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**Financial Report**  
**Terrebonne Parish Recreation District No. 5**  
**Bourg, Louisiana**  
**December 31, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or accountant, entity and other appropriate public officials. The report is available for public inspection at the District Office of the Legislative Auditor General, or the appropriate office of the clerk of the parish clerk or court.

Witness my hand and seal this 11 day of 1998.

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December 31, 1997

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Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 5,  
Houma, Louisiana.

We have audited the accompanying general purpose financial statements of Terrebonne Parish Recreation District No. 5 (the District), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 1997, 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 the standards applicable to financial audits contained in 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 general purpose 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. 5 as of December 31, 1997, 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 our report dated January 19, 1998 on our consideration of the Terrebonne Parish Recreation District No. 5's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Bourgeois Bennett, LLC.*

Certified Public Accountants

Houma, La.,  
January 19, 1998.

**COMBINED BALANCE SHEET -  
GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS**

**Terrebonne Parish Recreation District No. 5**

December 31, 1997

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
<b>ASSETS AND OTHER DEBITS</b>		
<b>Assets</b>		
Cash	\$ 45,278	\$ 13,674
Investments	29,000	-
Receivable - taxes	4,611	-
Due from other governmental units	99,113	-
Fixed assets	-	-
<b>Other Debits</b>		
Amount to be provided for retirement of general long-term debt	-	-
<b>Total assets and other debits</b>	<b>\$ 178,002</b>	<b>\$ 13,674</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenditures	\$ 3,152	
Due to Terrebonne Parish Consolidated Government	180	
Other long-term debt	-	
<b>Total liabilities</b>	<b>3,332</b>	
<b>Equity and Other Credits</b>		
Investment in general fixed assets		
Fund balances - unreserved	154,670	\$ 13,674
<b>Total equity and other credits</b>	<b>154,670</b>	<b>13,674</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 158,002</b>	<b>\$ 13,674</b>

See notes to financial statements.

<u>Account Groups</u>		<u>Total (Memorandum Only)</u>
<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	
\$ -	\$ -	\$ 60,992
-	-	29,089
-	-	4,611
-	-	99,113
<u>397,293</u>	-	<u>197,293</u>
-	<u>51,708</u>	<u>51,708</u>
\$ <u>397,293</u>	\$ <u>51,708</u>	\$ <u>602,673</u>
-	-	-
-	\$ -	\$ 3,152
-	-	188
-	<u>51,708</u>	<u>51,708</u>
-	<u>51,708</u>	<u>55,840</u>
\$ <u>397,293</u>	-	<u>397,293</u>
-	-	<u>158,344</u>
<u>397,293</u>	-	<u>547,637</u>
\$ <u>397,293</u>	\$ <u>51,708</u>	\$ <u>602,673</u>

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES**

**Terrebonne Parish Recreation District No. 5**

For the year ended December 31, 1997

	<u>General</u>	<u>Special Revenue</u>	<u>Total (Majorandum Only)</u>
<b>Revenues</b>			
Taxes	\$ 61,442	\$ -	\$ 61,442
Intergovernmental:			
State of Louisiana:			
State revenue sharing	19,564	-	19,564
Charges for services	723	-	723
Miscellaneous - interest	1,979	199	2,178
Total revenues	<u>\$3,706</u>	<u>199</u>	<u>\$3,905</u>
<b>Expenditures</b>			
Current:			
General Government:			
Ad valorem tax adjustment	2,951		2,951
Ad valorem tax abatements	3,154		3,154
Total general government	6,105		6,105
Culture and Recreation:			
Personal services	18,411		18,411
Supplies and materials	2,908		2,908
Other services and charges	13,460		13,460
Repairs and maintenance	9,684		9,684
Capital expenditures	4,782		4,782
Total culture and recreation	50,085		50,085
Debt Service:			
Principal retirement	3,089		3,089
Total expenditures	<u>59,190</u>		<u>59,190</u>
<b>Excess of Revenues Over Expenditures</b>	34,516	199	34,715
<b>Fund Balances</b>			
Beginning of year	118,154	12,473	125,627
End of year	<u>\$ 124,670</u>	<u>\$ 12,674</u>	<u>\$ 138,344</u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUNDAL BALANCES - BUDGET AND ACTUAL -  
GOVERNMENTAL FUND TYPES**

