

**LAFOURCHE PARISH  
RECREATION DISTRICT No. 2  
RACELAND, LOUISIANA**

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

**AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2002**



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STAGNI & COMPANY, LLC

**LAFOURCHE PARISH**  
**RECREATION DISTRICT No. 2**  
**RACELAND, LOUISIANA**

*Basic Financial Statements*  
*As of and for the Year Ended December 31, 2002*

**TABLE OF CONTENTS**

	<u>Page</u>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	1
<b>FINANCIAL SECTION</b>	
Compilation Report	5
<b>BASIC FINANCIAL STATEMENTS:</b>	
<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
<i>Notes to the Financial Statements</i>	11
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedules – Major Governmental Funds	
<i>General Fund</i>	21
<i>Revenue Sharing</i>	22
<i>Sinking Fund</i>	23
<b><u>AGREED-UPON PROCEDURES SECTION</u></b>	
Independent Accountant's Report on Applying Agreed-Upon Procedures	24
Louisiana Attestation Questionnaire	

***MANAGEMENT'S DISCUSSION AND  
ANALYSIS***

**LAFOURCHE PARISH RECREATION DISTRICT NO. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2002*

Our discussion and analysis of Lafourche Parish Recreation District No. 2, (the District) financial performance provides an overview of the financial activities for the year ended December 31, 2002. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

***FINANCIAL HIGHLIGHTS***

Our 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 \$361,485. Net assets increased by \$35,019 from the previous year of \$326,466.
- Total net assets are comprised of the following:
  - (1) Invested in capital assets of \$146,739 including 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 \$186,446.
  - (3) Unrestricted net assets of \$28,300 that represent the portion available to maintain continuing obligations to citizens and creditors.
- The governmental funds reported total ending fund balance – all considered unreserved of \$214,746. Fund balance for governmental activities increased by \$39,808 from the prior year - \$174,939.
- Total spending for all recreational activities was \$243,774. General revenues of \$278,793 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***

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. 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.

**LAFOURCHE PARISH RECREATION DISTRICT NO. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2002*

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***

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 (such as the Revenue Sharing Fund) 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 \$35,019. The increase was due to an increase in ad valorem tax revenue. 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 requirements—absorbed most of the increase this year. The balance in net assets - \$393,036 represents the accumulated results of all past years' operations.

The total revenues for the year in governmental activities were \$278,793 (\$275,025 in general revenues and \$3,768 in investment earnings).

**LAFOURCHE PARISH RECREATION DISTRICT NO. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2002*

***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 \$214,746. This reflects an increase of \$39,808 from last year. This increase is primarily due to the same results described within the analysis of the governmental activities.

***GENERAL FUND BUDGETARY HIGHLIGHTS***

The original budget for the General Fund was approved and accepted with no changes for the year.

***CAPITAL ASSETS***

The District investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2002 and 2001 was \$1,171,739 and 1,238,077, respectively.

This year there was \$43,655 of additions. 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 \$1,025,000 in general obligations bonds outstanding – a decrease of 5% over last 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. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2002*

***ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES***

Among the factors considered in compiling the 2003 budget were:

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

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

Projected Beginning Balance	\$8,918
Anticipated Income for 2003	77,040
Anticipated Expenditures for 2003	85,958
<b>Excess Expenditures over Revenues</b>	<b>0</b>
Projected Ending Balance	\$0

***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:

Milton P. Arabie, Executive Director  
Lafourche Parish Recreation District No. 2,  
P.O. Box 676,  
Raceland, LA 70394.

# FINANCIAL SECTION



# STAGNI & COMPANY, LLC

To the Board of Commissioners  
Lafourche Parish Recreation District No. 2  
Raceland, Louisiana

We have compiled the accompanying basic financial statements of the Lafourche Parish Recreation District No. 2, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2002 and Management's Discussion and Analysis and Required Supplementary Information 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  
February 7, 2003

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## LAFOURCHE PARISH RECREATION DISTRICT #2

### Statement of Net Assets

December 31, 2002

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 214,522
Due from other governments	219,347
Taxes Receivable	25,239
Deposits	350
Total current assets	<u>459,458</u>
Noncurrent assets:	
Capital assets, net of depreciation	1,171,739
Total assets	<u>1,631,197</u>
<b>LIABILITIES</b>	
Current liabilities:	
Deferred Revenues	244,586
Accounts payable and accrued expenses	126
Bonds Payable - Current	55,000
Total current liabilities	<u>299,712</u>
Bonds Payable -long term	970,000
Total long term liabilities	<u>970,000</u>
Total Liabilities	<u>1,269,712</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	146,739
Restricted for:	
Debt Service	186,446
Unrestricted	28,300
Total net assets	<u>\$ 361,485</u>

