

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

**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:

**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.

**Capital Projects Fund** - The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities.

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

**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 measurement 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 revenue) are considered "measurable" at the time of levy. Miscellaneous revenues are recorded as revenues when received in cash by the District or an 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. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.



Bourgeois Bennett

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 10,  
Thibodaux, Louisiana.

We have audited the accompanying general purpose financial statements of Terrebonne Parish Recreation District No. 10, (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 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 aspects, the financial position of the Terrebonne Parish Recreation District No. 10 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 April 3, 1997 on our consideration of the Terrebonne Parish Recreation District No. 10's internal control structure and a report dated April 3, 1997 on its compliance with laws and regulations.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

Houma, La.,  
April 3, 1997.

<u>Account Groups:</u>		<u>Total</u> <u>(Memorandum</u> <u>Only)</u>
<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Long-Term</u> <u>Debt</u>	
\$ -	\$ -	\$ 88,700
-	-	125,000
-	-	28,339
-	-	217,888
1,897,452	-	1,897,452
-	304,240	304,240
-	580,760	580,760
<u>\$ 1,897,452</u>	<u>\$ 685,000</u>	<u>\$ 3,042,448</u>
	\$ -	\$ 804
	-	604
	<u>685,000</u>	<u>685,000</u>
	<u>685,000</u>	<u>685,418</u>
<u>\$ 1,897,452</u>		<u>1,897,452</u>
		11,383
		304,240
		<u>343,155</u>
		<u>458,578</u>
<u>1,897,452</u>		<u>2,356,030</u>
<u>\$ 1,897,452</u>	<u>\$ 685,000</u>	<u>\$ 3,042,448</u>

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December 31, 1986

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

**Terrebonne Parish Recreation District No. 10**

For the year ended December 31, 1996

	General	Capital Projects	Debt Service	Total (Majority Only)
<b>Revenues</b>				
Taxes - ad valorem	\$ 113,940	\$ -	\$ 199,608	\$ 313,548
Intergovernmental:				
State of Louisiana:				
State revenue sharing	4,692	-	-	4,692
Charges for services	4,058	-	-	4,058
Miscellaneous:				
Interest	2,365	218	5,904	8,547
Other	160	-	-	160
<b>Total revenues</b>	<u>127,224</u>	<u>218</u>	<u>205,512</u>	<u>333,014</u>
<b>Expenditures</b>				
Current:				
General Government:				
Ad valorem tax adjustment	1,128		1,353	2,479
Ad valorem tax deductions	5,535		6,664	12,199
Total general government	<u>6,663</u>		<u>8,017</u>	<u>14,678</u>
Culture and Recreation:				
Personal services	72,476	-	-	72,476
Supplies and materials	11,680	-	-	11,680
Other services and charges	33,840	-	-	33,840
Repairs and maintenance	15,255	-	-	15,255
Capital expenditures	-	3,453	-	3,453
Total culture and recreation	<u>133,251</u>	<u>3,453</u>	<u>-</u>	<u>136,704</u>
Debt Service:				
Principal retirement			60,000	60,000
Interest and bond charges			50,065	50,065
Total debt service			<u>110,065</u>	<u>110,065</u>
<b>Total expenditures</b>	<u>127,886</u>	<u>3,453</u>	<u>118,084</u>	<u>249,423</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(2,662)	(7,235)	27,428	17,500
<b>Fund Balances</b>				
Beginning of year	145,811	18,418	278,752	442,981
End of year	<u>\$ 143,149</u>	<u>\$ 11,183</u>	<u>\$ 306,180</u>	<u>\$ 460,512</u>

See notes to financial statements.

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*Financial Report*  
*Terrebonne Parish Recreation District No. 10*  
*Theriot, 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 given 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.

JAN 2 11 51 AM  
LEGISLATIVE SERVICE



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL  
CONTROL STRUCTURE 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. 10,  
Thibodaux, Louisiana.

