

Financial Report***Terrebonne Parish Recreation District No. 10******Theriot, Louisiana******December 31, 2003***

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 9-1-04

TABLE OF CONTENTS

Terrebonne Parish Recreation District No. 10

December 31, 2003

	<u>Exhibits</u>	<u>Page Number</u>
Introductory Section		
Title Page		i
Table of Contents		ii – iii
Financial Section		
Independent Auditor's Report		1 – 2
Management's Discussion and Analysis		3 – 8
Basic Financial Statements:		
Government-wide and Fund Financial Statements:		
Statement of Net Assets and Governmental Fund Balance Sheet	A	9
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets	B	10
Statement of Activities and Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances	C	11
Reconciliation of the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	D	12
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	E	13
Notes to Financial Statements	F	14 – 27

TABLE OF CONTENTS
(Continued)

	<u>Schedules</u>	<u>Page Number</u>
Supplementary Information Section		
Independent Auditor's Report on Additional Information		28
Schedule of Governmental Fund Revenues and Expenditures for the Years Ended December 31, 2003, 2002 and 2001	1	29
Graph of Governmental Fund Revenues for the Years Ended December 31, 2003, 2002 and 2001	2	30
Graph of Governmental Fund Expenditures for the Years Ended December 31, 2003, 2002 and 2001	3	31
Special Reports Of Certified Public Accountants		
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		32 – 33
Schedule of Findings		34
Reports By Management		
Schedule of Prior Year Findings		35
Management's Corrective Action Plan		36

FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Terrebonne Parish Recreation District No. 10 (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Terrebonne Parish Recreation District No. 10 as of December 31, 2003, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of

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the required supplementary information. However, we did not audit the information and express no opinion on it

In accordance with Government Auditing Standards, we have also issued our report dated April 8, 2004 on our consideration of Terrebonne Parish Recreation District No. 10's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
April 8, 2004.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Parish Recreation District No. 10

The Management's Discussion and Analysis of the Terrebonne Parish Recreation District No. 10's (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2003. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District's assets exceeded its liabilities at the close of fiscal year 2003 by \$1,280,138 (net assets), which represents an 18.65% increase from last fiscal year.

The District's revenue increased \$142,711 (or 33.90%) primarily due to the tax rate assessed for the debt service fund increasing by 93.50%.

The District's expenditures increased \$37,939 (or 11.69%) primarily due to a large increase in Ad valorem tax deductions due to a higher tax rate for the bond fund. The amount of culture and recreation increased because of the amount of personal service expense increased due to hiring a new full time employee. Repairs and maintenance increased due to the repairs done to the ball field parking lot.

The District did not have any funds with deficit fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's annual report consists of four parts: (1) management's discussion and analysis (this section) (2) basic financial statements (3) the optional section that presents other supplementary information and (4) various governmental compliance reports and schedules by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the District:

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The statement of activities presents information showing how the District's net assets change during

each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the District is culture and recreation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the District are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Special Revenue fund. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 9-13 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provide in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. As of December 31, 2003, assets exceeded liabilities by \$1,280,138. A large portion of the District's net assets (71.87%) reflects its investment in capital assets (e.g., land; buildings;

office furniture, fixtures and equipment; vehicles, machinery and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Assets

	December 31,		Dollar Change
	2003	2002	
Current and other assets	\$ 902,265	\$ 928,018	\$ -25,753
Capital assets	1,426,312	1,441,171	-14,859
Total assets	<u>2,328,577</u>	<u>2,369,189</u>	<u>-40,612</u>
Current and other liabilities	523,439	635,307	-111,868
Long-term liabilities	525,000	655,000	-130,000
Total liabilities	<u>1,048,439</u>	<u>1,290,307</u>	<u>-241,868</u>
Net Assets:			
Invested in capital assets, net of related debt	920,012	855,824	64,188
Restricted	291,325	169,127	122,198
Unrestricted	68,801	53,931	14,870
Total net assets	<u>\$ 1,280,138</u>	<u>\$ 1,078,882</u>	<u>\$ 201,256</u>

The amount of current and other assets decreased due to the decrease in taxes receivable because the amount of taxes assessed was decreased. The amount of capital assets decreased in 2003 since there were no major capital improvements and depreciation for the year exceeded the amount of improvements.

The amount of liabilities for the year decreased because the millage rate for the bond fund was reduced for 2003 causing the amount of deferred revenues to decrease. Long-term liabilities decreased due to the 2003 payment on principal.