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

**LAFOURCHE PARISH RECREATION DISTRICT #2**

Statement of Activities

For the Year Ended December 31, 2002

<b>FUNCTIONS / PROGRAMS</b>	<b>Program Revenues</b>		Net (Expense) Revenue
	Expenses	Charges for Services	
Governmental activities:			
General government - Recreation	\$ 243,774	\$ 1,402	\$ (242,372)
Total governmental activities:			<u>(242,372)</u>
General revenues:			
Ad Valorem Taxes			224,665
State Revenue Sharing			46,268
Unrestricted investment earnings			3,768
Other - Insurance Reimbursements			2,690
Total general revenues			<u>277,391</u>
Change in net assets			<u>35,019</u>
Net assets - beginning			<u>326,466</u>
Net assets - ending			<u>\$ 361,485</u>

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

**LAFOURCHE PARISH RECREATION DISTRICT No. 2**

Balance Sheet - Governmental Funds  
December 31, 2002

	General	Revenue Sharing	Sinking Fund	Totals Governmental Funds
<b><u>ASSETS</u></b>				
Cash	\$10,153	\$17,924	\$186,446	\$214,522
Due from other governments	72,410		146,936	219,347
Taxes receivable	8,332		16,907	25,239
Deposits	350			350
Total assets	<u>\$91,245</u>	<u>\$17,924</u>	<u>\$350,289</u>	<u>\$459,458</u>
<b><u>LIABILITIES</u></b>				
Current Liabilities:				
Deferred revenue	\$80,742		\$163,843	\$244,586
Accounts Payable and accrued expen	126			126
Total liabilities	<u>80,868</u>		<u>163,843</u>	<u>244,712</u>

**FUND BALANCES**

Reserved-reported in:				
Debt service			186,446	186,446
Unreserved-reported in:				
General Fund	10,376			10,376
Special Revenue Fund		\$ 17,924		17,924
Total fund balances	<u>10,376</u>	<u>17,924</u>	<u>186,446</u>	<u>214,746</u>
Total liabilities, equity, and other credits	<u>\$91,245</u>	<u>\$17,924</u>	<u>\$350,289</u>	

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

Capital assets used in governmental activities are not financial resources  
and therefore are not reported in the fund 1,171,739

Some liabilities are not due and payable in the current period and therefore  
are not reported in the funds. Bonds Payable (1,025,000)  
Net assets of governmental activities \$ 361,485

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

**LAFOURCHE PARISH RECREATION DISTRICT No. 2**

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ending December 31, 2002

	<u>General</u>	<u>Revenue Sharing</u>	<u>Sinking Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Ad Valorem Taxes	\$74,166		\$150,499	\$224,665
State Revenue Sharing		\$ 46,268		46,268
Interest	613	578	2,577	3,768
Reimbursements		1,043		1,043
Other	3,049			3,049
<b>Total Revenues</b>	<u>77,827</u>	<u>47,889</u>	<u>153,075</u>	<u>278,792</u>
<b>EXPENDITURES</b>				
General government - current:				
Property and equipment maintenance	36,324	18,700		55,024
Salaries and benefits	20,369			20,369
Contract labor	4,248			4,248
Office expense	1,299			1,299
Janitorial supplies		1,197		1,197
Accounting	4,000			4,000
Telephone	1,365			1,365
Utilities		9,036		9,036
Insurance	905	21,080		21,985
<b>Total current expenditures</b>	<u>68,510</u>	<u>50,013</u>		<u>118,523</u>
Capital outlay	<u>189</u>	<u>11,360</u>		<u>11,549</u>
Debt service:				
Principal retirement			50,000	50,000
Interest and fiscal charges			58,913	58,913
<b>Total debt service</b>			<u>108,913</u>	<u>108,913</u>
<b>Total expenditures</b>	<u>68,699</u>	<u>61,373</u>	<u>108,913</u>	<u>238,985</u>
 Excess (deficiencies) of revenues over expenditures	 9,128	 (13,484)	 44,163	 39,808
<b>FUND BALANCES</b>				
Beginning of year	1,248	31,408	142,283	174,939
Ending of year	<u>\$10,376</u>	<u>\$17,924</u>	<u>\$186,446</u>	<u>\$214,746</u>

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

**LAFOURCHE PARISH RECREATION DISTRICT #2**

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, 2002

Net change in fund balances - total governmental funds (fund financial statements)     \$    39,808

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.

