

**LAFOURCHE PARISH
RECREATION DISTRICT No. 11**

**COMPILED FINANCIAL STATEMENTS AND
AGREED-UPON PROCEDURES REPORT**

**AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2003**

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 5.19.04



STAGNI & COMPANY, LLC

LAFOURCHE PARISH RECREATION DISTRICT No. 11

TABLE OF CONTENTS

For the Year Ended December 31, 2003

	<u>Page</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	1
<i>FINANCIAL SECTION:</i>	
ACCOUNTANTS' REPORT	5
BASIC FINANCIAL STATEMENTS:	
<i>Government Wide Financial Statements:</i>	
Statement of Net Assets	6
Statement of Activities	7
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	8
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds to the Statement of Activities	10
Notes to the Financial Statements	11
<i>REQUIRED SUPPLEMENTARY INFORMATION SECTION:</i>	
Budgetary Comparison Schedules – Major Governmental Funds	
<i>General Fund</i>	20
<i>Debt Service Fund</i>	21
<i>AGREED-UPON PROCEDURES SECTION:</i>	
Independent Accountant's Report on Applying Agreed-Upon Procedures	22
Louisiana Attestation Questionnaire	

LAFOURCHE PARISH RECREATION DISTRICT No. 11
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2003

This discussion and analysis of Lafourche Parish Recreation District No. 11's (the District) financial performance provides an overview of the financial activities for the fiscal year ended December 31, 2003. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

The basic financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations, total net assets were \$552,727. Net assets increased by \$36,813 from the previous year of \$515,914.
- Total net assets are comprised of the following:
 - (1) Invested in capital assets of \$358,193 included property and equipment, net of accumulated depreciation – the net book value and net of related debt.
 - (2) Restricted net assets - restricted by constraints imposed from outside such as grantors, laws or regulations of \$104,801.
 - (3) Unrestricted net assets of \$89,733 that represent the portion available to maintain continuing obligations to citizens and creditors.
- The governmental funds reported total ending fund balance – \$38,487 unreserved and \$104,801 reserved for debt service for a total of \$143,288. Fund balance for governmental activities increased by \$33,436 from the prior year - \$109,852.
- Total spending for all recreational activities was \$83,454 and were offset by charges for services of \$2,909, for a net expense for recreational programs of \$80,545. General revenues of \$117,358 were used to offset the shortfall.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (GWFS) - The Statement of Net Assets and the Statement of Activities provide information about the financial activities as a whole and present a longer-term view of the finances. Fund Financial Statements (FFS) – The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Government-Wide Financial Statements (GWFS)

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question.

LAFOURCHE PARISH RECREATION DISTRICT No. 11
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2003

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of the net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in the net assets are one indicator of whether its financial health is improving or deteriorating.

The Statement of Net Assets and the Statement of Activities reports only one type of activity - governmental activities. Most of the basic recreational services are reported as this type.

Fund Financial Statements (FFS)

The Fund Financial Statements provide detailed information about the most significant funds—not the District's operations as a whole. Some funds are required to be established by State laws. Other funds are established to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as the Sinking Fund).

The District utilizes only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliations at the bottom and following the fund financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GWFS)

As a result of this year's operations, net assets increased by \$36,813. The increase was attributed to an increase from prior year of ad valorem taxes collected. On the Statement of Activities an adjustment of \$90,142 was necessary to adjust for an accounting error of using the wrong bond payment schedule for the past years. The adjustment was necessary to reflect the correct current payment schedule. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal

LAFOURCHE PARISH RECREATION DISTRICT No. 11
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2003

requirements—absorbed most of the increase this year. The balance in net assets - \$552,727 represents the accumulated results of all past years' operations.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FFS)

The District utilizes funds to control and manage money for particular purposes. Reviewing individual funds provides the information to determine if an entity is being accountable for the resources provided and may also give you more insight into the overall financial health.

The governmental funds reported a combined fund balance of \$143,288. This reflects an increase of \$33,436 from last year. This increase is primarily attributed to the activities described in the government-wide financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was not revised during the year.

CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2003 and 2002 was \$569,193 and \$593,424 respectively.

This year there were no additions or deletions to the current asset list. The depreciation taken on these assets was \$26,726. More detailed information about the District's capital assets is presented in Note 6 to the financial statements.

