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*Financial Report*  
*Terrebonne Parish Recreation District No. 8*  
*Donner and Gibson, Louisiana*  
*December 31, 1998*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, 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 JUL 2 1998

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December 31, 1998

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MARGARET'S BENNETT

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 8,  
Bossier and Gibson, Louisiana.

We have audited the accompanying general-purpose financial statements of Terrebonne Parish Recreation District No. 8 (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1998, 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

The general-purpose financial statements referred to above do not include a statement of the General Fixed Assets Account Group, which should be included to conform with generally accepted accounting principles. The amount that should be recorded in the General Fixed Assets Account Group is not known.

In our opinion, except for the effect on the general-purpose financial statements of the omission described in the preceding paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Terrebonne Parish Recreation District No. 8 as of December 31, 1998, 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 April 9, 1999 on our consideration of the Terrebonne Parish Recreation District No. 8'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.,  
April 9, 1999.

BALANCE SHEET - GOVERNMENTAL FUND TYPE - GENERAL FUND

## Terrebonne Parish Recreation District No. 8

December 31, 1998

**ASSETS**

Cash	\$ 68,306
Investments	108,000
Receivable - taxes	128,979
State revenue sharing receivable	<u>1,806</u>
Total assets	<u>\$ 283,091</u>

**LIABILITIES**

Accounts payable and accrued expenditures	\$ 1,054
Due to Terrebonne Parish Consolidated Government	398
Deferred revenues	<u>123,786</u>
Total liabilities	125,238

**EQUITY**

Fund balance - unreserved	<u>157,853</u>
Total liabilities and equity	<u>\$ 283,091</u>

See notes to financial statements.

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

**Terrebonne Parish Recreation District No. 8**

For the year ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Taxes	\$ 120,616	\$ 120,616	\$ -
Intergovernmental:			
State of Louisiana:			
State revenue sharing	2,729	2,729	-
Charges for services	4,758	6,973	2,223
Miscellaneous - interest earned	9,608	9,699	99
<b>Total revenues</b>	<u>140,699</u>	<u>140,975</u>	<u>2,882</u>
<b>Expenditures</b>			
Current:			
General Government:			
Ad valorem tax adjustments	400	365	35
Ad valorem tax deductions	6,800	6,345	55
<b>Total general government</b>	<u>6,800</u>	<u>6,710</u>	<u>90</u>
Culture and Recreation:			
Personal services	37,600	36,712	888
Supplies and materials	4,900	2,892	1,108
Other services and charges	18,800	35,085	3,395
Repairs and maintenance	48,500	20,917	19,083
Capital expenditures	18,900	19,894	10,134
<b>Total culture and recreation</b>	<u>148,200</u>	<u>115,412</u>	<u>34,798</u>
<b>Total expenditures</b>	<u>155,000</u>	<u>120,122</u>	<u>34,878</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(14,399)</u>	<u>22,853</u>	<u>37,168</u>
<b>Other Financing Sources</b>			
Proceeds of general fixed asset dispositions	380	213	13
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures</b>	<u>(14,199)</u>	<u>23,064</u>	<u>37,179</u>
<b>Fund Balance</b>			
Beginning of year	134,789	134,789	-
End of year	<u>\$ 120,690</u>	<u>\$ 157,853</u>	<u>\$ 37,179</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Terrebonne Parish Recreation District No. 8**

December 31, 1998

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

The accounting policies of the Terrebonne Parish Recreation District No. 8 (the District) conform to generally accepted accounting principles (GAAP) as applied to the 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, 1998.

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 District 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 effect 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 is the Governmental Fund 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.

**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 revenue) are recorded as revenue in the period for which levied, thus the 1998 property taxes which are being levied to finance the 1999 budget will be recognized in 1998. The 1998 tax levy is recorded as deferred revenue in the District's 1998 Financial Statements. 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.

**d) Use of 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)**

**e) Operating Budgetary Data**

As required by Louisiana Revised Statute 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 General Fund 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.

**f) Accounts Receivable**

The financial statements for the District contain no allowance for uncollectible accounts. 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 consist of certificates of deposit which are stated at cost and approximate market value.

**h) Fixed Assets**

The District does not maintain accounting records for its Fixed Assets and, accordingly, the financial statements do not contain a statement of Fixed Assets, as required by generally accepted accounting principles.

**i) Vacation and Sick Leave**

The District has no full-time employees. There is no accumulated unpaid vacation and sick leave at December 31, 1998.

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

**J) Encumbrances**

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

**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 or 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 FDIC insurance and the market value of securities purchased and pledged to the political subdivisions. 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 balance sheet are as follows:

	Bank Balances			Bank Balance
	Category			
	1	2	3	
Cash	\$ 63,377	\$ -	\$ -	\$ 63,376
Investments:				
Certificates of deposit	193,000	-	-	193,000
<b>Totals</b>	<b>\$156,377</b>	<b>\$-</b>	<b>\$-</b>	<b>\$153,376</b>

At December 31, 1998, cash and certificates of deposit were not in excess of the FIMC 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 first 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 clinic, 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, 1998 was \$5.38 per \$1,000 of assessed valuation on property within Recreation District No. 8 for the purpose of maintaining and operating recreational facilities within the District. As indicated in Note 1c, taxes levied November 1, 1998 are for budgeted expenditures in 1999 and will be recognized as revenue in 1999.