Capital Asset purchases capitalized	\$    11,549	
Depreciation expense	<u>(66,338)</u>	(54,789)

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	<u>50,000</u>	50,000
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Change in net assets of governmental activities     \$    35,019

**LAFOURCHE PARISH RECREATION  
DISTRICT No. 2  
RACELAND, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
For the year ended December 31, 2002**

The Lafourche Parish Recreation District No. 2 (the District) operates under provisions of the Louisiana Revised Statutes and local ordinances established by the Lafourche Parish Council. The District provides the facilities, equipment, program, and finances to conduct recreational activities throughout the year. The District has all the rights and powers and privileges granted by and conferred by the Constitution and Statutes 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. 2 (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.

LAFOURCHE PARISH RECREATION  
DISTRICT No. 2  
RACELAND, LOUISIANA

*NOTES TO FINANCIAL STATEMENTS, (CONTINUED)*  
For the year ended December 31, 2002

*Note 1*      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*B.      Basic Financial Statements – Basis of Presentation*

**Government-Wide and Fund 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. 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 Accounting**

The District uses funds and account groups to report on its financial position and the results of its operations.

LAFOURCHE PARISH RECREATION  
DISTRICT No. 2  
RACELAND, LOUISIANA

*NOTES TO FINANCIAL STATEMENTS, (CONTINUED)*  
For the year ended December 31, 2002

*Note 1*      ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

**Fund Accounting (Continued)**

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**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. 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.

Special Revenue Fund - The Revenue Sharing Fund is used to account for the collection and disbursement of monies received from the State from revenue sharing.

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 report using the economic resources measurement focus and the accrual basis of accounting.

LAFOURCHE PARISH RECREATION  
DISTRICT No. 2  
RACELAND, LOUISIANA

*NOTES TO FINANCIAL STATEMENTS, (CONTINUED)*  
For the year ended December 31, 2002

*Note 1*      ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

C.      *Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)*

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:

Ad valorem taxes and revenue sharing are considered susceptible to accrual. 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.

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.

LAFOURCHE PARISH RECREATION  
DISTRICT No. 2  
RACELAND, LOUISIANA

*NOTES TO FINANCIAL STATEMENTS, (CONTINUED)*  
For the year ended December 31, 2002

*Note 1*

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*D. Budget (Continued)*

Annual budgets are prepared by the Secretary/Treasurer of the Board along with a budget message 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. 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.

*F. 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.

LAFOURCHE PARISH RECREATION  
DISTRICT No. 2  
RACELAND, LOUISIANA

*NOTES TO FINANCIAL STATEMENTS, (CONTINUED)*  
For the year ended December 31, 2002

*Note 1*      ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*F.      Capital Assets (Continued)*

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

*G.      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 statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

LAFOURCHE PARISH RECREATION  
DISTRICT No. 2  
RACELAND, LOUISIANA

*NOTES TO FINANCIAL STATEMENTS, (CONTINUED)*

For the year ended December 31, 2002

*Note 1*      ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*G.      Long Term Debt (Continued)*

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. 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.

*H.      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.

*I.      Estimates*

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

*Note 2*      ***CASH***

At December 31, 2002, the District has book balances of \$214,522 and bank balances (all deposits) of \$215,234. 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).

**LAFOURCHE PARISH RECREATION  
DISTRICT No. 2  
RACELAND, LOUISIANA**

*NOTES TO FINANCIAL STATEMENTS, (CONTINUED)*  
For the year ended December 31, 2002

**Note 2**      ***CASH (Continued)***

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 of federal deposit insurance and \$448,330 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized (Category 3) 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.

**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, 2002 was 3.08 mills assessed valuation on property within Lafourche Parish Recreation District No. 2 for the purpose of maintaining and operating the facilities and programs, and 6.25 mills for the purpose of payment of general long term debt principal, interest, and related costs for the District.

**LAFOURCHE PARISH RECREATION  
DISTRICT No. 2  
RACELAND, LOUISIANA**

*NOTES TO FINANCIAL STATEMENTS, (CONTINUED)*  
For the year ended December 31, 2002

**Note 3      *AD VALOREM TAXES (CONTINUED)***

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 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, 2002.

