

Financial Report

Terrebonne Parish Recreation District No. 11

Houma, 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

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December 31, 2003

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FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 11,
Houma, Louisiana.

We have audited the accompanying basic financial statements of the governmental activities of Terrebonne Parish Recreation District No. 11, (the District), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2003, 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 financial position of the governmental activities of Terrebonne Parish Recreation District No. 11 as of December 31, 2003, and the changes in financial position and the budgetary comparison for the District for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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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 inquires of management regarding the methods of measurement and presentation of 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 15, 2004 on our consideration of Terrebonne Parish Recreation District No. 11'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 15, 2004.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Parish Recreation District No. 11

The Management's Discussion and Analysis of the Terrebonne Parish Recreation District No. 11'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 \$1,259,003 (net assets), which represents a 7.22% decrease from last fiscal year.

The District's revenue increased \$35,982 (or 5.66%) primarily due to an increase in collection of ad valorem taxes due to more industry and construction within the District.

The District's expenditures increased \$161,806 (or 26.62%) primarily due to an increase in repairs and maintenance for storm damage repairs and football and baseball field lights repairs. Also, personal services increased by \$35,656 as a result of an increase in group health insurance and salaries.

Capital assets increased by \$42,300 partly due to improvements made to re-wire the electrical system for the Adult Softball Complex and the purchases of equipment.

The District did not have a deficit fund balance.

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 to engage in activities which would promote recreation and any related activity designed to encourage recreation and promote the general health and well being of youths.

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. The District has one governmental fund.

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 balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

The District maintains an individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General 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 \$1,259,003. A large portion of the District's net assets (73.56%) reflects its investment in capital assets (e.g., land; buildings; improvements other than building; machinery and equipment; furniture and fixtures; and vehicles). Consequently, these assets are not available for future spending.

Receivables and due from other governmental units total \$680,341 or 32.15% of total assets and represent receivables for ad valorem taxes and state revenue sharing assessed in November 2003 to be collected in 2004 and a receivable due from the Parish for reimbursement of expenses incurred by the District for tornado damage to the pool in 2001.

The liabilities associated with the District are accounts payable and accrued expenditures and deferred revenue for taxes assessed in 2003 that will be collected in 2004. Long-term liabilities outstanding relate to the certificates of indebtedness payable for work done on the Mechanicville gym roof.

Condensed Statements of Net Assets

| | December 31, | | Dollar Change |
|---|---------------------|---------------------|--------------------|
| | 2003 | 2002 | |
| Current and other assets | \$ 1,094,894 | \$ 1,090,496 | \$ 4,398 |
| Capital assets | 1,021,096 | 1,088,521 | (67,425) |
| Total assets | <u>2,115,990</u> | <u>2,179,017</u> | <u>(63,027)</u> |
| Long-term liabilities outstanding | 95,000 | 125,000 | (30,000) |
| Other liabilities | 761,987 | 697,080 | 64,907 |
| Total liabilities | <u>856,987</u> | <u>822,080</u> | <u>34,907</u> |
| Net Assets: | | | |
| Invested in capital assets, net of related debt | 926,096 | 963,521 | (37,425) |
| Unrestricted | 332,907 | 393,416 | (60,509) |
| Total net assets | <u>\$ 1,259,003</u> | <u>\$ 1,356,937</u> | <u>\$ (97,934)</u> |

Governmental Activities

Governmental activities decreased the District's net assets by \$97,934. Key elements of this decrease are as follows:

Condensed Changes in Net Assets

| | December 31, | | Dollar Change | Total Percent Change |
|------------------------------|---------------------|---------------------|--------------------|----------------------------|
| | 2003 | 2002 | | |
| Revenues: | | | | |
| Ad valorem taxes | \$ 580,099 | \$ 540,140 | \$ 39,959 | * 7.40% |
| Intergovernmental | 44,667 | 42,579 | 2,088 | 4.90% |
| Charges for services | 40,747 | 41,512 | (765) | -1.84% |
| Miscellaneous | 6,076 | 11,376 | (5,300) | -46.59% |
| Total revenues | <u>671,589</u> | <u>635,607</u> | <u>35,982</u> | 5.66% |
| Expenses: | | | | |
| General government | 34,055 | 27,034 | 7,021 | 25.97% |
| Culture and recreation | 730,463 | 572,133 | 158,330 | 27.67% |
| Interest on long term debt | 5,005 | 8,550 | (3,545) | -41.46% |
| Total expenses | <u>769,523</u> | <u>607,717</u> | <u>161,806</u> | 26.63% |
| Increase in net assets | (97,934) | 27,890 | (125,824) | -451.14% |
| Net assets beginning of year | 1,356,937 | 1,329,047 | 27,890 | 2.10% |
| Net assets end of year | <u>\$ 1,259,003</u> | <u>\$ 1,356,937</u> | <u>\$ (97,934)</u> | -7.22% |

Revenue increased 5.66% particularly due to an increase in ad valorem taxes as a result of new industry and construction in the District. Culture and recreation expenses increased by \$158,330 with the most significant change relating to increases in repairs for storm damage, press box, lights, gym walls. Other services and charges increased, which include auditing fees, legal fees, insurance, telephone, utilities and miscellaneous, due to an increase in insurance premiums and utilities.

