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Financial Report

Terrebonne Parish Recreation District No. 3

Houma, Louisiana

December 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 08-09-00

TABLE OF CONTENTS

Terrebonne Parish Recreation District No. 3

December 31, 1999

	<u>Exhibits</u>	<u>Page Number</u>
Introductory Section		
Title Page		i
Table of Contents		ii - iii
Financial Section		
Independent Auditor's Report		1
Combined Balance Sheet - Governmental Fund Type and Account Group	A	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund Type - General Fund	B	3
Notes to Financial Statements	C	4 - 11
	<u>Schedules</u>	
Supplementary Information Section		
Independent Auditor's Report on Additional Information		12
Schedule of Revenues and Expenditures for the Years Ended December 31, 1999, 1998 and 1997	1	13
Graph of Revenues for the Years Ended December 31, 1999, 1998 and 1997	2	14
Graph of Expenditures for the Years Ended December 31, 1999, 1998 and 1997	3	15

TABLE OF CONTENTS
(Continued)

Page
Number

Special Reports of Certified Public Accountants

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

16 - 17

Schedule of Findings

18

Reports By Management

Schedule of Prior Year Findings

19

Management's Corrective Action Plan

20

FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 3,
Houma, Louisiana.

We have audited the accompanying general-purpose financial statements of Terrebonne Parish Recreation District No. 3, (the District), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 1999, 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.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Terrebonne Parish Recreation District No. 3 as of December 31, 1999, and the results of its operations for the year ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated May 25, 2000, on our consideration of Terrebonne Parish Recreation District No. 3's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
May 25, 2000.

COMBINED BALANCE SHEET -
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP

Terrebonne Parish Recreation District No. 3

December 31, 1999

	<u>Governmental Fund Type General</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
ASSETS			
Assets			
Cash	\$ 17,599	\$ -	\$ 17,599
Receivables - taxes	9,526	-	9,526
Due from other governmental units	48,300	-	48,300
Deposit	70	-	70
Fixed assets	-	339,537	339,537
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 75,495</u>	<u>\$ 339,537</u>	<u>\$ 415,032</u>
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities			
Accounts payable and accrued expenditures	\$ 328		\$ 328
Due to Terrebonne Parish Consolidated Government	<u>8,873</u>		<u>8,873</u>
	<u>9,201</u>		<u>9,201</u>
Total liabilities	<u>9,201</u>		<u>9,201</u>
Equity and Other Credits			
Investment in general fixed assets	-	\$ 339,537	339,537
Fund balance - unreserved	<u>66,294</u>	<u>-</u>	<u>66,294</u>
	<u>66,294</u>	<u>339,537</u>	<u>405,831</u>
Total equity and other credits	<u>66,294</u>	<u>339,537</u>	<u>405,831</u>
Total liabilities, equity and other credits	<u>\$ 75,495</u>	<u>\$ 339,537</u>	<u>\$ 415,032</u>

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 3

For the year ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes - ad valorem	\$ 55,000	\$ 57,026	\$ 2,026
Intergovernmental:			
State of Louisiana:			
State revenue sharing	8,400	6,687	(1,713)
Miscellaneous:			
Interest	500	628	128
Other	211	203	(8)
	64,111	64,544	433
Total revenues			
Expenditures			
Current:			
General Government:			
Ad valorem tax adjustment	1,200	2,543	(1,343)
Ad valorem tax deductions	1,500	1,676	(176)
	2,700	4,219	(1,519)
Total general government			
Culture and Recreation:			
Personal services	25,600	20,168	5,432
Supplies and materials	6,410	10,424	(4,014)
Other services and charges	16,293	14,122	2,171
Repairs and maintenance	5,300	7,223	(1,923)
Capital expenditures	17,000	15,604	1,396
	70,603	67,541	3,062
Total culture and recreation			
Total expenditures	73,303	71,760	1,543
Deficiency of Revenues Over Expenditures	(9,192)	(7,216)	1,976
Fund Balance			
Beginning of year	73,510	73,510	-
End of year	\$ 64,318	\$ 66,294	\$ 1,976

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Recreation District No. 3**

December 31, 1999

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Recreation District No. 3 (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 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, 1999.