LONG-TERM DEBT

At year-end, the District had \$211,000 in general obligations bonds outstanding. The District retired \$35,000 in principal on these bonds during the year. The District does not plan on issuing any more new debt to finance major capital improvements, but will be reviewing bond market conditions for financing future year capital expenditures. More detailed information about long-term liabilities is presented in Note 7 to the financial statements.

LAFOURCHE PARISH RECREATION DISTRICT No. 11
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2003

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Among the factors considered in compiling the 2004 budget were:

1. changes in millage rates for the next fiscal year
2. new laws and regulations enacted that would apply to the upcoming year
3. new revenue sources or expenditures not previously encountered.

Highlights of next year's adopted budget for the general fund include:

Projected Beginning Balance	\$56,631
Anticipated Income	58,000
Anticipated Expenditures	58,000
Excess Expenditures over Revenues	0
Projected Ending Balance	\$56,631

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide 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 need additional financial information, contact:

Mr. Horton Beaver, Treasurer
Lafourche Parish Recreation District No. 11,
200 Mazarac St.,
Houma, LA 70364-3812
985-872-2376

FINANCIAL SECTION



STAGNI & COMPANY, LLC

To the Board of Commissioners
Lafourche Parish Recreation District No. 11

We have compiled the accompanying basic financial statements and the Management Discussion and Analysis and Required Supplementary Information of the Lafourche Parish Recreation District No. 11, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2003 as listed in the table of contents, in accordance with 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 and supplementary schedules that are the representation of management. We have not audited or reviewed the accompanying basic financial statements or supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

Stagni & Company

Thibodaux, Louisiana
March 30, 2004

LAFOURCHE PARISH RECREATION DISTRICT No. 11

Statement of Net Assets
December 31, 2003

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 161,432
Due from other governments	112,958
Taxes Receivable	13,377
Total current assets	<u>287,767</u>
Noncurrent assets:	
Capital assets, net of depreciation	569,193
Total assets	<u>856,960</u>
 LIABILITIES	
Current liabilities:	
Due from other governments	18,143
Deferred Revenues	126,336
Interest payable on bonds	4,897
Bonds Payable - current	38,000
Total current liabilities	<u>131,233</u>
 Bonds Payable - long term	 173,000
Total long term liabilities	<u>173,000</u>
 Total Liabilities	 <u>304,233</u>
 NET ASSETS	
Invested in capital assets, net of related debt	358,193
Restricted for:	
Debt Service	104,801
Unrestricted	89,733
Total net assets	<u>\$ 552,727</u>

See notes to the financial statements and accountants' report.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

Statement of Activities

For the Year Ended December 31, 2003

<u>FUNCTIONS / PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	
Governmental activities:				
General government	\$ 83,454	\$ 2,909	\$ -	\$ (80,545)
Total governmental activities:				<u>(80,545)</u>
General revenues:				
Ad Valorem Taxes				116,208
Unrestricted investment earnings				1,150
Total general revenues				<u>117,358</u>
Change in net assets				<u>36,813</u>
Net assets - beginning				425,772
Correction for beginning balance of long term debt				90,142
Net assets restated				<u>515,914</u>
Net assets - ending				<u>\$ 552,727</u>

See notes to the financial statements and accountants' report.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

Balance Sheet - Governmental Funds

December 31, 2003

	General Fund	Debt Service Fund	Totals Governmental Funds
ASSETS			
Cash	\$ 56,630	\$ 104,802	\$ 161,432
Due from other governments	59,742	53,216	112,958
Taxes receivable	7,075	6,302	13,377
Total assets	<u>\$123,447</u>	<u>\$164,320</u>	<u>\$287,767</u>
LIABILITIES			
Due to other governments	\$ 18,143		\$ 18,143
Deferred revenue	66,817	\$ 59,519	126,336
Total liabilities	<u>84,960</u>	<u>59,519</u>	<u>144,479</u>
FUND BALANCES			
Reserved for Debt Service		104,801	104,801
Unreserved - Undesignated	38,487		38,487
Total fund balances	<u>38,487</u>	<u>104,801</u>	<u>143,288</u>
Total liabilities, equity, and other credits	<u>\$123,447</u>	<u>\$164,320</u>	

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

The net book value of capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		569,193
The long term principal of bonds payable is not due and payable in the current period and therefore are not reported in the funds.	Current	\$ (38,000)
	Long term	<u>(173,000)</u>
		(211,000)
The amount of interest payable is recorded for accrual basis in the government-wide statements but is not reported in the fund financial statements.		<u>(4,897)</u>
Net assets of governmental activities		<u>\$ 496,584</u>

See notes to the financial statements and accountants' report.