Governmental Activities

Governmental activities increased the District's net assets by \$201,256. Key elements of this increase are as follows:

Condensed Changes in Net Assets

	December 31,		Dollar Change	Total Percent Change
	2003	2002		
Revenues:				
Program revenues:				
Charges for services	\$ 2,766	\$ 2,744	\$ 22	0.80%
General Revenues				
Taxes	536,188	395,273	140,915	35.65%
Intergovernmental	16,019	7,857	8,162	103.88%
Miscellaneous	8,741	15,129	(6,388)	-42.22%
Total revenues	<u>563,714</u>	<u>421,003</u>	<u>142,711</u>	33.90%
Expenses:				
General Government:	37,767	25,563	12,204	47.74%
Culture and Recreation	291,213	256,848	34,365	13.38%
Debt Service	33,478	42,108	(8,630)	-20.49%
Total expenses	<u>362,458</u>	<u>324,519</u>	<u>37,939</u>	11.69%
Increase in net assets	201,256	96,484	104,772	108.59%
Net assets beginning of year	<u>1,078,882</u>	<u>982,398</u>	<u>96,484</u>	9.82%
Net assets end of year	<u>\$ 1,280,138</u>	<u>\$ 1,078,882</u>	<u>\$ 201,256</u>	18.65%

The 2002 tax rate for the debt service fund was higher than 2001 (2002 tax assessment is recorded as revenue in 2003). Expenses increased due to the rise in Ad Valorem tax deductions since the amount of pension expense is dependent upon the tax rate. The amount of culture and recreation changed because of the increase in personal services from hiring a new full time employee and repairs and maintenance increased due to the repairs done to the ball field parking lot.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spend able resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund

balances of \$369,306, an increase of \$83,486 in comparison with the prior year. An unreserved fund balance of \$126,394 is available for spending at the District's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to purchase of vehicles.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the general fund was \$57,872. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance to total fund expenditures. The fund balance of the District's General Fund increased by \$13,694 during the current fiscal year. The key factor of this increase was largely due to the increase in the amount due from other governmental units, because of the increase in the amount of taxes collected in December and remitted in January of 2004.

General Fund Budgetary Highlights

The budget was amended one time during the year. The primary reasons for amending the budget were to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Ad valorem taxes increase by approximately \$77,000 to appropriately reflect the amount of taxes assessed.

Expenditures

- The amount of personal services was increased by \$12,000 because an additional full-time position was filled during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2003, amounts to \$1, (net of accumulated depreciation). This investment in capital assets includes land, buildings, office furniture, fixtures and equipment; and vehicles, machinery and equipment (see table below).

	<u>2003</u>	<u>2002</u>
Land	\$ 21,657	\$ 21,657
Construction in progress	54,084	13,309
Buildings	1,765,575	1,751,292
Improvements Other than Buildings	386,800	386,800
Office furniture, fixtures and equipment	11,285	11,285
Vehicles, machinery and equipment	<u>159,763</u>	<u>154,450</u>
Totals	<u>\$ 2,399,164</u>	<u>\$ 2,338,793</u>

The major capital asset event during the current fiscal year was the construction in progress on the new ballfield.

Additional information on the District's capital assets can be found in the Note 5, Exhibit F of this report.

Long-term Debt

At December 31, 2003, the District had \$525,000 in long-term debt outstanding which represents a decrease of \$130,000, which was the amount of 2003 principal payments on outstanding debt. More detailed information about the District's long-term debt is presented in Note 8, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The Ad Valorem Tax revenue budgeted represents the estimated amount of the November 2003 assessment, which the District will receive, for the most part, in January 2004.
- Salaries and benefits are based on the number of employees needed to perform *necessary services and related benefits*.
- Estimate of operating supplies needed to perform necessary services.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Parish Recreation District No. 10, 1657 Dr. Beatrous Road, Theriot, Louisiana 70397.

STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET

Terrebonne Parish Recreation District No. 10

December 31, 2003

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Exhibit B)	Statement of Net Assets
Assets						
Cash	\$ 49,515	\$ 73,776	\$ 49,022	\$ 172,313	\$ -	\$ 172,313
Investments	100,000	200,000	-	300,000	-	300,000
Receivables - taxes	10,702	5,351	-	16,053	-	16,053
Due from other governmental units	265,698	128,825	-	394,523	-	394,523
Due from other funds	-	11,288	19,500	30,788	(30,788)	-
Prepaid insurance	-	-	-	-	10,929	10,929
Deferred bond issuance costs	-	-	-	-	8,447	8,447
Capital assets:						
Non-depreciable	-	-	-	-	75,741	75,741
Depreciable, net of accumulated depreciation	-	-	-	-	1,350,571	1,350,571
Total assets	\$ 425,915	\$ 419,240	\$ 68,522	\$ 913,677	1,414,900	2,328,577
Liabilities						
Accounts payables and accrued expenditures	\$ 41,998	\$ 33,206	\$ -	\$ 75,204	9,856	85,060
Due to Terrebonne Parish Consolidated Government	967	-	-	967	-	967
Due to other funds	30,788	-	-	30,788	(30,788)	-
Deferred revenue	294,290	143,122	-	437,412	-	437,412
Long-term liabilities:						
Due within one year	-	-	-	-	140,000	140,000
Due after one year	-	-	-	-	385,000	385,000
Total liabilities	368,043	176,328	-	544,371	504,068	1,048,439
Fund Balances/Net Assets						
Fund balances:						
Reserved - debt service	-	242,912	-	242,912	(242,912)	-
Unreserved - undesignated	57,872	-	68,522	126,394	(126,394)	-
Total fund balances	57,872	242,912	68,522	369,306	(369,306)	-
Total liabilities and fund balances	\$ 425,915	\$ 419,240	\$ 68,522	\$ 913,677		
Net assets:						
Invested in capital assets, net of related debt					920,012	920,012
Restricted:						
Debt service					233,056	233,056
Capital projects					58,269	58,269
Unrestricted					68,801	68,801
Total net assets					\$ 1,280,138	\$ 1,280,138

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

Terrebonne Parish Recreation District No. 10

December 31, 2003

Fund Balances - Governmental Fund		\$ 369,306
 Amounts reported for governmental activities in the statement of net assets are different because:		
 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	\$ 2,399,164	
Less accumulated depreciation	<u>(972,852)</u>	1,426,312
 Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Prepaid insurance	10,929	
Deferred bond issuance costs	9,890	
Less current year amortization	<u>(1,443)</u>	19,376
 Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Governmental bonds payable	(525,000)	
Accrued interest payable	<u>(9,856)</u>	<u>(534,856)</u>
 Net Assets of Governmental Activities		 <u>\$ 1,280,138</u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2003

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Exhibit D)	Statement of Activities
Revenues						
Taxes	\$ 247,975	\$ 288,213	\$ -	\$ 536,188		\$ 536,188
Intergovernmental:						
Federal Government:						
FEMA reimbursement	7,176	-	-	7,176		7,176
State of Louisiana:						
State disaster reimbursement	920	-	-	920		920
State revenue sharing	7,923	-	-	7,923		7,923
Charges for services	2,766	-	-	2,766		2,766
Miscellaneous:						
Interest	3,311	3,196	149	6,656		6,656
Other	2,085	-	-	2,085		2,085
Total revenues	272,156	291,409	149	563,714		563,714
Expenditures/Expenses						
Current:						
General government:						
Ad valorem tax adjustment	-	4,609		4,609		4,609
Ad valorem tax deductions	21,707	11,451		33,158		33,158
Total general government	21,707	16,060		37,767		37,767
Culture and recreation:						
Personal services	127,201			127,201	\$ -	127,201
Supplies and materials	14,973			14,973	-	14,973
Other services and charges	31,441			31,441	(1,176)	30,265
Repairs and maintenance	43,544			43,544	-	43,544
Depreciation	-			-	75,230	75,230
Total culture and recreation	217,159			217,159	74,054	291,213
Debt service:						
Principal retirement		130,000		130,000	(130,000)	-
Interest and fiscal charges		34,931		34,931	(1,453)	33,478
Total debt service		164,931		164,931	(131,453)	33,478
Capital outlay	19,596		40,775	60,371	(60,371)	-
Total expenditures/expenses	258,462	180,991	40,775	480,228	(117,770)	362,458
Excess (Deficiency) of Revenues Over Expenditures	13,694	110,418	(40,626)	83,486	(83,486)	-
Change in Net Assets	-	-	-	-	201,256	201,256
Fund Balances/Net Assets						
Beginning of year	44,178	132,494	109,148	285,820	793,062	1,078,882
End of year	\$ 57,872	\$ 242,912	\$ 68,522	\$ 369,306	\$ 910,832	\$ 1,280,138

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES TO THE STATEMENT OF ACTIVITIES**

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2003

Net Change in Fund Balances - Governmental Fund **\$ 83,486**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 60,371	
Depreciation expense	<u>(75,230)</u>	
Excess of depreciation expense over capital outlay		(14,859)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal payments		130,000
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Some expenditures reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of deferred bond issuance costs	(1,443)	
Decrease in accrued interest payable	<u>2,896</u>	
		1,453

Some expenditures reported in the governmental funds require the use of current financial resources and are not reported as expenses in the statement of activities.

