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***Financial Report***  
***Terrebonne Parish Recreation District No. 2/3***  
***Houma, 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 audited, or reviewed, 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 7-14-99

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December 31, 1998

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Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 2/3,  
Houma, Louisiana.

We have audited the accompanying general-purpose financial statements of Terrebonne Parish Recreation District No. 2/3 (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.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Terrebonne Parish Recreation District No. 2/3 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 Terrebonne Parish Recreation District No. 2/3'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.,  
April 9, 1999.

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

**Terrebonne Parish Recreation District No. 2/3**

December 31, 1998

|  | Governmental<br>Fund Type<br><u>General</u> | Account Groups             |                                     | Total<br>(Memorandum<br>Only) |
|--|---|----------------------------|-------------------------------------|-------------------------------|
|  |   | General<br>Fixed<br>Assets | General<br>Long-Term<br>Obligations |                               |
| <b>ASSETS AND OTHER DEBITS</b>   |   |                            |                                     |                               |
| <b>Assets</b>  |   |                            |                                     |                               |
| Cash   | \$ 60,439                                   | \$ -                       | \$ -                                | \$ 60,439                     |
| Investments  | 100,000                                     | -                          | -                                   | 100,000                       |
| Receivables - taxes  | 246,260                                     | -                          | -                                   | 246,260                       |
| State revenue sharing receivable   | 13,172                                      | -                          | -                                   | 13,172                        |
| Other  | 914   | -                          | -                                   | 914                           |
| Fixed assets   | -   | 1,176,319                  | -                                   | 1,176,319                     |
| <b>Other Debits</b>  |   |                            |                                     |                               |
| Amount to be provided for retirement of general<br>long-term obligations | -   | -                          | 25,000                              | 25,000                        |
| Totals assets and other debits   | <u>\$ 420,785</u>                           | <u>\$ 1,176,319</u>        | <u>\$ 25,000</u>                    | <u>\$ 1,622,104</u>           |
| <b>LIABILITIES, EQUITY AND OTHER CREDITS</b>                             |   |                            |                                     |                               |
| <b>Liabilities</b>   |   |                            |                                     |                               |
| Accounts payable and accrued expenditures                                | \$ 4,769                                    | -                          | \$ -                                | \$ 4,769                      |
| Liability for work completed on contracts                                | 10,563                                      | -                          | -                                   | 10,563                        |
| Deferred revenue   | 269,332                                     | -                          | -                                   | 269,332                       |
| Due to Terrebonne Parish Consolidated<br>Government                      | 2,296                                       | -                          | -                                   | 2,296                         |
| Notes payable  | -   | -                          | 25,000                              | 25,000                        |
| Total liabilities  | <u>286,960</u>                              | -                          | <u>25,000</u>                       | <u>311,960</u>                |
| <b>Equity and Other Credits</b>  |   |                            |                                     |                               |
| Investment in general fixed assets                                       | -   | \$ 1,176,319               | -                                   | 1,176,319                     |
| Fund balance - unreserved  | 133,825                                     | -                          | -                                   | 133,825                       |
| Total equity and other credits   | <u>133,825</u>                              | <u>1,176,319</u>           | -                                   | <u>1,310,144</u>              |
| Total liabilities, equity and other credits                              | <u>\$ 420,785</u>                           | <u>\$ 1,176,319</u>        | <u>\$ 25,000</u>                    | <u>\$ 1,622,104</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. 2/3**