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 fund is to provide information on near-term inflows, outflows, and balances of spendable 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 ending fund balance of

\$332,907, a decrease of \$60,509, in comparison with the prior year and is available for spending at the District's discretion. Of the unreserved balance of \$332,907, \$211,102 is designated for dedicated emergencies and contingency fund. The key factor of this reduction was largely due to an increase in capital outlay and repairs and maintenance expenditures in the current year.

General Fund Budgetary Highlights

The budget was amended one time during the year. The primary reason for amending the budget was 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

- State revenue sharing increased \$4,700 due to the District collecting more money than anticipated.
- Charges for services increased \$3,300.

Expenditures

- Personal services increased \$9,900.
- Supplies and materials increased \$14,000.
- Repairs and maintenance increased \$35,000.
- Capital outlay decreased \$118,000.

During the year, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates.

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 \$1,021,096 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than building, machinery and equipment, furniture and fixtures and vehicles (see table below).

| | <u>2003</u> | <u>2002</u> |
|----------------------------------|----------------------------|---------------------------|
| Land | \$ 176,676 | \$ 176,676 |
| Buildings | 1,570,098 | 1,570,098 |
| Improvements other than building | 197,755 | 164,934 |
| Machinery and equipment | 361,671 | 352,192 |
| Furniture and fixtures | 23,623 | 23,623 |
| Vehicles | <u>58,205</u> | <u>58,205</u> |
| Totals | <u>\$ 2,388,028</u> | <u>\$2,345,728</u> |

Major capital asset events during the current fiscal year included the following:

- Improvements - electrical re-wiring to Adult Softball Complex (\$22,238).
- Equipment purchases including a John Deere tractor, propane burner and a computer.

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

Long-term Debt

In February 2003, the District paid its second installment on the Certificates of Indebtedness used to finance the replacement of the Mechanicville Gym roof. At December 31, 2003, the District had \$95,000 in long-term obligations outstanding down from \$125,000 for a decrease of \$30,000. More detailed information about the District's long-term obligations is presented in Note 6, 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.
- Interest revenues are budgeted with no anticipation of an increase in interest rates.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits. The District increased salaries and related benefits by 10% to cover possible changes such as pay increases and new hires.
- Estimate of operating supplies needed to perform necessary services.
- Detail plan of equipment needed to be purchased including playground equipment for Moss Park.
- Detail plan of capital projects including painting the East Houma swimming pool and renovating the West Houma gym baseball fields and concession stand.

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. 11, P.O. Box 4294, Houma, Louisiana 70361.

**STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET**

Terrebonne Parish Recreation District No. 11

December 31, 2003

| | <u>General Fund</u> | <u>Adjustments (Exhibit B)</u> | <u>Statement of Net Assets</u> |
|--|-------------------------|------------------------------------|------------------------------------|
| Assets | | | |
| Cash | \$ 203,415 | \$ - | \$ 203,415 |
| Investments | 211,102 | - | 211,102 |
| Receivables - taxes | 67,209 | - | 67,209 |
| Due from other governmental units | 613,132 | - | 613,132 |
| Other | 36 | - | 36 |
| Capital assets: | | | |
| Non-depreciable | - | 176,676 | 176,676 |
| Depreciable, net of accumulated depreciation | - | 844,420 | 844,420 |
| Total assets | \$ 1,094,894 | 1,021,096 | 2,115,990 |
| Liabilities | | | |
| Accounts payable and accrued expenditures | \$ 7,001 | \$ - | \$ 7,001 |
| Due to Terrebonne Parish Consolidated Government | 43,945 | - | 43,945 |
| Deferred revenue | 711,041 | - | 711,041 |
| Long-term liabilities: | | | |
| Due within one year | - | 30,000 | 30,000 |
| Due after one year | - | 65,000 | 65,000 |
| Total liabilities | 761,987 | 95,000 | 856,987 |
| Fund Balances/Net Assets | | | |
| Fund balances: | | | |
| Unreserved: | | | |
| Designated for dedicated emergencies and contingency fund | 211,102 | (211,102) | - |
| Undesignated | 121,805 | (121,805) | - |
| Total fund balances | 332,907 | (332,907) | - |
| Total liabilities and fund balances | \$ 1,094,894 | | |
| Net assets: | | | |
| Invested in capital assets, net of related debt | | 926,096 | 926,096 |
| Unrestricted | | 332,907 | 332,907 |
| Total net assets | | \$ 1,259,003 | \$ 1,259,003 |

