

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Operating Budgetary Data (Continued)

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

e) Bad Debts

The financial statements for the District contain no allowance for bad debts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the Funds.

f) Investments

*Investments are stated at cost, which approximates market.*

g) General Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of results of operations. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Fixed assets with an estimated historical cost amounted to approximately \$2,200 or 1% of the total General Fixed Asset Account Group. Donated fixed assets are valued at their estimated fair value on the date donated.

Some general fixed assets are recorded on the general fixed asset listing of the Terrebonne Parish Consolidated Government (land, gym, and swimming pool).

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

**b) Fund Accounting (Continued)**

**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.

**Account Group**

The general fixed assets account group is used to account for fixed assets not accounted for in proprietary or trust funds.

**c) Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenues) are considered "measurable" at the time of levy. Miscellaneous revenues are recorded as revenues when received in cash by the District or in intermediary collecting agency because they are generally not measurable until actually received. Charges for services are recorded when earned since they are measurable and available.

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

**d) Operating Budgetary Data**

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The Board, as allowed by state law, does not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget various times during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

**NOTES TO FINANCIAL STATEMENTS****Terrebonne Parish Recreation District No. 4**

December 31, 1996

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Terrebonne Parish Recreation District No. 4 (the District) conform to generally accepted accounting principles as applicable to governments. The following is a summary of significant accounting policies:

**a) Reporting Entity**

The District is a component unit of the Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 1996.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

**b) Fund Accounting**

The government uses funds and account groups to report on its financial position and the results of its operations. 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. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**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 following are the Governmental Funds of the District:

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL -  
GOVERNMENTAL FUND TYPE - GENERAL FUND**

**Terrebonne Parish Recreation District No. 4**

For the year ended December 31, 1996

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes - ad valorem	\$ 160,405	\$ 178,141	\$ 17,736
Intergovernmental:			
State of Louisiana:			
State revenue sharing	5,863	6,204	341
State flood reimbursement	2,681	2,681	-
FEMA reimbursement	11,951	11,951	-
Charges of services	4,025	4,025	-
Miscellaneous:			
Interest earned	3,786	4,001	215
Other	750	749	(1)
Total revenues	189,461	207,752	18,291
<b>Expenditures</b>			
Current:			
General Government:			
Ad valorem tax adjustment	2,884	2,884	
Ad valorem tax deductions	8,509	8,509	
Total general government	11,393	11,393	
Culture and Recreation:			
Personal services	68,567	68,803	(236)
Supplies and materials	8,028	7,917	111
Other services and charges	31,125	28,460	2,665
Repairs and maintenance	27,233	27,233	-
Capital expenditures	11,059	14,210	(3,151)
Total culture and recreation	146,012	146,623	(611)
Total expenditures	157,405	158,016	(611)
<b>Excess of Revenues Over Expenditures</b>	<b>\$ 32,056</b>	49,736	<b>\$ 17,680</b>
<b>Fund Balance</b>			
Beginning of year		219,401	
End of year		<b>\$ 269,137</b>	

See notes to financial statements.



Bourgeois Bennett

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 4,  
Dulac, Louisiana.

We have audited the accompanying general purpose financial statements of Terrebonne Parish Recreation District No. 4, (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Terrebonne Parish Recreation District No. 4 as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 24, 1997, on our consideration of the Terrebonne Parish Recreation District No. 4's internal control structure and a report dated January 24, 1997 on its compliance with laws and regulations.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, La.,  
January 24, 1997

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

**h) Vacation and Sick Leave**

Employees of the District receive vacation and sick leave at the discretion of the Board. Employees generally receive two weeks of vacation after one year of service. There were no material amounts of unpaid vacation at December 31, 1996.

**i) Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the District.

**j) Total Columns on Combined Statements - Overview**

The total columns on the combined statements - overview are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Note 2 - CASH AND INVESTMENTS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

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.

During the year the District's investments consisted solely of certificates of deposit. At December 31, 1996, the District's cash and investments were not in excess of the FDIC insurance.