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 affect net expendable available financial resources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

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:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Account Group

An account group is used to establish accounting control and accountability. The District's Account Group is as follows:

General Fixed Assets Accounts Group - This account group is used to account for fixed assets not accounted for in proprietary or trust funds.

c) Basis of Accounting

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

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenues) are considered "measurable" at the time of levy. Miscellaneous revenues are recorded as revenues when received in cash by the District 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 those estimates.

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 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 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 operation of the General Fund.

g) Investments

The District did not have any investments during the year.

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Fixed Assets (Continued)

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.

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.

i) Vacation and Sick Leave

The District has one full-time employee. There is no material accumulated unpaid vacation at December 31, 1999. Salaries and related employee benefits are paid by the Parish and subsequently reimbursed by the District. All salaries and related employee benefit transactions are reflected as personal services.

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) Memorandum Only - Total Column

The total column on the general-purpose financial statements is captioned "Memorandum Only" because it does not represent consolidated financial information and is presented only to facilitate financial analysis. The column does 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 or national banks having their principal office in Louisiana or any other federally insured investment.

Note 2 - DEPOSITS (Continued)

State law requires deposits (cash) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligation 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.

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.

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

	Bank Balances			Book Balance
	Category			
	1	2	3	
Cash	<u>\$17,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$17,599</u>

At December 31, 1999, cash was not in excess of 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 reevaluation of all property is required to be completed no less than every four years. The

Note 3 - PROPERTY TAXES (Continued)

last reevaluation was completed for the list of January 1, 1996. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 1999 was \$6.85 per \$1,000 of assessed valuation on property within Recreation District No. 3 for the purpose of maintaining, constructing and operating recreational facilities within the District.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 1999 consisted of the following:

	<u>General Fund</u>
State of Louisiana - State revenue sharing	\$ 4,458
Terrebonne Parish Tax Collector - December, 1999 collections remitted to the District in January, 2000:	
Ad valorem taxes	<u>43,842</u>
Total	<u>\$48,300</u>

Note 5 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	<u>Balance January 1, 1999</u>	<u>Additions</u>	<u>Balance December 31, 1999</u>
Land and building	\$163,487	\$ -	\$163,487
Improvements other than building	79,555	5,491	85,046
Machinery and equipment	80,891	446	81,337
Construction in progress	<u>-</u>	<u>9,667</u>	<u>9,667</u>
Totals	<u>\$323,933</u>	<u>\$15,604</u>	<u>\$339,537</u>

Construction in progress consists of costs related to bathroom additions at the Lafayette Woods Park.

Note 6 - DUE TO TERREBONNE PARISH CONSOLIDATED GOVERNMENT

Amounts due to Terrebonne Parish Consolidated Government (the Parish) at December 31, 1999 consisted of the following:

Salary reimbursement	\$ 3,873
Loan	<u>5,000</u>
Total	<u>\$8,873</u>

The loan with the Parish is an interest free loan and is covered by an intergovernmental agreement. The loan was to be used for current operations of the District and to pay the general operating expenses. The District made a \$2,500 payment in 1999 on the loan.

Note 7 - DEFINED BENEFIT PENSION PLAN

Plan Description - The District contributes to Plan B of the Parochial Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS), which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 205 of the 1952 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:1901 through 11:2015, specifically, and other general laws of the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898.

Funding Policy - Plan members are required to contribute 2% of their annual covered salary less \$100 per month and the District is required to contribute at an actuarially determined rate. The current rate is 2.5% of annual payroll. In addition, the System also receives a percentage of tax revenues from various taxing bodies. The contribution requirements of plan members and the District are established and may be amended by state statute. The District's contributions to the System for the years ending December 31, 1999, 1998 and 1997 were \$385, \$352 and \$348, respectively, equal to the required contributions for each year.