We have audited the general purpose financial statements of Terrebonne Parish Recreation District No. 10 (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 April 3, 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 authorizations 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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**

**Terrebonne Parish Recreation District No. 10**

For the year ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$ 116,659	\$ 115,949	\$ (710)
Intergovernmental			
State of Louisiana			
State revenue sharing	4,800	4,602	(198)
Charges for services	4,100	4,058	(42)
Miscellaneous:			
Interest earned	2,400	2,565	(75)
Other	100	160	60
Total revenues	<u>128,059</u>	<u>127,224</u>	<u>(835)</u>
<b>Expenditures</b>			
Current:			
General Government:			
Ad valorem tax adjustment	1,124	1,124	
Ad valorem tax deductions	5,535	5,535	
Total general government	<u>6,659</u>	<u>6,659</u>	
Culture and Recreation:			
Personnel services	73,500	72,476	1,024
Supplies and materials	12,000	11,656	344
Other services and charges	25,500	25,840	(340)
Repairs and maintenance	15,000	15,255	(255)
Total culture and recreation	<u>126,000</u>	<u>125,227</u>	773
Total expenditures	<u>130,659</u>	<u>129,886</u>	773
<b>Deficiency of Revenues Over Expenditures</b>	(2,600)	(2,662)	62
<b>Fund Balances</b>			
Beginning of year	143,817	143,817	-
End of year	<u>\$ 143,217</u>	<u>\$ 143,155</u>	<u>\$ 62</u>

See notes to financial statements.



**Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)**

State Statute. The Department's contributions to PERS for the years ending December 31, 1996, 1995 and 1994 were \$273, \$258 and \$371, respectively, equal to the required contributions for each year.

**Note 8 - COMPENSATION OF BOARD MEMBERS**

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

Board Members	Number of Meetings Attended	Per Diem
Arthur Bishop	4	\$ 40
Charlene Hebert	11	110
Bart Polanco	11	110
Lloyd Polanco	11	110
Wayne Thorton	10	100
Kerry Trivet	7	70
Gal Whitney	6	60
Total		<u>\$620</u>

**Note 9 - RISK MANAGEMENT**

The District participates 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.

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

Terrebonne Parish Recreation District No. 10

December 31, 1996

	Governmental Fund Types		
	General	Capital Projects	Debt Service
<b>Assets</b>			
Cash	\$ 31,148	\$ 11,183	\$ 46,438
Investments	-	-	125,000
Receivables - taxes	12,858	-	15,480
Due from other governmental units	100,567	-	117,320
Fixed assets	-	-	-
Amount available in Debt Service Fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
	<u>\$ 144,573</u>	<u>\$ 11,183</u>	<u>\$ 384,240</u>
<b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 814		
Due to Terrebonne Parish Consolidated Government	604		
Bonds payable	-		
	<u>\$ 1,418</u>		
<b>Fund Equity and Other Credits</b>			
Investment in general fixed assets			
Fund balances:			
Reserved:			
Capital contracts	-	\$ 11,183	\$ -
Debt service	-	-	364,240
Unreserved	143,155	-	-
	<u>143,155</u>	<u>11,183</u>	<u>364,240</u>
Total fund balances	<u>143,155</u>	<u>11,183</u>	<u>364,240</u>
Total fund equity and other credits	<u>143,155</u>	<u>11,183</u>	<u>364,240</u>
<b>Totals</b>	<u>\$ 144,573</u>	<u>\$ 11,183</u>	<u>\$ 384,240</u>

See notes to financial statements.

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

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

	<u>General Fund</u>	<u>Debt Service Fund</u>
State of Louisiana - State revenue sharing	\$ 3,128	\$ -
Tensassee Parish Tax Collector - December, 1996 collections remitted to the District in January, 1997. Ad valorem taxes	<u>93,438</u>	<u>117,121</u>
<b>Totals</b>	<b>\$100,567</b>	<b>\$117,121</b>

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

A summary of changes in general fixed assets follows:

	<u>Balance January 1, 1996</u>	<u>Additions</u>	<u>Balance December 31, 1996</u>
Land and buildings	\$1,642,987	\$ -	\$1,642,987
Improvements other than buildings	76,378	-	76,378
Machinery and equipment	88,723	-	88,723
Office furniture, fixtures and equipment	12,942	-	12,942
Construction in progress	<u>68,960</u>	<u>7,453</u>	<u>76,413</u>
<b>Totals</b>	<b>\$1,893,990</b>	<b>\$7,453</b>	<b>\$1,893,453</b>

Construction in progress is composed of \$76,422 expended primarily for construction costs and architectural fees associated with the anticipated construction of recreational facilities.