**COMMUNICATIONS LETTER**

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December 31, 1996

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**COMBINED BALANCE SHEET -**  
**GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP**

**Terrebonne Parish Recreation District No. 4**

December 31, 1996

	<u>Governmental Fund Type General</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
<b>Assets</b>			
Cash	\$ 6,895	\$ -	\$ 6,895
Investments	90,000	-	90,000
Receivables - taxes	21,339	-	21,339
Due from other governmental units	152,428	-	152,428
Fixed assets	-	174,450	174,450
	<u>          </u>	<u>          </u>	<u>          </u>
Totals	<u>\$ 270,662</u>	<u>\$ 174,450</u>	<u>\$ 445,112</u>
<b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 946		\$ 946
Due to Terrebonne Parish Consolidated Government	579		579
	<u>          </u>		<u>          </u>
Total liabilities	<u>1,525</u>		<u>1,525</u>
<b>Fund Equity And Other Credits</b>			
Investment in general fixed assets	-	\$ 174,450	174,450
Fund balance - unreserved	269,137	-	269,137
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund equity and other credits	<u>269,137</u>	<u>174,450</u>	<u>443,587</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Totals	<u>\$ 270,662</u>	<u>\$ 174,450</u>	<u>\$ 445,112</u>

See notes to financial statements.

**Note 3 - PROPERTY TAXES**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at 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, 1996. 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, 1996 was \$6.94 per \$1,000 of assessed valuation on property within Recreation District No. 4 for the purpose of maintaining and operating recreational facilities within the District.

**Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at December 31, 1996 consisted of the following:

State of Louisiana - State revenue sharing	\$ 4,136
Terrebonne Parish Tax Collector - December, 1996 collections remitted to the District in January, 1997	<u>148,292</u>
Total	<u>\$152,428</u>

**Note 5 - CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance January <u>1, 1996</u>	<u>Additions</u>	<u>Deletions</u>	Balance December <u>31, 1996</u>
Building	\$ 12,643	\$ -	\$ -	\$ 12,643
Improvements - ball field	43,278	-	-	43,278
Office furniture, fixtures and equipment	20,660	1,837	510	21,987
Maintenance and recreational equipment	62,331	6,291	2,682	65,940
Construction in process	<u>24,520</u>	<u>6,082</u>	<u>-</u>	<u>30,602</u>
Totals	<u>\$163,432</u>	<u>\$14,210</u>	<u>\$3,192</u>	<u>\$174,450</u>

**Note 6 - LEASE COMMITMENTS**

The District entered into an operating lease on May 18, 1994 with the Harry Bourg Corporation for use of land for recreational purposes for a period of ten years ending May 31, 2004, for an annual rental of \$500. The District has the option to renew this lease for an additional ten year term for the sum of \$650.

The District does not have the right to assign or sublet this lease to anyone other than a public body who shall use the property for recreational purposes. At the termination of the lease, the District shall have the option for a period of 30 days to remove any and all buildings and/or improvements placed by the District on the premises. Failure to remove such items shall become property of the lessor without any obligation on its part to pay anything. Rent expense for the District during 1996 was \$500.

Minimum annual lease payments which become due before the first day of June of each year during the term of the lease are as follows:

1997	\$ 500
1998	500
1999	500
2000	500
2001	500
2002 - thereafter	<u>1,000</u>
Total	<u>\$3,500</u>

**Note 7 - POSTRETIREMENT HOSPITALIZATION AND LIFE INSURANCE BENEFITS**

The District provides for the payment of hospitalization and life insurance premiums for its one retired employee. The District also provides for dependent coverage for its retired employee. The District voted at its March 23, 1994 meeting to provide this benefit. The cost of providing this benefit is recognized as an expenditure as premiums are paid. For the year ended December 31, 1996, those costs amounted to \$ 6,161.

**Note 8 - COMPENSATION OF BOARD MEMBERS**

The following amounts were paid to Board Members for the year ended December 31, 1996:

<u>Board Members</u>	<u>Number of Meetings Attended</u>	<u>Per Diem</u>
Cheryl Blanchard	12	\$ - *
Frederic Boudreaux	11	110
Johnny Duplantis	12	120
Donald Lirette	12	120
Joseph Lodrigue, Sr.	9	90
Gary Gregoire	0	-
Pierre Solet	7	70
Kirby Verrett	11	<u>110</u>
Total		<u>\$620</u>

\* Cheryl Blanchard waived her right to receive a per diem.