LAFOURCHE PARISH RECREATION DISTRICT No. 11
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ending December 31, 2003

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Ad Valorem Taxes	\$ 54,748	\$ 61,460	\$ 116,208
Fees and Charges	2,909		2,909
Interest	117	1,033	1,150
Total Revenues	<u>57,774</u>	<u>62,493</u>	<u>120,267</u>
EXPENDITURES			
General government - current:			
Property and equipment maintenance	8,579		8,579
Reimbursed Salaries	18,143		18,143
Summer recreation program	160		160
Office expense	2,239		2,239
Accounting	1,180		1,180
Christmas/Easter Program	61		61
Karate Program	340		340
Insurance	8,402		8,402
Total current expenditures	<u>39,104</u>		<u>39,104</u>
Capital outlay	-		-
Debt service:			
Principal retirement		35,000	35,000
Interest and fiscal charges		12,727	12,727
Total debt service		<u>47,727</u>	<u>47,727</u>
Total expenditures	<u>39,104</u>	<u>47,727</u>	<u>86,831</u>
Excess (deficiencies) of revenues over expenditures	18,670	14,766	33,436
FUND BALANCES			
Beginning of year	19,817	90,035	109,852
Ending of year	<u>\$38,487</u>	<u>\$104,801</u>	<u>\$143,288</u>

See notes to the financial statements and accountants' report.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2003

Net change in fund balances - total governmental funds (fund financial statements) \$ 33,436

Amounts reported for *governmental activities* in the statement of activities
(government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the individual fund.
Governmental activities report depreciation expense to allocate the cost of those
capital assets over the estimated useful lives of the asset.

In the current year, these amounts consist of:

Capital Asset purchases	\$	-	
Depreciation expense		<u>(26,726)</u>	
Excess of capital outlay over depreciation expense			(26,726)

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

In the current year, these amounts consist of:

Bond principal retirement		35,000	
Accrued Interest on Bonds		<u>(4,897)</u>	
			<u>30,103</u>

Change in net assets of governmental activities \$ 36,813

LAFOURCHE PARISH RECREATION DISTRICT No. 11

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2003

The Lafourche Parish Recreation District No. 11 (the District) operates under provisions of the Louisiana Revised Statutes and was created by ordinance 17-19 of the Lafourche Parish Council on October 28, 1996. The District provides the facilities, equipment, program, and finances to conduct recreational activities in the respective District boundaries. The District has all the rights and powers and privileges granted by and conferred by the Constitution and Statues of the State of Louisiana, including the right to incur debt, issue bonds and levy taxes.

Note 1 *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The accounting and reporting policies of the Lafourche Parish Recreation District No. 11 (the District) conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

A. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Lafourche Parish Council is the financial reporting entity for Lafourche Parish. The Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the Lafourche Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Based on criterion applied, the District is a component unit of the Lafourche Parish Council. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Lafourche Parish Council, the general government services provided by the Council, or the other governmental units that comprise the financial reporting entity.

B. Basic Financial Statements – Basis of Presentation

Government-Wide Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental type activities.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2003

Note 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements – Basis of Presentation (Continued)

All of the District's administrative services are classified as governmental activities.

In the government-wide Statement of Net Assets, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and activities. These functions are also supported by general government revenues (interest earned.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (interest earned, etc). This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

FUND FINANCIAL STATEMENTS

The financial transactions are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Governmental Funds

Governmental Funds are those through which the governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2003

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Governmental Funds of the District are as follows:

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

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economical 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. The governmental fund financial statements 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. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental fund financial statements. 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 be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

- Interest income is recorded when received by the District.
- Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2003

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets

The District complies with the "Louisiana Local Government Budget Act" and henceforth, budgets are adopted for its governmental funds on a modified accrual basis that is consistent with generally accepted accounting principles. Annual budgets are prepared by the Secretary of the Board and presented to the Board for adoption no later than 15 days prior to the beginning of the fiscal year. Budgets are adopted for the fiscal year and lapse at a year-end. The budget is amended by supplemental appropriations as needed to during the year to comply with state law.

E. Encumbrances

The District does not utilize encumbrance accounting; under which purchase orders, contracts, and other commitments are recorded in the District's books.