For the year ended December 31, 1998

|   | Budget     | Actual     | Variance<br>Favorable<br>(Unfavorable) |
|---|------------|------------|--|
| <b>Revenues</b>                                 |            |            |  |
| Taxes   | \$ 237,263 | \$ 237,263 | \$ -                                   |
| Intergovernmental:                              |            |            |  |
| State of Louisiana:                             |            |            |  |
| State revenue sharing                           | 19,682     | 19,682     | -                                      |
| Miscellaneous - interest                        | 14,500     | 14,878     | 378                                    |
| Total revenues                                  | 271,445    | 271,823    | 378                                    |
| <b>Expenditures</b>                             |            |            |  |
| Current:  |            |            |  |
| General Government:                             |            |            |  |
| Ad valorem tax adjustment                       | 1,000      | 922        | 78                                     |
| Ad valorem tax deductions                       | 12,300     | 12,178     | 122                                    |
| Total general government                        | 13,300     | 13,100     | 200                                    |
| Culture and Recreation:                         |            |            |  |
| Personal services                               | 65,500     | 64,456     | 1,044                                  |
| Supplies and materials                          | 23,500     | 20,201     | 3,299                                  |
| Other services and charges                      | 30,000     | 24,847     | 5,153                                  |
| Repairs and maintenance                         | 26,000     | 20,937     | 5,063                                  |
| Capital expenditures                            | 212,500    | 159,346    | 53,154                                 |
| Total culture and recreation                    | 357,500    | 289,787    | 67,713                                 |
| Debt Service:                                   |            |            |  |
| Principal retirement                            | 25,000     | 25,000     | -                                      |
| Total expenditures                              | 395,800    | 327,887    | 67,913                                 |
| <b>Deficiency of Revenues Over Expenditures</b> | (124,355)  | (56,064)   | 68,291                                 |
| <b>Fund Balance</b>                             |            |            |  |
| Beginning of year                               | 189,889    | 189,889    | -                                      |
| End of year                                     | \$ 65,534  | \$ 133,825 | \$ 68,291                              |

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Terrebonne Parish Recreation District No. 2/3**

December 31, 1998

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

The accounting policies of the Terrebonne Parish Recreation District No. 2/3 (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 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 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 Groups**

Account groups are used to establish accounting control and accountability. The District's Account Groups are as follows:

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

**General Long-Term Obligations Account Group** - This account group is used to account for general long-term obligations and certain other liabilities that are not specific liabilities of proprietary or trust funds.

**c) Basis of Accounting**

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

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenues) are 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 as

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

**c) Basis of Accounting (Continued)**

revenue in 1999. The 1998 tax levy is recorded as deferred revenue in the District's 1998 financial statements. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

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

**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 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 twice for 1998. 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 of 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 operation of the General Fund.



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

**g) Investments**

Investments consist of certificates of deposit which are stated at cost and approximates market value.

**h) Fixed Assets**

Fixed assets used in governmental fund type operations (fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of financial position.

It is not involved with the measurement of results of operations. Public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other fixed assets. No depreciation has been provided on fixed assets.

All fixed assets are valued at historical cost.

*Certain fixed assets (land and building) are recorded in the General Fixed Assets Account Group of the Terrebonne Parish Consolidated Government.*

**i) Long-Term Obligations**

The accounting and reporting treatment applied to the long-term obligations 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 Obligations Account Group, not in the governmental funds.

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

**i) Long-Term Obligations (Continued)**

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

**j) Vacation and Sick Leave**

The District's employees earn vacation and sick leave on the same basis as the Parish. However, vacation and sick leave can not be carried forward. There is no material unpaid vacation and sick leave at December 31, 1998.

**k) Encumbrances**

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

**l) Memorandum Only - Total Column**

The total column on the general-purpose financial statement 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.

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 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.

**Note 2 - DEPOSITS (Continued)**

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.

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

|                         | Bank Balances    |             |             | Book<br>Balance  |
|-------------------------|------------------|-------------|-------------|------------------|
|                         | Category         |             |             |                  |
|                         | 1                | 2           | 3           |                  |
| Cash                    | \$121,103        | \$ -        | \$ -        | \$ 60,439        |
| Investments:            |                  |             |             |                  |
| Certificates of deposit | <u>100,000</u>   | <u>-</u>    | <u>-</u>    | <u>100,000</u>   |
| Totals                  | <u>\$221,103</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$160,439</u> |

At December 31, 1998, cash and certificates of deposit were not in excess of 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 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

**Note 3 - PROPERTY TAXES (Continued)**

are sold for the amount of the taxes. The tax rate for the year ended December 31, 1998 was \$4.89 per \$1,000 of assessed valuation on property within Recreation District No. 2/3 for the purpose of maintaining, constructing 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 - CHANGES IN FIXED ASSETS**