**Note 6 - LONG-TERM DEBT**

At December 31, 1996, the District had outstanding public improvement bonds totaling \$685,000 bearing interest from 5.25% to 11% which are repayable through March 1, 2004 primarily from ad valorem tax revenues.

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

The following is a summary of bond transactions of the District for the year ended December 31, 1996:

Bonds payable at January 1, 1996	<u>\$745,000</u>
Bonds retired	<u>60,000</u>
 Bonds payable at December 31, 1996	 <u>\$685,000</u>

The annual requirements to amortize all long-term debt outstanding at December 31, 1996 are as follows:

Year	Principal	Interest	Total
1997	\$ 65,000	\$ 43,261	\$108,261
1998	70,000	40,687	110,687
1999	75,000	37,759	112,759
2000	80,000	34,810	114,810
2001	85,000	31,675	116,675
Thereafter	<u>310,000</u>	<u>33,600</u>	<u>343,600</u>
Totals	<u>\$685,000</u>	<u>\$210,372</u>	<u>\$895,372</u>

**Note 7 - DEFINED BENEFIT PENSION PLAN**

**Plan Description** - The Department contributes to Plan B of the Parochial Employees' Retirement System Pension Plan (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Parochial Employees' Retirement System of Louisiana. PERS provides retirement, disability benefits and death benefits to plan members and beneficiaries. PERS is governed by Louisiana Revised Statutes, Title 11, Sections 1501 through 2015, specifically, and other general laws of the State of Louisiana. The PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, Louisiana, USA 70803-0619.

**Funding Policy** - Plan members are required to contribute 2% of their annual covered salary less \$100 per month and the Department is required to contribute at an actuarially determined rate. The current rate is 1% of annual covered payroll. The contribution requirements of plan members and the Department are established and may be amended by

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

**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 once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

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 financial position.

It is not involved 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. Donated fixed assets are valued at their estimated fair value on the date donated.



Bourgeois Bennett

**COMMUNICATIONS WITH BOARD OF COMMISSIONERS**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 10,  
Theriot, Louisiana.

In fulfilling our responsibility as Terrebonne Parish Recreation District No. 10 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 internal control 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.

This information is intended solely for the use of the Board of Commissioners and management of Terrebonne Parish Recreation District No. 10 and should not be used for any other purposes.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, La.,  
April 3, 1997.

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P.O. Box 1000  
Thibodaux, LA 70301-1000  
Phone (504) 885-5250

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

**k) Long-Term Debt**

The accounting and reporting treatment applied to the long-term debt associated with a fund are 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 liabilities expected to be financed from governmental funds are 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.

**l) Vacation and Sick Leave**

The District follows the vacation and sick leave policies of Terrebonne Parish Consolidated Government. There is no material accumulated vacation at December 31, 1996.

**j) Encumbrances**

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

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

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.

## **COMMUNICATIONS LETTER**





Bourgeois Bennett

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

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 10,  
Thibodaux, Louisiana.

We have audited the general purpose financial statements of Terrebonne Parish Recreation District No. 10 (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 April 3, 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 Directors, 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, LLC*

Certified Public Accountants

Houma, La.,  
April 3, 1997.

**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. All cash and investments in excess of the FDIC insurance are collateralized by securities held by an unaffiliated bank in the name of the financial institution pledged to the District.

**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 receivable 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, 1996 was \$5.93 per \$1,000 of assessed valuation on property within Recreation District No. 10 for the purpose of maintaining and operating recreational facilities within the District and \$7.15 per \$1,000 of assessed valuation for the payment of principal and interest.

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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the 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. We noted no matters involving the internal control structure 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.

*Bourgeois Bennett, LLC.*

Certified Public Accountants.

Houma, La.,  
April 3, 1997.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**