F. Cash

Cash includes amounts in demand deposits, interest-bearing deposits, and money market accounts. 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.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. Investments are stated at cost.

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2003

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital 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 District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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 not material and therefore not included as part of the capitalized value of the assets 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 and building improvements	20-40 years
Furniture and fixtures	5 years
Equipment	10-20 years

H. Long Term Debt

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2003

Note 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Long Term Debt (Continued)

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

I. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or legally segregated by outside parties for a specific future use.

J. 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.

Note 2

DEPOSITS

At December 31, 2003, the District had book and bank balances (all deposits) of \$161,432 and \$161,454 respectively. These deposits are stated at cost, which approximates market. Under state law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or the resulting bank balances). 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. The District's deposits are secured from risk by \$100,000 federal deposit insurance. At December 31, 2003 the District did not have adequate securities pledged to secure all deposits.

LAFOURCHE PARISH RECREATION DISTRICT No. 11
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2003

Note 2 **DEPOSITS (CONTINUED)**

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:11119 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.

Note 3 **AD VALOREM TAXES**

Property taxes are levied each December 1 on the assessed value listed as of the prior January 1 for all real property, merchandise, and moveable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at the percentages of actual value as specified by Louisiana law.

A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2000. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2001 for which the revenue is shown in 2003 was 5.8 mills assessed valuation on property within Lafourche Parish Recreation District No. 11 for the purpose of maintaining and operating the facilities and programs, and 6.5 mills for the purpose of payment of general long term debt principal, interest, and related costs for the District.

The Lafourche Parish Sheriff's Office collects the taxes levied and remits the taxes collected to the District. The District uses the revenue from ad valorem taxes collected to finance the next year's operations; therefore all taxes levied in 2003 are recognized as deferred in the current year's financial statements.

Note 4 **COMPENSATION OF BOARD MEMBERS**

No compensation was paid to Board Members during the year ended December 31, 2003.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2003

Note 5 DUE FROM OTHER GOVERNMENTAL UNITS

The amounts due from other governmental units consisted of December 2003 ad valorem tax collections due from the Lafourche Parish Sheriff to be remitted to the District in January 2003.

Note 6 CAPITAL ASSETS

A schedule of changes in capital assets follows:

Governmental Activities	Balance 12/31/02	Additions	Retirements/ Adjustments	Balance 12/31/03
Building & Improvements	\$712,014			\$712,014
Equipment	94,958			94,958
Office Equipment	1,410			1,410
Totals	\$808,382			\$808,382

Less accumulated depreciation:

Building & Improvements	\$186,624	\$22,081		\$208,705
Equipment	23,786	4,050		27,836
Office Equipment	2,052	595		2,647
Totals	\$212,462	\$26,726		\$239,188
Capital assets, net	\$595,920			\$569,193

Depreciation expenses of \$26,726 for the year was charged to the general government -- Recreation function in the statement of activities.

Note 7 LONG TERM DEBT

A summary of changes in long-term debt of the District is as follows:

	Payable 12/31/02	Adjustment	Debt Retired	Payable 12/31/03
General Obligations Refunding Bonds, dated June 3, 1997 bearing interest of 5.57%	\$280,000	\$(34,000)	\$(35,000)	\$211,000

LAFOURCHE PARISH RECREATION DISTRICT No. 11
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2003

Note 7 LONG TERM DEBT (CONTINUED)

The annual requirements, including interest, to amortize all long-term debt outstanding are as follows:

Maturity	Principal	Interest	Total
2004	\$38,000	\$10,694	\$48,694
2005	40,000	8,522	48,522
2006	42,000	6,238	48,238
2007	44,000	3,843	47,843
2008	47,000	1,309	48,309
Totals	\$211,000	\$30,606	\$241,606

