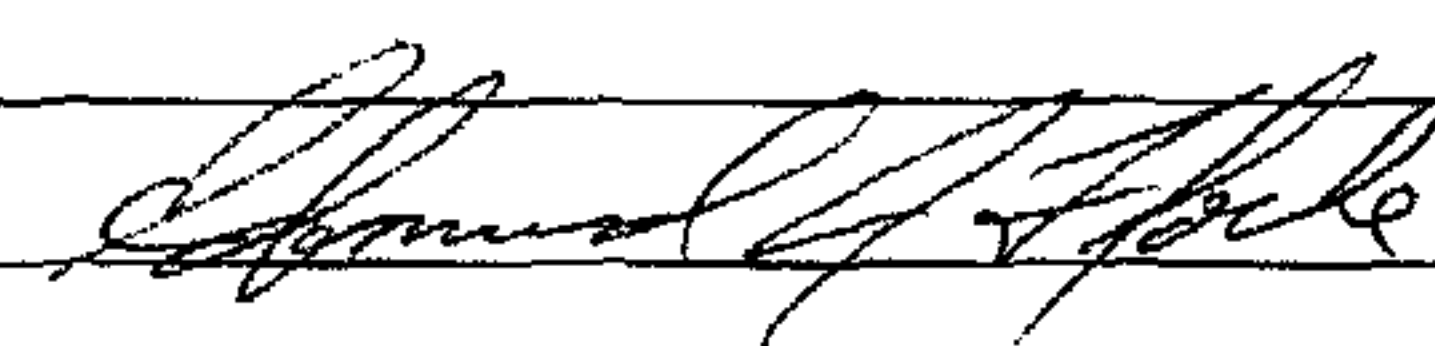
It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974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

**Advances and Bonuses**

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

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

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

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
	President	1-16-04	Date

**Note:** If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.