Note 8 - 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, workers' compensation and group insurance. No settlements were made during the year that exceeded the District's insurance coverage. 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 premium for group insurance is based on a fixed rate per employee. The Parish handles all claims filed against the District related to workers' compensation, general liability and group insurance. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

<u>Policy</u>	<u>Coverage Limits</u>
General Liability	\$6,500,000
Workers' Compensation	Statutory
Group Insurance	\$1,125,000

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, \$122,294 for general liability and workers' compensation and \$3,069,030 for group insurance at December 31, 1998, then secondly by the District. At December 31, 1999, the District had no claims in excess of the above coverage limits.

Note 9 - LEASES

The District leases an acreage tract under an operating lease. The option to renew is made each year. The lease is \$1,000 per year with the remaining option to renew exercised at May 1, 1999. Rental expenditures for the lease amounted to \$1,000 for the year ended December 31, 1999.

Note 10 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members during the year ended December 31, 1999.

SUPPLEMENTARY INFORMATION SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 3,
Houma, Louisiana.

Our report on our audit of the general-purpose financial statements of Terrebonne Parish Recreation District No. 3 (the District) for the year ended December 31, 1999, appears on page 1. That audit was conducted for the purpose of forming an opinion on such financial statements taken as a whole. The information contained in the schedule of revenues and expenditures and graphs of revenues and expenditures for the years ended December 31, 1999 is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements for the year ended December 31, 1999, taken as a whole.

We also have previously audited, 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, the balance sheets of Terrebonne Parish Recreation District No. 3 as of December 31, 1998 and 1997, and the related statements of revenues, expenditures and changes in fund balance for each of the two years in the period ended December 31, 1998 (none of which is presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the information presented in the schedule of revenues and expenditures and graphs of revenues and expenditures for the years ended December 31, 1998 and 1997 is fairly stated in all material respects in relation to the general-purpose financial statements from which it has been derived.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
May 25, 2000.

SCHEDULE OF REVENUES AND EXPENDITURES**Terrebonne Parish Recreation District No. 3**

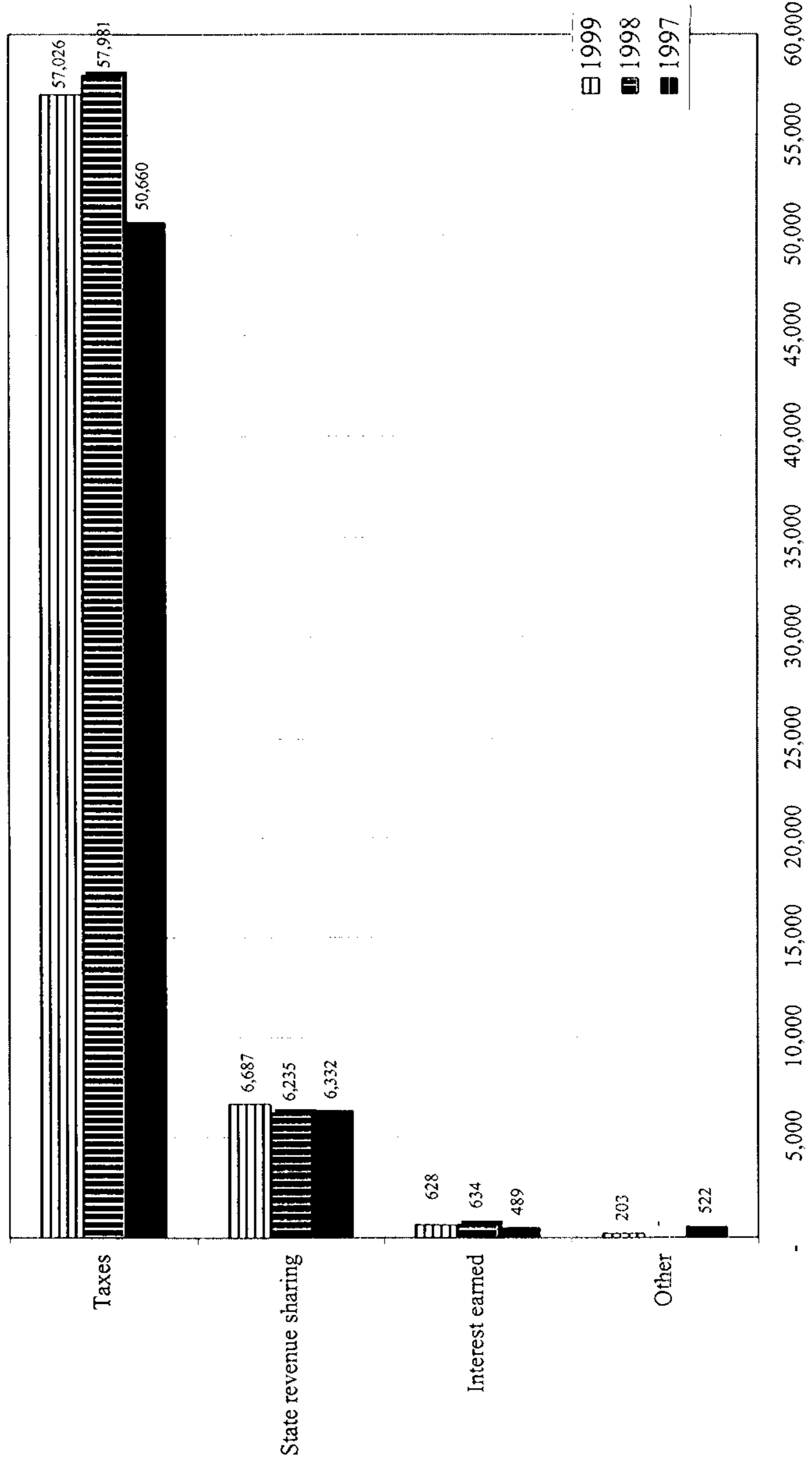
For the years ended December 31, 1999, 1998 and 1997