***REQUIRED SUPPLEMENTAL
INFORMATION SECTION***

LAFOURCHE PARISH RECREATION DISTRICT No. 11

Budget Comparison Schedule

General Fund

For the Year Ending December 31, 2003

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final (not amended)		
REVENUES				
Ad Valorem Taxes	\$ 48,000	\$ 48,000	\$ 54,748	\$ 6,748
Fees and Charges	8,000	8,000	2,909	(5,091)
Interest			117	117
Total Revenues	56,000	56,000	57,774	1,774
EXPENDITURES				
General government - current:				
Property and equipment maintenance	13,100	13,100	8,579	4,521
Reimbursed Salaries	23,800	23,800	18,143	5,657
Summer recreation program	-	-	160	(160)
Office expense	4,100	4,100	2,239	1,861
Accounting	3,000	3,000	1,180	1,820
Christmas/Easter program	-	-	61	(61)
Karate Program	-	-	340	(340)
Insurance	6,000	6,000	8,402	(2,402)
Total current expenditures	50,000	50,000	39,104	10,896
Capital Outlay	-	-	-	-
Total expenditures	50,000	50,000	39,104	10,896
Excess (deficiencies) of revenues over expenditures	6,000	6,000	18,670	12,670
FUND BALANCES				
Beginning of year	19,817	19,817	19,817	0
Ending of year	\$ 25,817	\$ 25,817	\$ 38,487	\$ 12,670

See accountants' report.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

Budget Comparison Schedule

Debt Service Fund

For the Year Ending December 31, 2003

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Ad Valorem Taxes	\$ 52,000	\$ 52,000	\$ 61,460	\$ 9,460
Interest	-	-	1,033	1,033
Total Revenues	52,000	52,000	62,493	10,493
EXPENDITURES				
Debt service:				
Principal retirement	35,000	35,000	35,000	-
Interest and fiscal charges	15,000	15,000	12,727	2,273
Total debt service				
Total expenditures	50,000	50,000	47,727	2,273
Excess (deficiencies) of revenues over expenditures	2,000	2,000	14,766	12,766
FUND BALANCES				
Beginning of year	90,035	90,035	90,035	(1)
Ending of year	\$ 92,035	\$ 92,035	\$ 104,801	\$ 12,767

See accountants' report.

AGREED-UPON PROCEDURES SECTION



STAGNI & COMPANY, LLC

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Lafourche Parish Recreation District No. 11

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Lafourche Parish Recreation District No. 11, (the District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating the 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, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our applied procedures, together with any observation or findings, follow:

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 LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$15,000, and no contracts were entered into for public works exceeding \$100,000.

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.

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

207 LAFAYE AVENUE
THIBODAUX, LA 70301
PHONE (985) 447-7226
FAX (985) 446-3032

11 JAMES BLVD., SUITE 210
ST. ROSE, LA 70087
PHONE (504) 468-2258
FAX (504) 464-1473

22

A PROFESSIONAL SERVICE ORGANIZATION
MEMBERS: AICPA • LCPA
EMAIL: stagni@stagni.com
INTERNET: <http://www.stagni.com>

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

There were no employees of the District for the period under review.

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.

There were no employees of the District for the period under review.

Budgeting

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

Management provided us with a copy of the legally adopted original budgets.

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

We traced the adoption of the original budget to the minutes held on December 2, 2002 that indicated that the commissioners of the Lafourche Parish Recreation District No. 11 by a unanimous vote had adopted the budget. The budget law requires that the proposed budget be submitted to the governing authority at least 15 days prior to the beginning of the budget year (LSA-RS 39:1305). The District did submit its budget in the proper time period to comply with this section of the budget law.

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

We compared the revenues and expenditures of the final budget (original) to actual revenues and expenditures. Actual revenues and expenses were not under budgeted by more than 5% for the general fund or debt service fund.

Accounting and Reporting

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

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

We examined the supporting documentation 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

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

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

Inspection of documentation supporting each of the six selected disbursements indicated the proper approvals

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).

The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. It was noted by inquiry during the year that agendas for meetings were posted or advertised on the door as required.

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 inspected all bank deposit slips for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or like indebtedness

Advances and Bonuses

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

A review of the minutes of the District for the year indicated no payments of the above type noted. The District had no payroll records or employees for the year and noted no instances that would indicate payments to employees that may constitute bonuses, advances, or gifts.

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.

Board of Commissioners
Lafourche Parish Recreation District No. 11
Page 4

This report is intended solely for the information of the management 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. However, this report is a matter of public record and its distribution is not limited.

Stagni & Company

Thibodaux, Louisiana
March 30, 2004



LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)
For the Year Ended December 31, 2003

Stagni & Company, LLC
207 Lafayette Ave.
Thibodaux, LA 70301

In connection with your compilation of our financial statements as of December 31, 2003 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.

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 that may occur subsequent to the issuance of your report.

	Secretary	<u>04/12/04</u>	Date
	Treasurer	<u>4/12/04</u>	Date
	President	<u>4-12-04</u>	Date