A summary of changes in fixed assets follows:

|                                   | Balance<br>January<br>1, 1998 | <u>Additions</u> | Balance<br>December<br>31, 1998 |
|-----------------------------------|-------------------------------|------------------|---------------------------------|
| Buildings                         | \$ 116,320                    | \$ 20,618        | \$ 136,938                      |
| Land                              | 285,555                       | -                | 285,555                         |
| Improvements other than buildings | 451,298                       | 27,032           | 478,330                         |
| Equipment and furniture           | 163,800                       | 6,069            | 169,869                         |
| Construction in progress          | <u>-</u>                      | <u>105,627</u>   | <u>105,627</u>                  |
| Totals                            | <u>\$1,016,973</u>            | <u>\$159,346</u> | <u>\$1,176,319</u>              |

Construction in progress is composed of costs associated with the construction of softball fields and related facilities.

**Note 5 - LONG-TERM OBLIGATIONS**

On March 8, 1995, the District purchased land to be used as a playground and ballpark for \$150,000. Under the terms of the purchase the District paid a \$50,000 down payment and will finance the remaining \$100,000 in a noninterest bearing note over four years. The note is secured by a mortgage on the land and payment is due March 10th of each year.

**Note 5 - LONG-TERM OBLIGATIONS (Continued)**

The following is a summary of changes in the long-term obligations of the District for the year ended December 31, 1998:

|                                    |                 |
|------------------------------------|-----------------|
| Notes payable at January 1, 1998   | \$50,000        |
| Principal retirement               | <u>25,000</u>   |
| Notes payable at December 31, 1998 | <u>\$25,000</u> |

The annual requirements to amortize the note outstanding at December 31, 1998 are as follows:

| <u>Year</u> | <u>Principal</u> |
|-------------|------------------|
| 1999        | <u>\$25,000</u>  |

**Note 6 - COMPENSATION OF BOARD MEMBERS**

The District did not pay per diem to any of its Board members.

**Note 7 - 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; natural disasters; and group health benefits for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability, workers' compensation, group insurance, property and auto liability. No settlements were made during the year that exceeded the District's insurance coverage. The District's premiums for general liability are 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 premiums for group insurance are based on a fixed rate per employee. The premiums for auto liability are based on claims experience, vehicle type and mileage. The premiums for property are based on the District's percentage of property value to the total of all the Parish's property value covered. 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 on the following page:

**Note 7 - RISK MANAGEMENT (Continued)**

| <u>Policy</u>         | <u>Coverage<br/>Limits</u> |
|-----------------------|----------------------------|
| General Liability     | \$6,500,000                |
| Workers' Compensation | Statutory                  |
| Group Insurance       | \$1,125,000                |
| Property              | \$82,000,000               |
| Auto Liability        | \$6,250,000                |

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, \$887,017 for general liability, workers' compensation, property and auto liability and \$2,926,677 for group insurance 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.

**Note 8 - COMMITMENT**

On December 31, 1998, the District had \$119,225 in public work contracts of which \$13,599 were incomplete.

**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. 2/3,  
Houma, Louisiana.

We have audited the general-purpose financial statements of the Terrebonne Parish Recreation District No. 2/3 (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 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 and use 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.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, La.,  
April 9, 1999.

**SCHEDULE OF FINDINGS**

**Terrebonne Parish Recreation District No. 2/3**

For the year ended December 31, 1998

**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. 2/3 did not receive federal awards during the year ended December 31, 1998.

**Section II Financial Statement Findings**

No financial statement findings were noted during the audit for the year ended December 31, 1998.

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

Not applicable.

**REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS**

### **Terrebonne Parish Recreation District No. 2/3**

For the year ended December 31, 1998

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

##### **Internal Control**

No material weaknesses were noted during the audit for the year ended December 31, 1997.  
No reportable conditions were reported during the audit for the year ended December 31, 1997.

##### **Compliance**

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 1997.

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

*Terrebonne Parish Recreation District No. 2/3 did not receive federal awards during the year ended December 31, 1997.*

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

A management letter was not issued in connection with the audit for the year ended December 31, 1997.

# MANAGEMENT'S CORRECTIVE ACTION PLAN

## **Terrebonne Parish Recreation District No. 2/3**

For the year ended December 31, 1998

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

#### Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 1998.  
No reportable conditions were reported during the audit for the year ended December 31, 1998.

#### Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 1998.

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

Terrebonne Parish Recreation District No. 2/3 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.