Prepaid insurance		<u>1,176</u>
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Change in Net Assets of Governmental Activities **\$ 201,256**

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 175,000	\$ 252,007	\$ 247,975	\$ (4,032)
Intergovernmental:				
Federal Government:				
FEMA reimbursement	-	7,176	7,176	-
State of Louisiana:				
State revenue sharing	7,900	7,900	7,923	23
State Disaster Reimbursement	-	920	920	-
Charges for services	3,000	2,800	2,766	(34)
Miscellaneous:				
Interest	1,500	2,500	3,311	811
Other	100	1,104	2,085	981
Total revenues	<u>187,500</u>	<u>274,407</u>	<u>272,156</u>	<u>(2,251)</u>
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment	-	-	-	-
Ad valorem tax deductions	-	21,707	21,707	-
Total general government	-	<u>21,707</u>	<u>21,707</u>	-
Culture and recreation:				
Personal services	110,840	122,840	127,201	(4,361)
Supplies and materials	15,800	15,800	14,973	827
Other services and charges	32,800	33,400	31,441	1,959
Repairs and maintenance	20,000	55,000	43,544	11,456
Total culture and recreation	<u>179,440</u>	<u>227,040</u>	<u>217,159</u>	<u>9,881</u>
Capital outlay	-	5,300	19,596	(14,296)
Total expenditures	<u>179,440</u>	<u>254,047</u>	<u>258,462</u>	<u>(4,415)</u>
Excess of Revenues Over Expenditures	8,060	20,360	13,694	(6,666)
Fund Balance				
Beginning of year	<u>78,815</u>	<u>74,043</u>	<u>44,178</u>	<u>(29,865)</u>
End of year	<u>\$ 86,875</u>	<u>\$ 94,403</u>	<u>\$ 57,872</u>	<u>\$ (36,531)</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Terrebonne Parish Recreation District No. 10

December 31, 2003

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Recreation District No. 10 (the District) conform to accounting principles generally accepted in the United States of America (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, 2003.

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) Basis of Presentation

The District's basic financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements (individual major funds).

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the District. As of general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. Emphasis is now on the major funds in governmental categories. The daily accounts and operations of the District continue to be organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operations of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following are the Governmental Funds of the District:

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction and renovation of major capital facilities and is reported as a major fund.

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenue) are recorded as revenue in the period for which levied. Thus, the 2003 property taxes which are being levied to finance the 2004 budget will be recognized as revenue in 2004. The 2003 tax levy is recorded as deferred revenue in the District's 2003 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 or an intermediary collecting agency because they are generally not measurable or available 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 debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 one time during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the basic financial statements.

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 approximates market value.

h) Prepaid Insurance

The District has recorded prepaid insurance in its government-wide financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Deferred Bond Issuance Costs

The District has recorded deferred bond issuance costs in its government-wide financial statements. Deferred bond issuance costs are amortized over the term of the related debt.

j) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20 - 40 years
Improvements other than buildings	15 - 25 years
Autos and trucks	5 years
Machinery and equipment	5 - 20 years
Office furniture, fixtures and equipment	5 - 12 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Long-Term Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists of general obligation bonds.

Fund Financial Statements:

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principle and interest reported as expenditures

l) Vacation and Sick Leave

The District's policies regarding vacation and sick leave permits employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Employees of the District can earn 96 hours or 136 hours of vacation leave, depending on their length of employment. Accumulated vacation leave is due to the employee at the time of termination or death. The vacation policy provides that employees are to take vacation within one year of being earned, with no carryforward provisions. Hours forfeited are transferred to retirement for participants of the Parochial Employees' Retirement System. There is no material accumulated vacation at December 31, 2003

Employees of the District earn 56 hours sick leave per year and are permitted to accumulate a maximum of 480 hours. Upon retirement, sick leave is paid to employees at one half of their accumulated sick leave to a maximum of 240 hours. There is no accumulated sick leave at December 31, 2003.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Fund Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana or any other federally insured investment.

Note 2 - DEPOSITS (Continued)

State law requires deposits (cash and certificates of deposit) 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. 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 with a 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.