**Terrebonne Parish Recreation District No. 5**

For the year ended December 31, 1993

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Taxes	\$ 62,333	\$ 61,442	\$ (890)
Inaugovernmental:			
State of Louisiana:			
State revenue sharing	19,850	19,564	(286)
Charges for services	725	723	-
Miscellaneous - interest	1,852	1,873	21
Total revenues	\$4,714	\$2,706	(2,008)
<b>Expenditures</b>			
Current:			
General Government:			
Ad valorem tax adjustment	2,400	2,991	(591)
Ad valorem tax deductions	2,600	3,134	(254)
Total general government	5,000	6,125	(1,025)
Culture and Recreation:			
Parsonal services	19,153	19,411	(258)
Supplies and materials	3,648	2,988	4,740
Other services and charges	18,846	15,460	3,186
Repairs and maintenance	1,457	9,694	(2,147)
Capital expenditures	-	4,702	(4,702)
Total culture and recreation	51,966	50,955	2,021
Debt Service:			
Principal retirement	3,000	3,000	-
Total expenditures	61,206	69,190	2,018
<b>Excess of Revenues Over Expenditures</b>	\$ 23,255	\$4,516	\$ 18,739
<b>Fund Balances</b>			
Beginning of year		110,154	
End of year		\$ 124,670	

See notes to financial statements.

<u>Special Revenue Fund</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ -	\$ -
-	-	-
<u>240</u>	<u>199</u>	<u>41</u>
<u>240</u>	<u>199</u>	<u>(41)</u>

\$ 240                      199                      \$ (41)

(5,473)

\$ 15,674



NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Recreation District No. 5**

December 31, 1997

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

The accounting policies of the Terrebonne Parish Recreation District No. 5 (the District) conform to generally accepted accounting principles (GAAP) as applied to governmental units. 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 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, 1997.

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:

**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.

**Special Revenue Fund** - The Special Revenue Fund (Capital Improvement Fund) is used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes.

**Account Groups**

The general fixed assets account group is used to account for fixed assets not accounted for in proprietary or trust funds. The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of 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. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

**d) Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

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

**c) Operating Budgetary Data**

As required by the Louisiana Revised Statutes 19:1503, the Board of Commissioners (the Board) adopted a budget for both the District's General Fund and Special Revenue 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. At the November meeting the District amended its 1997 budget. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

Both the General Fund and the Special Revenue Fund budgets are adopted on a basis materially consistent with generally accepted accounting principles.

**f) 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.

**g) Investments**

Investments are stated at cost, which approximates market.

**h) Fixed Assets**

Fixed assets used in governmental fund type operations (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 financial position.

It is not involved with the measurement of results of operations. Public domain ("infrastructure") 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 fixed assets. No depreciation has been provided on fixed assets.

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

**h) Fixed Assets (Continued)**

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 \$20,990 or 5% of the total General Fixed Assets Account Group.

**i) Long-Term Debt**

The accounting and reporting treatment applied to the long-term debt associated with a fund is determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Long-term debt expected to be financed from governmental funds is accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The Long-Term Debt Account Group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations.

**j) Vacation and Sick Leave**

The District has no written vacation and sick leave policy in place. There is no accumulated unpaid vacation and sick leave at December 31, 1997.

**k) Encumbrances**

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

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

**D Memorandum Only Total Columns**

The total columns on the general purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

**Note 2 - DEPOSITS**

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

State law requires deposits (cash and certificates of deposit) of all political subdivisions to 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.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent, in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agents but not in the District's name and deposits which are uninsured or uncollateralized.

**Note 2 - DEPOSITS (Continued)**

The year end bank balances of deposits and the carrying amount as shown on the combined balance sheet are as follows:

	Bank Balances			Book Balance
	Categories			
	1	2	3	
Cash	\$61,975	\$ -	\$ -	\$ 60,952
Investments:				
Certificates of deposit	<u>29,000</u>	<u>-</u>	<u>-</u>	<u>29,000</u>
<b>Totals</b>	<u>\$90,975</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$89,952</u>

At December 31, 1997, cash and certificates of deposit did not exceed the FDIC insurance.