**Note 5      *DUE FROM OTHER GOVERNMENTAL UNITS***

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

**Note 6      *CAPITAL ASSETS***

Capital assets and depreciation activity for the year is as follows:

Governmental Activities:	Beginning Balance	Increases	Ending Balance
Capital assets, not being depreciated -			
Land	\$110,500		\$110,500
Capital assets being depreciated:			
Facilities	1,264,891	\$43,655	1,308,546
Equipment	12,909		12,909
Total being depreciated	\$1,277,800	\$43,655	\$1,321,455
Less accumulated depreciation:			
Facilities	\$189,363	\$64,839	\$254,192
Equipment	4,527	1,499	6,026
Totals	\$193,890	\$66,338	\$260,218
Capital assets, net	\$1,083,910		\$1061,237

**LAFOURCHE PARISH RECREATION  
DISTRICT No. 2  
RACELAND, LOUISIANA**

*NOTES TO FINANCIAL STATEMENTS, (CONTINUED)*  
For the year ended December 31, 2002

**Note 6      CAPITAL ASSETS (CONTINUED)**

Depreciation expenses of \$66,338 for the year were charged to the general government – Recreation function in the statement of activities.

**Note 7      LONG TERM DEBT**

On April 1, 1995 the taxpayers approved an issuance of bonds and the levy of a special tax to issue \$1,300,000 of 20 year general obligation bonds of the District for constructing, purchasing and acquiring lands, buildings, equipment, and other facilities to be used in providing recreational facilities for the District.

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

	Payable 12/31/01	Debt Incurred	Debt Retired	Payable 12/31/02
General Obligations Bonds, Series 1995	\$1,075,000		\$50,000	\$1,025,000

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

Maturity	Principal	Interest	Total
2003	55,000	54,548	109,548
2004	60,000	51,215	111,215
2005	60,000	48,110	108,110
2006	65,000	44,828	109,828
2007	70,000	41,215	111,215
2008-2012	405,000	143,138	548,138
2013-2015	310,000	26,400	336,400
<b>Totals</b>	<b>\$1,025,000</b>	<b>\$409,453</b>	<b>\$1,434,453</b>

***REQUIRED SUPPLEMENTARY  
INFORMATION***

**LAFOURCHE PARISH RECREATION DISTRICT No. 2**

Budget Comparison Schedule

General Fund

For the Year Ending December 31, 2002

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
<u>REVENUES</u>				
Ad Valorem Taxes	\$ 73,223	\$73,223	\$74,166	\$943
Interest	1,102	1,102	613	(489)
Other	750	750	3,049	2,299
Total Revenues	<u>75,075</u>	<u>75,075</u>	<u>77,827</u>	<u>2,752</u>
<u>EXPENDITURES</u>				
General government - current:				
Property and equipment maintenance	37,000	37,000	36,324	676
Salaries and benefits	21,000	21,000	20,369	631
Contract labor	5,000	5,000	4,248	752
Office expense	2,000	2,000	1,299	701
Janitorial supplies	-	0	0	0
Accounting	5,000	5,000	4,000	1,000
Legal and professional fees	500	500	0	500
Telephone	2,000	2,000	1,365	635
Insurance	1,500	1,500	905	595
Total current expenditures	<u>74,000</u>	<u>74,000</u>	<u>68,510</u>	<u>5,490</u>
Capital Expenditure	<u>2,180</u>	<u>2,180</u>	<u>189</u>	<u>1,991</u>
Total expenditures	<u>76,180</u>	<u>76,180</u>	<u>68,699</u>	<u>7,481</u>
Excess (deficiencies) of revenues over expenditures	(1,105)	(1,105)	9,128	10,233
<u>FUND BALANCES</u>				
Beginning of year	<u>1,105</u>	<u>1,105</u>	<u>1,248</u>	<u>(143)</u>
Ending of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$10,376</u>	<u>\$10,376</u>