The year-end balances of deposits are as follows:

	Bank Balances			Book Balance
	Category			
	1	2	3	
Cash	\$ 100,000	\$ -	\$ 75,325	\$ 172,313
Investments:				
Certificates of deposit	<u>100,000</u>	<u>-</u>	<u>200,000</u>	<u>300,000</u>
Totals	<u>\$200,000</u>	<u>\$ -</u>	<u>\$275,325</u>	<u>\$472,313</u>

At December 31, 2003, cash and certificates of deposit in excess of the FDIC insurance were collateralized with securities held by an unaffiliated bank in the account of the District. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

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, 2000. 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, 2003 was \$10.00 per \$1,000 of assessed valuation on property within Recreation District No. 10 for the purpose of maintaining and operating recreational facilities within the District and \$5.00 per \$1,000 of assessed valuation for the payment of debt principal and interest. As indicated in Note 1c), taxes levied November 1, 2003 are for budgeted expenditures in 2004 and will be recognized as revenues in 2004.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2003 consisted of the following:

	General Fund	Debt Service Fund
State of Louisiana - State revenue sharing	\$ 5,365	\$ -
Terrebonne Parish Tax Collector - December, 2003 collections remitted to the District in January, 2004:		
Ad valorem taxes	257,651	128,825
State revenue sharing	2,682	-
Totals	\$ 265,698	\$ 128,825

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003 was as follows:

Capital assets not being depreciated:			
Land	\$ 21,657	\$ -	\$ 21,657
Construction in progress	<u>13,309</u>	<u>40,775</u>	<u>54,084</u>
 Total capital assets not being depreciated	 <u>34,966</u>	 <u>40,775</u>	 <u>75,741</u>
Capital assets being depreciated:			
Buildings	1,751,292	14,283	1,765,575
Improvements other than building	386,800	-	386,800
Auto and trucks	18,707	-	18,707
Machinery and equipment	135,743	5,313	141,056
Office furniture, fixtures and equipment	<u>11,285</u>	<u>-</u>	<u>11,285</u>
 Total capital assets being depreciated	 <u>2,303,827</u>	 <u>19,596</u>	 <u>2,323,423</u>
Less accumulated depreciation for:			
Buildings	(729,648)	(45,367)	(775,015)
Improvements other than building	(73,095)	(20,996)	(94,091)
Auto and trucks	(9,353)	(3,741)	(13,094)
Machinery and equipment	(75,491)	(4,826)	(80,317)
Office furniture, fixtures and equipment	<u>(10,035)</u>	<u>(300)</u>	<u>(10,335)</u>
 Total accumulated depreciation	 <u>(897,622)</u>	 <u>(75,230)</u>	 <u>(972,852)</u>
 Total capital assets being depreciated, net	 <u>1,406,205</u>	 <u>(55,634)</u>	 <u>1,350,571</u>
 Total capital assets, net	 <u>\$ 1,441,171</u>	 <u>\$ (14,859)</u>	 <u>\$ 1,426,312</u>

Construction in progress consists of costs associated with the Dularge Middle School ballfield lighting project and drainage to ballfield complex.

Note 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures at December 31, 2003 consisted of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Governmental activities				
Vendors	\$ 818	\$ -	\$ -	\$ 818
Protest taxes	<u>41,180</u>	<u>33,206</u>	<u>-</u>	<u>74,386</u>
Total governmental activities	41,998	33,206	-	75,204
Accrued interest on long-term debt	<u>-</u>	<u>9,856</u>	<u>-</u>	<u>9,856</u>
Total accounts payable and accrued expenditures	<u>\$ 41,998</u>	<u>\$ 43,062</u>	<u>\$ -</u>	<u>\$ 85,060</u>

Note 7 – DUE TO/FROM OTHER FUNDS

Due to/from other funds are listed by fund for the year ended December 31, 2003:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	\$ -	\$30,788
Debt Service Fund	11,288	-
Capital Projects Fund	<u>19,500</u>	<u>-</u>
Totals	<u>\$ 30,788</u>	<u>\$30,788</u>

The balances above resulted from Capital Projects Fund grant monies being deposited in the General Fund and the November collections and liability amounts of taxes not being transferred from the General Fund to the Debt Service Fund.

Note 8 - LONG-TERM DEBT

At December 31, 2003, the District had two series of general obligation bonds outstanding. Series 1989, totaling \$215,000 bearing interest at a rate of 7.00% per year, are repayable through March 1, 2004 primarily from ad valorem tax revenues. Series 1999, totaling \$440,000 bearing interest at a rate of 5.25%, are repayable through March 1, 2014 primarily from ad valorem tax revenues.