**Note 9 - RISK MANAGEMENT**

The District participants in Terrebonne Parish's (oversight entity) risk management internal service funds for general liability and workers compensation. The District's premiums for general liability is based on various factors such as operations and maintenance budget, exposure and claims experience. The premiums for workers compensation is based on a fixed percentage of payroll. Terrebonne Parish handles all claims filed against the District. The District does not have any additional exposure unless the claims exceed the Parish's insurance contracts.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 4,  
Dulac, Louisiana.

We have audited the general purpose financial statements of Terrebonne Parish Recreation District No. 4 (the District), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated January 24, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. *The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles.* Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in condition or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the District for the year ended December 31, 1996, we obtained an understanding on the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 4,  
Dulac, Louisiana.

We have audited the general purpose financial statements of Terrebonne Parish Recreation District No. 4 (the District), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated January 24, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, La.,  
January 24, 1997.

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1340 West Tunnel Blvd., Suite 430  
P.O. Box 2168  
Houma, LA 70361-2168  
Phone (504) 868-0139  
Fax (504) 879-1949

Certified Public  
Accountants / Consultants  
A Limited Liability Company

P.O. Box 60600  
New Orleans, LA 70160-0600  
Heritage Plaza, Suite 800  
Phone (504) 831-4949  
Fax (504) 833-9093

504 West Second Street  
P.O. Box 1205  
Thibodaux, LA 70302-1205  
Phone (504) 447-5243



Bourgeois Bennett

**COMMUNICATIONS WITH BOARD OF COMMISSIONERS**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 4,  
Dulac, Louisiana.

In fulfilling our responsibility as Terrebonne Parish Recreation District No. 4 auditors for the year ended December 31, 1996, we are required to communicate to the Board of Commissioners certain matters related to the conduct of our audit.

**1) AUDITOR'S RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS**

Our audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States which require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatements.

As required, separate letters have been issued on the internal control structure and compliance with laws and regulations.

**2) SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted nor required to be adopted for the year ended December 31, 1996.

**3) SIGNIFICANT AUDIT ADJUSTMENTS**

We did not initiate any significant audit adjustments during our recent audit. Year end adjustments and closing entries were prepared. Copies have been furnished to management.

This information is intended solely for the use of the Board of Commissioners and management of Terrebonne Parish Recreation District No. 4 and should not be used for any other purpose.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, La.,  
January 24, 1997.

1340 West Tunnel Blvd., Suite 430  
P.O. Box 2168  
Houma, LA 70361-2168  
Phone (504) 868-0139  
Fax (504) 879-1949

Certified Public  
Accountants | Consultants  
A Limited Liability Company

P.O. Box 60600  
New Orleans, LA 70160-0600  
Heritage Plaza, Suite 800  
Phone (504) 831-4949  
Fax (504) 833-9093

504 West Second Street  
P.O. Box 1205  
Thibodaux, LA 70302-1205  
Phone (504) 447-5243



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***Financial Report***

***Terrebonne Parish Recreation District No. 4***

***Dulac, Louisiana***

***December 31, 1996***

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 4-9-97

We noted a matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

**Condition** - All accounting functions of the District are performed by the secretary/treasurer. The secretary/treasurer also co-signs checks.

**Recommendation** - We recommend the Board continue its significant involvement in the financial affairs of the District by co-signing checks, and approving all expenditures by approving monthly financial reports. The financial reports consist of a statement of revenues and expenditures as of the meeting date and a check register of all bills paid since the last meeting.

**Response** - The secretary/treasurer reports to the Board monthly on all financial activities. All significant financial matters are approved by the Board.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information of the Board of Commissioners, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Bouges & Bennett, L.L.C.*

Certified Public Accountants.

Houma, La.,  
January 24, 1997.