**LAFOURCHE PARISH RECREATION DISTRICT No. 2**

Budget Comparison Schedule

Revenue Sharing

For the Year Ending December 31, 2002

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
State Revenue Sharing	\$ 46,000	\$ 46,000	\$ 46,268	\$ 268
Interest	1,000	1,000	578	(422)
Other	500	500	1,043	543
Total Revenues	<u>47,500</u>	<u>47,500</u>	<u>47,889</u>	<u>389</u>
<b>EXPENDITURES</b>				
General government - current:				
Property and equipment maintena	10,000	18,000	18,700	(700)
Office expense	1,000	1,000	0	1,000
Janitorial supplies	1,500	1,500	1,197	303
Utilities	12,000	12,000	9,036	2,964
Reimbursement-Parish	12,000	0		
Insurance	16,000	22,000	21,080	920
Total current expenditures	<u>52,500</u>	<u>54,500</u>	<u>50,013</u>	<u>4,487</u>
Capital expenditures	<u>20,000</u>	<u>13,000</u>	<u>11,360</u>	<u>1,640</u>
Total expenditures	<u>72,500</u>	<u>67,500</u>	<u>61,373</u>	<u>6,127</u>
Excess (deficiencies) of revenues over expenditures	(25,000)	(20,000)	(13,484)	6,516
<b>FUND BALANCES</b>				
Beginning of year	<u>25,000</u>	<u>31,000</u>	<u>31,408</u>	<u>(408)</u>
Ending of year	<u>\$ -</u>	<u>\$ 11,000</u>	<u>\$ 17,924</u>	<u>\$ 6,924</u>

**LAFOURCHE PARISH RECREATION DISTRICT No. 2**

Budget Comparison Schedule

Sinking Fund

For the Year Ending December 31, 2002

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Ad Valorem Taxes	\$ 148,587	\$ 148,587	\$ 150,499	\$ 1,912
Interest	3,500	3,500	2,577	(923)
<b>Total Revenues</b>	<b>152,087</b>	<b>152,087</b>	<b>153,075</b>	<b>988</b>
<b>EXPENDITURES</b>				
Debt service:				
Principal reitremet	50,550	50,550	50,000	550
Interest and fiscal charges	58,335	58,335	58,913	(578)
<b>Total debt service</b>				
<b>Total expenditures</b>	<b>108,885</b>	<b>108,885</b>	<b>108,913</b>	<b>(28)</b>
Excess (deficiencies) of revenues over expenditures	43,202	43,202	44,163	961
<b>FUND BALANCES</b>				
Beginning of year	142,500	142,500	142,283	217
Ending of year	\$ 185,702	\$ 185,702	\$ 186,446	\$ 744

**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. 2  
Raceland, Louisiana

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. 2, (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, 2002 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

24

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

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

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed upon procedure 3.] appeared on the list provided by management in agreed-upon procedure 2.

#### ***Budgeting***

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

Management provided us with a copy of the legally adopted original and amended budget. There were amendments to the revenue sharing budget during the year.

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 10, 2001 which indicated that the budget had been adopted by the commissioners of the Lafourche Parish Recreation District No. 2 by a unanimous vote of the 4 member present.

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 expenditures for the year did not exceed budgeted amounts by more than 5%.

#### ***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 approvals from the executive director and the Board of Commissioners. In addition, each of the disbursements was traced to the District's minute book where they were approved by the full commission.

#### ***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 reading of the minutes of the District for the year indicated no approval for the payments noted. We also inspected payroll records 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.

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  
February 7, 2003

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Government)**  
**For the Year Ended December 31, 2002**

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

In connection with your compilation of our financial statements as of December 31, 2002 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 December 31, 2002.

**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.

Milton P. DuBois Secretary December 3, 2002 Date  
Milton P. DuBois Treasurer December 3, 2002 Date  
Daniel Mayet President December 3, 2002 Date



Recreation for all seasons  
and all ages

## Lafourche Parish Recreation District No. 2

P.O. Box 676  
241 Recreation Drive  
Raceland, Louisiana 70394  
(985) 537-1700 FAX (985) 537-1701

### RESOLUTION

BE IT RESOLVED, that the Lafourche Parish Recreation District No. 2 Board of Commissioners, in connection with the December 31, 2002, compilation and attestation engagement, adopts the Louisiana Attestation Questionnaire for submission to Stagni and Company, LLC and confirms that the representations made therein are to the best of the Board's knowledge and belief.

BE IT FURTHER RESOLVED, that Daniel Mayet, Chairman of the Lafourche Parish Recreation District No. 2 Board of Commissioners, and Milton P. Arabie, Secretary-Treasurer, be authorized to sign said questionnaire.

### CERTIFICATE

I, Milton P. Arabie, Secretary-Treasurer of the Lafourche Parish Recreation District No. 2 Board of Commissioners, Lafourche Parish, Louisiana, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Lafourche Parish Recreation District No. 2 Board of Commissioners in session of December 3, 2002, at which a quorum was present.

GIVEN UNDER MY OFFICIAL SIGNATURE AND SEAL OF OFFICE, this day of December 3, 2002.

*Milton P. Arabie*

Milton P. Arabie, Secretary-Treasurer  
Lafourche Parish Recreation District No. 2 Board of Commissioners