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Revenues			
Taxes	\$ 57,026	\$ 57,981	\$ 50,660
State revenue sharing	6,687	6,235	6,332
Interest earned	628	634	489
Other	203	-	522
	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 64,544</u>	<u>\$ 64,850</u>	<u>\$ 58,003</u>
Expenditures			
General government	\$ 4,219	\$ 2,056	\$ 2,866
Personal services	20,168	19,321	17,033
Supplies and materials	10,424	2,559	3,953
Other services and charges	14,122	12,499	11,373
Repairs and maintenance	7,223	6,790	6,986
Capital expenditures	15,604	2,268	1,723
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 71,760</u>	<u>\$ 45,493</u>	<u>\$ 43,934</u>

REVENUES

Terrebonne Parish Recreation District No. 3

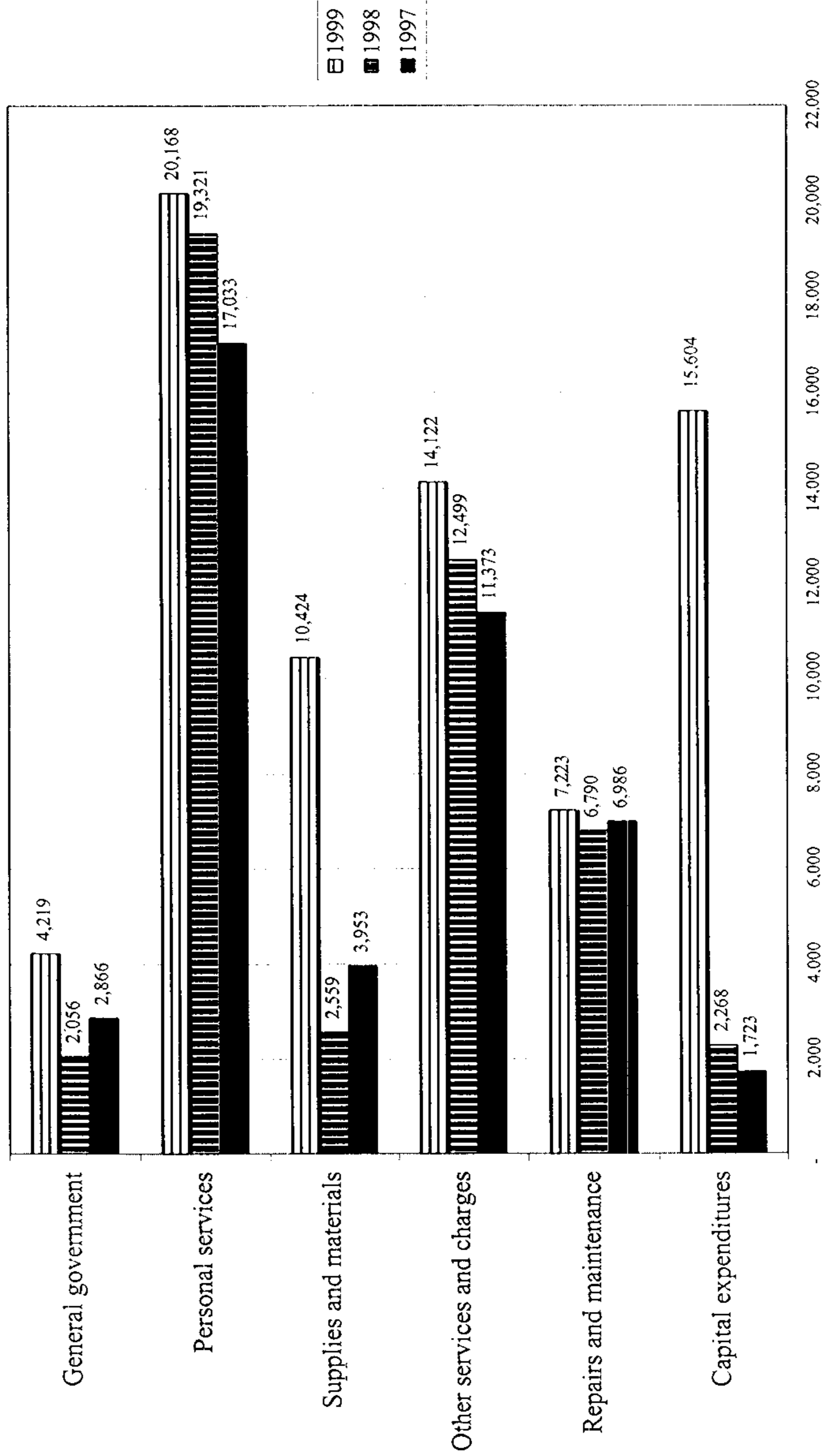
For the years ended December 31, 1999, 1998 and 1997



EXPENDITURES

Terrebonne Parish Recreation District No. 3

For the years ended December 31, 1999, 1998 and 1997



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. 3,
Houma, Louisiana.

We have audited the general-purpose financial statements of Terrebonne Parish Recreation District No. 3 (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 25, 2000. 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 and is not intended to be and should not be used by anyone other than these specified parties.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
May 25, 2000.

SCHEDULE OF FINDINGS

Terrebonne Parish Recreation District No. 3

For the year ended December 31, 1999

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ yes X no

b) Federal Awards

Terrebonne Parish Recreation District No. 3 did not receive federal awards during the year ended December 31, 1999.

Section II Financial Statement Findings

No financial statements findings were noted during the audit for the year ended December 31, 1999.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Terrebonne Parish Recreation District No. 3

For the year ended December 31, 1999

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

Internal Control

98-1 Recommendation - The reports to the Board should be made timely and include the beginning and ending cash balances, dates, check number and the payer and payee should be included for all transactions during the month. The Board should set up procedures that allow for verifying correct monthly financial reports.

Management's Response - The Board Chairman has implemented procedures to verify the accuracy of monthly financial reports. Resolved.

Compliance

98-2 Recommendation - We recommend that the Secretary/Treasury should only get paid nine and a half payments in 1999. A payment schedule should be developed and followed to ascertain that this incident does not occur again. Also, payments should be issued after the services are performed and evidenced by an invoice for services.

Management's Response - At December 31, 1999, no wages are advanced to the Secretary/Treasurer. Resolved.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 3 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.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Recreation District No. 3

For the year ended December 31, 1999

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

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 1999.
No reportable conditions were reported during the audit for the year ended December 31, 1999.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 1999.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 3 did not receive federal awards during the year ended December 31, 1999.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 1999.