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**TERRAHOME PARKS RECREATION
DISTRICT # 11**

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1997**

These financials of this law firm report is a public document. It contains information that is not confidential or otherwise exempt from public release. It is available for public inspection at the Legislative Council and other appropriate offices of the public clerk of court.

Andrew D. Smith

TERREBONNE PARISH RECREATION DISTRICT #11
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1997

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TERREBONNE PARISH RECREATION
DISTRICT #11

REPORT ON AUDIT OF FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1997

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May 12, 1998

The Board of Directors
Terrebonne Parish Recreation District #11
Houma, LA

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Terrebonne Parish Recreation District #11. These financial statements are the responsibility of District #11 management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and generally accepted governmental auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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.

In our opinion, the financial statements referred above present fairly, in all material respects, the financial position of Terrebonne Parish Recreation District #11 as of December 31, 1997, and the results of its operations and its changes in fund equity for the year then ended in conformity with generally accepted accounting principles.



Robbie L. Howard
Certified Public Accountant

TERRIBONNE PARISH RECREATION DISTRICT #11
BALANCE SHEET
DECEMBER 31, 1993

ASSETS

Cash	\$ 83,885.95
Investments	150,000.00
Ad Valorem Taxes Receivable	453,086.82
Due from State of Louisiana	32,423.00
Property, Plant and Equipment	83,242.29

TOTAL ASSETS	\$902,638.06
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LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts Payable	\$ 15,671.47
Deferred Revenue - Ad Val Tax	484,504.80
Deferred Revenue - St. Rav Share	48,823.00
Due to Terrebonne Parish Gov't.	34,000.20

TOTAL LIABILITIES	\$683,000.47
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FUND EQUITY

Fund Balance	\$128,385.20
Investment in General Fixed Assets	83,242.29

TOTAL FUND EQUITY	\$211,627.49
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TOTAL LIABILITIES AND FUND EQUITY	\$894,627.96
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See Accompanying Notes to Financial Statements

**TERREBOISSE PARISH RECREATION DISTRICT #11
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 1997**

REVENUES

Ad Valorem Tax	1585,143.40
State Revenues Sharing	58,127.00
Concession Sales	19,903.27
Pool admission, Pool Locker Rental & Swimming Lessons	7,873.25
Rental of Facilities	1,298.00
Miscellaneous	187.82
Interest	31,649.31

TOTAL REVENUES \$2,022,918.05

EXPENDITURES

Personnel Services	\$ 90,843.19
Supplies & Materials	30,990.95
Other Services & Charges	179,238.88
Repair & Maintenance	37,998.94
General Government	42,370.79
Capital Outlay	78,822.29

TOTAL EXPENDITURES \$499,052.05

**EXCESS OF REVENUE OVER
[UNDER] EXPENDITURES** 1523,866.00

FUND BALANCE - Beginning of Year (12,500.00)

FUND BALANCE - End of Year \$136,285.00

See Accompanying Notes to Financial Statements

TOWNSHIP PARISH RECREATION DISTRICT #11
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (BUDGET BASIS)
 YEAR ENDED DECEMBER 31, 1997

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad Valorem Tax	\$505,162.40	\$505,140.00	\$ 2.40
State Revenue Sharing	50,127.00	50,125.00	2.00
Concession Sales	19,909.27	19,500.00	409.27
Pool Admissions, Pool Locker Rental & Swimming Lessons	7,672.25	7,325.00	347.25
Rental of Facilities	2,290.00	2,100.00	190.00
Miscellaneous	157.83	100.00	57.83
Interest	11,645.21	11,500.00	145.21
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TOTAL REVENUES	\$596,918.93	\$595,800.00	1,118.93
EXPENDITURES			
Personal Services	\$ 90,945.19	\$ 91,000.00	\$ 54.81
Supplies & Materials	33,950.95	35,000.00	1,049.05
Other Services & Charges	170,225.86	180,875.00	1,049.14
Repair & Maintenance	37,998.94	40,000.00	2,001.06
General Government	42,210.79	42,000.00	210.79
Capital Outlay	73,592.29	75,000.00	1,407.71
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$428,922.02	\$464,525.00	\$ 6,472.98
EXCESS OF REVENUE OVER [UNDER] EXPENDITURES	\$168,996.91	\$131,275.00	\$ 3,721.91
FUND BALANCE--Beg. of Year	(12,500.00)	(12,500.00)	0
FUND BALANCE--End of Year	\$156,496.91	\$118,775.00	\$ 3,721.91

See Accompanying Notes to Financial Statements

TERREBONNE PARISH RECREATION DISTRICT #11

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1997

A. SUMMARY OF ACCOUNTING POLICIES

Terrebonne Parish Recreation District #11 is designated by LSA-R.S. 33:452(A) to levy a special tax of ten (10) mills on all the property subject to taxation for a period of ten (10) years, beginning with the year 1986, for the purpose of constructing, improving, maintaining and operating recreation facilities, including the purchase of equipment.

Facilities: Barrios, Ernest C. Mass, Dumas, King Street, Southside, Harmon, Wright Azenas, Legion, Mechanicville, Williams Avenue, East Houma and Adult Softball Complex (Airbase).

The board of Terrebonne Parish Recreation District #11 as set forth in LSA-R.S. 33:452(A), have sole management responsibility and oversight of the Recreation District #11. This responsibility and oversight includes control over all revenues deposited and all disbursements made by the district, and the determination of expenses related to the operations of the district.