The following is a summary of changes in long-term debt for the year ended December 31, 2003:

Bonds payable at January 1, 2003	\$ 655,000
Bonds retired	<u>(130,000)</u>
 Bonds payable at December 31, 2003	 <u>\$ 525,000</u>

The annual requirements to amortize all long-term debt outstanding at December 31, 2003 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$140,000	\$ 24,850	\$164,850
2005	30,000	19,425	49,425
2006	30,000	17,850	47,850
2007	35,000	16,144	51,144
2008	35,000	14,306	49,306
2009 - 2013	205,000	41,344	246,344
2014	<u>50,000</u>	<u>1,313</u>	<u>51,313</u>
 Totals	 <u>\$525,000</u>	 <u>\$135,232</u>	 <u>\$660,232</u>

Note 9 - 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 and auto insurance. No settlements were made during the year that exceeded the District's insurance coverage. The District pays monthly premiums to the Parish for general liability based on various factors such as its operations

Note 9 - RISK MANAGEMENT (Continued)

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 milage. The Parish handles all claims filed against the District for which it has insurance coverage under the Parish. 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
Auto Liability	\$6,500,000

Coverage for general liability and workers compensation claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, \$3,448,479 at December 31, 2002, then secondly by the District. The Parish is self-insured for the first \$125,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2002 was \$8,550,420. Insurance contracts cover the excess liability, up to \$1,000,000 on individual claims. Each covered employee is subject to a lifetime maximum claims limit of \$1,000,000. Coverage for group health claim liabilities are to be funded first by assets of the Parish's group health internal service fund, \$211,176 at December 31, 2002, then secondly by the District or the employee for individual claims in excess of \$1,000,000. At December 31, 2003 the District had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverages during the year ended December 31, 2003 totaled \$19,966.

Note 10 -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, specifi-

Note 10 - DEFINED BENEFIT PENSION PLAN (Continued)

cally, 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, 70898-4619.

Funding Policy - Plan members are required to contribute 3.00% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 3.75% 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, 2003, 2002 and 2001 were \$2356, \$944, and \$944 and, respectively, equal to the required contributions for each year.

Note 11 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 2003:

<u>Board Members</u>	<u>Number of Meetings Attended</u>	<u>Per Diem</u>
Arthur Bishop	3	\$ 30
Richard Breaux	11	110
Charlene Hebert	11	110
Daniel Leblanc	8	80
Shirley Liner	10	100
Burtman Poiencot	11	110
Wayne Theriot	10	<u>100</u>
 Total		 <u>\$640</u>

SUPPLEMENTARY INFORMATION SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

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

Our report on our audit of the basic financial statements of Terrebonne Parish Recreation District No. 10 (the District) for the year ended December 31, 2003, appears on pages 1 and 2. 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 governmental fund revenues and expenditures and graphs of governmental fund revenues and expenditures for the year ended December 31, 2003 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2003, taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the governmental fund balance sheets of Terrebonne Parish Recreation District No. 10 as of December 31, 2002 and 2001, and the related statements of governmental fund revenues, expenditures and changes in fund balance for each of the two years in the period ended December 31, 2002 (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 governmental fund revenues and expenditures and graphs of governmental fund revenues and expenditures for the years ended December 31, 2002 and 2001 is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
April 8, 2004.

SCHEDULE OF GOVERNMENTAL FUND REVENUES AND EXPENDITURES**Terrebonne Parish Recreation District No. 10**