**Note 4 - COMPENSATION OF BOARD MEMBERS**

The following amounts were paid to Board Members for the year ended December 31, 1998:

Board Members	Number of Meetings Attended	Dollars
Sam Adams	9	\$ 50
Charles Bellona	11	110
Darrell Hubert	11	110
Johnny Marks	11	110
Parula Norman	5	50
Lloyd Poindexter	3	30
Total		<u>\$500</u>

**Note 5 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability and workers' compensation. No settlements were made during the year that exceeded the District's insurance coverage. The District's premiums for general liability is based on various factors such as its operations and maintenance budget, exposure and claims experience. The premiums for workers' compensation are based on a fixed percentage of payroll. 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 Limits
General Liability	\$5,500,000
Workers' Compensation	Statutory

Coverage for claims in excess of the previous stated limits are to be handled first by assets of the Parish's risk management internal service fund, \$887,017 at December 31, 1997, then secondly by the District. At December 31, 1998, the District had no claims in excess of the above coverage limits.

**SPECIAL REPORTS 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. 8,  
Denham and Gibson, Louisiana.

We have audited the general-purpose financial statements of the Terrebonne Parish Recreation District No. 8 (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1998, and have issued our report thereon dated April 9, 1999. 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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item 98-1.

**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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable

conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned cost as item 98-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, could not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition, 98-1, to be 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 and is not intended to be and should not be used by anyone other than those specified parties.



Certified Public Accountants.

Monroe, La.,  
April 8, 2009.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### **Terrebonne Parish Recreation District No. 8**

For the year ended December 31, 1998

#### **Section I Summary of Auditor's Results**

##### **a) Financial Statements**

Type of auditor's report issued: qualified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Reportable condition(s) identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

##### **b) Federal Awards**

Terrebonne Parish Recreation District No. 8 did not receive federal awards during the year ended December 31, 1998.

#### **Section II Financial Statement Findings**

- 98-1 **Criteria** - Louisiana Revised Statute 25:513 requires all public entities to maintain "a current itemized list of all property and equipment purchased or otherwise obtained on or after January 1, 1975, for which such entity is accountable".

**Condition** - Fixed assets listings are not maintained by the District.

**Questioned Costs** - None

**Context** - Not applicable

**Effect** - Because of the failure to keep records of fixed assets, assets are not reported on the financial statements.

**Cause** - The District has never maintained a fixed assets listing since inception.



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**Terrebonne Parish Recreation District No. 8**

For the year ended December 31, 1998

**Section II Financial Statement Findings (Continued)**

98-1 (Continued)

**Recommendation** - We recommend the District accumulate the information necessary to report general fixed assets in its general-purpose financial statements.

**Management's Response** - The District is currently in the process of compiling a fixed asset listing.

**Section III Federal Award Findings and Questioned Costs**

Not applicable.

## **REPORTS BY MANAGEMENT**

## SCHEDULE OF PRIOR YEAR FINDINGS

### **Terrebonne Parish Recreation District No. 8**

For the year ended December 31, 1998

#### **Section I Internal Control and Compliance Material to the General-Purpose Financial Statements**

##### **Internal Control**

- 97-1 **Recommendation** - We recommended the District accumulate the information necessary to report general fixed assets in its general-purpose financial statements.

**Management's Response** - Unresolved, the District is currently attempting to compile a fixed asset listing. The recommendation was not adopted in 1998 and a similar finding was noted in the accompanying schedule of findings and questioned costs as item 98-1.

##### **Compliance**

- 97-1 **Recommendation** - We recommended the District accumulate the information necessary to report general fixed assets in its general-purpose financial statements.

**Management's Response** - Unresolved, the District is currently attempting to compile a fixed asset listing. The recommendation was not adopted in 1998 and a similar finding was noted in the accompanying schedule of findings and questioned costs as item 98-1.

- 97-2 **Recommendation** - We recommended that phone quotes be obtained and kept as part of the purchase file for all purchases of materials and supplies between \$7,500 and \$15,000 (effective August 1997) to be in compliance with public bid law.

**Management's Response** - Resolved, the District said it would be more careful when purchasing equipment and would make sure quotes were obtained and kept as part of the purchase file when required to be in compliance with public bid law.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Recreation District No. 8 did not receive federal awards during the year ended December 31, 1997.

**SCHEDULE OF PRIOR YEAR FINDINGS**  
(Continued)

**Terrebonne Parish Recreation District No. 8**

For the year ended December 31, 1998

**Section III Management Letter**

**Recommendation** - The District should refrain from its practice of waiving fees for the use of the building for private functions.

**Management's Response** - Resolved, it appears that the Board did not waive fees for private functions in 1998.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

### **Terrebonne Parish Recreation District No. 8**

For the year ended December 31, 1998

#### **Section I Internal Control and Compliance Material to the General-Purpose Financial Statements**

##### **Internal Control and Compliance**

**98 - 1 Recommendation** - We recommend the District accumulate the information necessary to report general fixed assets in its general-purpose financial statements.

**Management's Corrective Action** - The District is currently in the process of compiling a fixed asset listing.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Recreation District No. 8 did not receive federal awards during the year ended December 31, 1998.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year-ended December 31, 1998.