**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 revaluation of all property is required to be completed no less than every four years. The last revaluation 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, 1997 was \$11.00 per \$1,000 of assessed valuation on property within Recreation District No. 5 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, 1997 consisted of the following:

	<u>General Fund</u>
State of Louisiana - State revenue sharing	\$13,042
Terrebonne Parish Tax Collector - December, 1997 collections remitted to the District in January, 1998; Ad valorem taxes	<u>46,071</u>
Total	<u>\$59,113</u>

**Note 5 - CHANGES IN FIXED ASSETS**

A summary of changes in fixed assets follows:

	Balance January 1, 1997	Additions	Deletions	Balance 31, 1997
Land and buildings	\$361,791	\$ -	\$ -	\$361,791
Machinery and equipment	<u>33,798</u>	<u>4,702</u>	<u>2,998</u>	<u>35,502</u>
Totals	<u>\$395,589</u>	<u>\$4,702</u>	<u>\$2,998</u>	<u>\$397,293</u>

**Note 6 - LONG-TERM DEBT**

At December 31, 1997, the District had an outstanding interest free loan from the Terrebonne Parish Consolidated Government.

**Note 6 - LONG-TERM DEBT (Continued)**

The following is a summary of changes in the long-term debt of the District for the year ended December 31, 1997:

	Payable January 1, 1997	Debt Retirement	Payable December 31, 1997
Terrebonne Parish Consolidated Government	<u>\$54,708</u>	<u>\$3,000</u>	<u>\$51,708</u>

The annual requirements to amortize all long-term debt outstanding at December 31, 1997 are as follows:

Year	
1998	\$ 3,000
1999	3,000
2000	3,000
2001	3,000
2002	3,000
Thereafter	<u>36,708</u>
Total	<u>\$51,708</u>

**Note 7 - COMPENSATION OF BOARD MEMBERS**

The following amounts were paid to members of the Board of Commissioners for the year ended December 31, 1997:

Board Members	Number of Meetings Attended	Per Diem
Wallace Ellender, III	12	\$120
Latisha Lambert	11	110
Ira Rameil	10	100
Earl Gravois	9	90
Michael Ascoin	9	90
Thomas Ellender	6	60



**Note 7 - COMPENSATION OF BOARD MEMBERS (Continued)**

Board Members	Number of Meetings Attended	Per Diem
Vernon Carrico	3	30
Sherry Hauser	3	<u>30</u>
<b>Total</b>		<b><u>\$60</u></b>

**Note 8 - RISK MANAGEMENT**

The District participates in Terrebonne Parish's risk management internal service fund for general liability and workers' compensation. The District pays monthly premiums to the Parish for workers' compensation based on a fixed percentage of payroll. The District's premiums for general liability is based on various factors such as its operations and maintenance budget, exposure and claims experience. The Parish handles all claims filed against the District. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

Policy	Coverage <u>Limits</u>
General Liability	\$0,500,000
Workers' Compensation	Statutory

Coverage for claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, \$2,481,697 at December 31, 1996, then secondly by the District and other participating funds and agencies. At December 31, 1997, the District had no claims in excess of the above coverage limits.

**SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**



Bourgeois Bennett

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL  
PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 5,  
Bourg, Louisiana.

We have audited the general purpose financial statements of the Terrebonne Parish Recreation District No. 5 (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1997, and have issued our report thereon dated January 19, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one

or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

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, LLC.*

Certified Public Accountants.

Monroe, La.,  
January 18, 1998.



Bourgeois Bennett

1001 Poydras Street  
Suite 4600  
New Orleans, LA 70112-2499  
504.581.4600

## COMMUNICATION WITH BOARD OF COMMISSIONERS

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 5,  
Bourg, Louisiana.

In fulfilling our responsibility as Terrebonne Parish Recreation District No. 5 auditors for the year ended December 31, 1997, 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 the standards applicable to financial audits contained in 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, a separate letter has been issued on internal control over financial reporting and compliance with laws and regulations.

### 2) SIGNIFICANT ACCOUNTING POLICIES.

Significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted nor required to be adopted for the year ended December 31, 1997.

### 3) MANAGEMENT JUDGEMENTS AND ACCOUNTING ESTIMATES.

The most significant estimates reflected in the financial statements relate to the collectibility of accounts receivable. Management has provided us with representations concerning these matters.

4) SIGNIFICANT AUDIT ADJUSTMENTS

We did not initiate any significant audit adjustments during our recent audit. Year end adjustments and closing entries were prepared.

This information is intended solely for the use of the Board of Commissioners and management of Terrebonne Parish Recreation District No. 5 and should not be used for any other purpose.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, La.,  
January 19, 1998.