The accounting policies of the District #11 conform to generally accepted accounting principles as applicable to local governmental agencies. The following is a summary of the more significant accounting policies:

1. Fund Accounting

The accounts of Recreation District #11 are organized on the basis of the general fund or account groups.

The operations of the general fund are comprised of the general fund's assets, liabilities, fund equity, revenues and expenditures as related to the fiscal operations of Recreation District #11.

The general fund assets account group are not "funds". But is concerned only with measurement of financial position and is not involved with measurements of result of operations.

(Continued)

TERREBONNE PARISH RECREATION DISTRICT #11

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1997

2. **Property, Plant and Equipment**

The accounting and reporting treatment applied to property, plant and equipment associated with the general fund is determined by its measurement focus. All governmental fund type are accounted for on a spending "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 the period. Therefore, acquisitions of capital assets are expanded in the period purchased.

Property, plant and equipment used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in the general fund. No depreciation has been provided on such property, plant and equipment. All property, plant and equipment are valued at historical cost.

3. **Basis of Accounting**

Basis of accounting refers to when resources 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.

Recreation District # 11 uses the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available as net current assets. Expenses are generally recognized under the modified accrual basis accounting when the related funds liability is incurred.

4. **Budget & Budgetary Control**

A budget was adopted for the year ended December 31, 1997. Once approved the Recreation District #11 may amend the legally adopted budget.

The budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by class as follows: personal services, supplies & materials, other services & charges, repair & maintenance, general government and capital outlay. This constitutes the legal level of control. Revisions to the budget were made throughout the year.

(Continued)

TERRIBONNE PARISH RECREATION DISTRICT #11

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1997

5. Cash and Investments

At year-end the carrying amount of the District's deposits in a checking account and investments was \$217,009.96. Of these amounts, \$180,000 was covered by Federal depository insurance and the remainder collateralized by a pledge of securities owned by the depository bank, but held in safekeeping by other financial institutions.

6. General Fixed Assets Accounts Group

The following is a summary of the general fixed assets account group (note A2).

	Balance January 1 1997	Additions	Deductions	Balance December 31, 1997
Vehicles	\$8,320.00	\$14,133.55	\$ 0.00	\$22,453.55
Furniture & Fixtures	370.00	21,334.80	0.00	21,704.80
Equipment	0.00	28,917.84	0.00	28,917.84
Data Process Equip.	0.00	2,894.90	0.00	2,894.90
Air Conditioning Units	0.00	4,262.00	0.00	4,262.00
Recreation Equip.	0.00	1,888.80	0.00	1,888.80
Totals	\$8,690.00	\$73,532.29	\$ 0.00	\$82,222.29

The 1997 additions to the fixed assets account group have been included in capital expenditures in the accompanying statement of revenues, expenditures and changes in fund balance for the year ended December 31, 1997, at cost.

7. Revenue Recognition

The 1997 Ad Valorem Assessment, State Revenue Share and tax revenue received in advance is deferred (deferred revenue) until the subsequent year.

(Continued)

TERREBONNE PARISH RECREATION DISTRICT #11

REPORT ON INTERNAL ACCOUNTING CONTROL
YEAR ENDED DECEMBER 31, 1997

ROBERT L. HENNING
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FAX: 824-221-0202

May 12, 1998

The Board of Directors
Terrebonne Parish Recreation District #11
Houma, LA.

The Board of Directors:

We have audited the financial statements of Terrebonne Parish Recreation District #11 for the year ended December 31, 1997, and have issued our report thereon dated May 12, 1998.

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

In planning and performing our audit of the financial statements for the year ended December 31, 1997, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assistance on the internal control structure.

The management of District #11 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to structure policies and procedures. The objective 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 to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, error 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 conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Cycles of Activities

Revenue/Receipts
Purchases/Disbursements

Financial Statement Captions

Cash
Payables
Fund Balance

Accounting Applications

Cash Receipts
Cash Disbursements
Accounts Payable
Payroll
General Ledger

For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have placed in operation, and we assessed control risk.

A material weakness is a reported 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 financial statement 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 material weaknesses under standards established by

The Board of Directors
Terbonne Parish Recreation District #11
Page 3
May 12, 1998

the American Institute of Certified Public Accountants. However, we noted no matters involving the internal control structure and its operation that we consider to be material weakness as defined above.

This report is intended for the information of management. This restriction is not intended to limit the distribution this report as may be required by public law.



Robbin L. Howard
Certified Public Accountant

TERREBONNE PARISH RECREATION DISTRICT #11

**REPORT ON COMPLIANCE
YEAR ENDED DECEMBER 31, 1997**

ROBERT L. HOWARD
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May 12, 1998

The Board of Directors
Terrebonne Parish Recreation District #11
Houma, LA

We have audited the financial statements of Terrebonne Parish Recreation District #11 for the year ended December 31, 1997 and have issued our report thereon dated May 12, 1998.

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

Compliance with laws, regulations and contracts, applicable to District #11 is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of District #11 compliance with certain provisions of laws, regulations and contracts. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicated that with respect to the items tested, District #11 complied in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, except as noted in the following paragraph, nothing came to our attention that caused us to believe that District #11 had not complied, in all material respects, with these provisions.

This report is intended for the information of management. This restriction is not intended to limit the distribution of this report as may be required by law.



Robert L. Howard
Certified Public Accountant