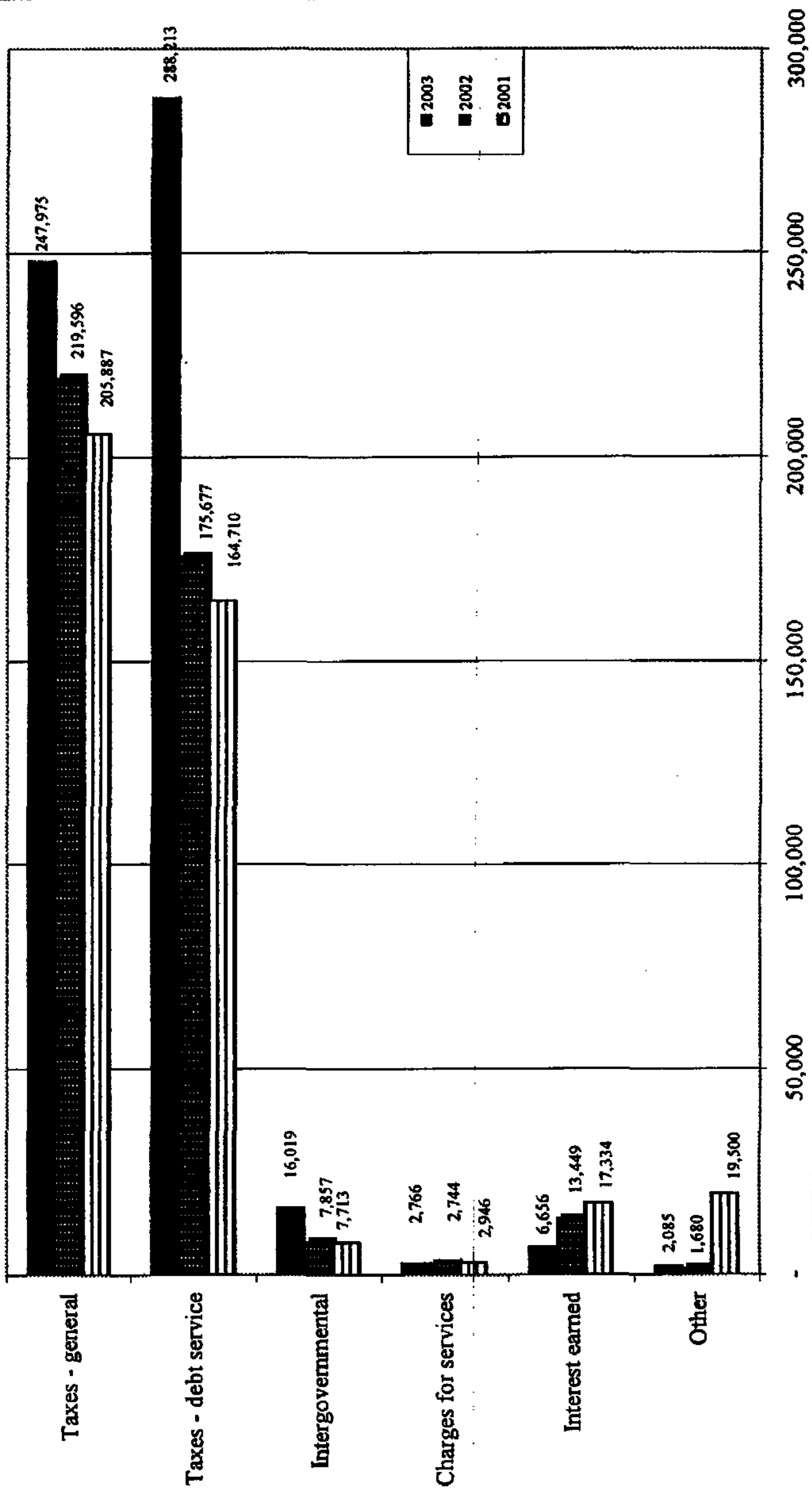
For the years ended December 31, 2003, 2002 and 2001

	<u>2003</u>	<u>2002</u>	<u>2001</u>
REVENUES			
Taxes - general	\$ 247,975	\$ 219,596	\$ 205,887
Taxes - debt service	288,213	175,677	164,710
Intergovernmental	16,019	7,857	7,713
Charges for services	2,766	2,744	2,946
Interest earned	6,656	13,449	17,334
Other	2,085	1,680	19,500
	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 563,714</u>	<u>\$ 421,003</u>	<u>\$ 418,090</u>
EXPENDITURES			
General government	\$ 37,767	\$ 25,563	\$ 94,198
Personal services	127,201	114,603	111,035
Supplies and materials	14,973	18,019	13,985
Other services and charges	31,441	30,365	30,039
Repairs and maintenance	43,544	25,850	23,995
Debt service	164,931	163,242	160,857
Capital outlay	60,371	132,638	43,099
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 480,228</u>	<u>\$ 510,280</u>	<u>\$ 477,208</u>

GOVERNMENTAL FUND REVENUES

Terrebonne Parish Recreation District No. 10

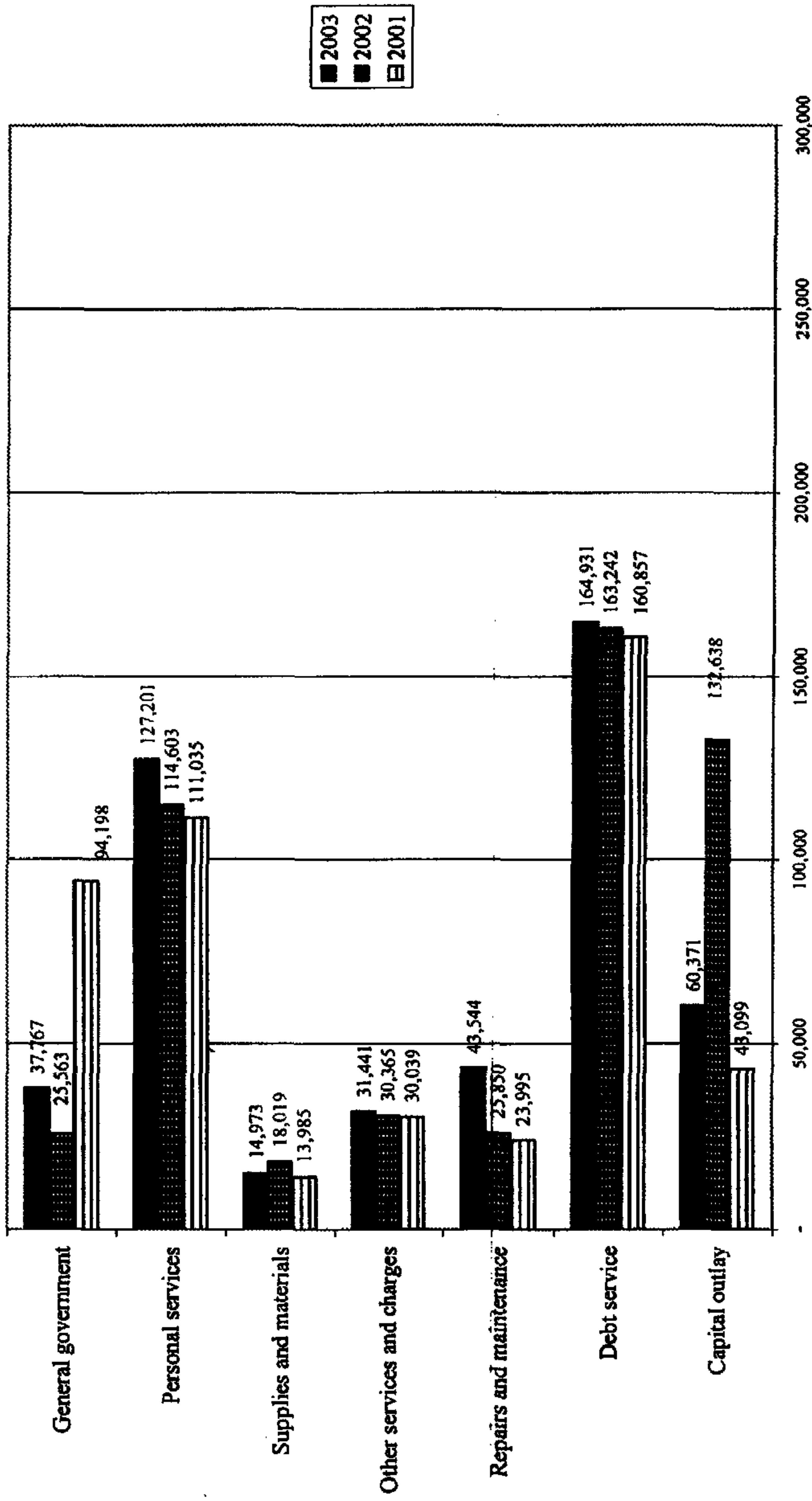
For the years ended December 31, 2003, 2002 and 2001



GOVERNMENTAL FUND EXPENDITURES

Terrebonne Parish Recreation District No. 10

For the years ended December 31, 2003, 2002 and 2001



SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the basic financial statements of Terrebonne Parish Recreation District No. 10 (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2003, and have issued our report thereon dated April 8, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 basic 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 basic 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 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
April 8, 2004.

SCHEDULE OF FINDINGS

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2003

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 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. 10 did not receive federal awards in excess of \$300,000 during the year ended December 31, 2003.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 2003.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2003

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2002.
No reportable conditions were reported during the audit for the year ended December 31, 2002.

Compliance

No compliance findings material to the basic financial statements were noted during the audit for the year ended December 31, 2002.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 10 did not receive federal awards during the year ended December 31, 2002.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2002.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Recreation District No. 10

For the year ended December 31, 2003

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 2003.
No reportable conditions were reported during the audit for the year ended December 31, 2003.

Compliance

No compliance findings material to the basic financial statements were noted during the audit for the year ended December 31, 2003.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 10 did not receive federal awards in excess of \$300,000 during the year ended December 31, 2003 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2003.