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 11

December 31, 2003

| | | |
|---|--------------------|--------------------------------|
| Fund Balance - Governmental Fund | | \$ 332,907 |
| 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 | \$ 2,388,028 | |
| Less accumulated depreciation | <u>(1,366,932)</u> | 1,021,096 |
| Long-term liabilities, including certificates of indebtedness, are not due and payable in the current period and, therefore, are not reported in the governmental fund. | | |
| Certificates of indebtedness | | <u>(95,000)</u> |
| Net Assets of Governmental Activities | | <u>\$ 1,259,003</u> |

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 11

For the year ended December 31, 2003

| | <u>General Fund</u> | <u>Adjustments (Exhibit D)</u> | <u>Statement of Activities</u> |
|---|-------------------------|------------------------------------|------------------------------------|
| Revenues | | | |
| Taxes | \$ 580,099 | | \$ 580,099 |
| Intergovernmental: | | | |
| State of Louisiana: | | | |
| State revenue sharing | 44,667 | | 44,667 |
| Charges for services | 40,747 | | 40,747 |
| Miscellaneous: | | | |
| Interest | 4,821 | | 4,821 |
| Other | 1,255 | | 1,255 |
| | <u>671,589</u> | | <u>671,589</u> |
| Expenditures/Expenses | | | |
| Current: | | | |
| General government: | | | |
| Ad valorem tax adjustment | 7,804 | | 7,804 |
| Ad valorem tax deductions | 26,251 | | 26,251 |
| | <u>34,055</u> | | <u>34,055</u> |
| Culture and recreation: | | | |
| Personal services | 269,402 | \$ - | 269,402 |
| Supplies and materials | 73,518 | - | 73,518 |
| Other services and charges | 139,152 | - | 139,152 |
| Repairs and maintenance | 138,666 | - | 138,666 |
| Depreciation | - | 109,725 | 109,725 |
| | <u>620,738</u> | <u>109,725</u> | <u>730,463</u> |
| Debt service: | | | |
| Principal retirement | 30,000 | (30,000) | - |
| Interest | 5,005 | - | 5,005 |
| | <u>35,005</u> | <u>(30,000)</u> | <u>5,005</u> |
| Capital outlay | 42,300 | (42,300) | - |
| | <u>732,098</u> | <u>37,425</u> | <u>769,523</u> |
| Deficiency of Revenues Over Expenditures | (60,509) | 60,509 | - |
| Change in Net Assets | - | (97,934) | (97,934) |
| Fund Balance/Net Assets | | | |
| Beginning of year | 393,416 | 963,521 | 1,356,937 |
| End of year | <u>\$ 332,907</u> | <u>\$ 926,096</u> | <u>\$ 1,259,003</u> |

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 11

For the year ended December 31, 2003

Net Change in Fund Balance - Governmental Fund **\$ (60,509)**

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 useful lives and reported as depreciation expense.

| | | |
|--|------------------|----------|
| Capital outlay | \$ 42,300 | |
| Depreciation expense | <u>(109,725)</u> | |
| Excess of depreciation expense over capital outlay | | (67,425) |

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 | | <u>30,000</u> |
|--------------------|--|---------------|

Change in Net Assets of Governmental Activities **\$ (97,934)**

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 11

For the year ended December 31, 2003

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) |
|--|------------------|-----------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 581,820 | \$ 580,000 | \$ 580,099 | \$ 99 |
| Intergovernmental: | | | | |
| State of Louisiana: | | | | |
| State revenue sharing | 40,000 | 44,700 | 44,667 | (33) |
| Charges for services | 37,500 | 40,800 | 40,747 | (53) |
| Miscellaneous: | | | | |
| Interest | 5,000 | 6,000 | 4,821 | (1,179) |
| Other | 1,500 | 1,200 | 1,255 | 55 |
| Total revenues | 665,820 | 672,700 | 671,589 | (1,111) |
| Expenditures | | | | |
| Current: | | | | |
| General government: | | | | |
| Ad valorem tax adjustment | 8,000 | 8,000 | 7,804 | 196 |
| Ad valorem tax deductions | 26,000 | 27,000 | 26,251 | 749 |
| Total general government | 34,000 | 35,000 | 34,055 | 945 |
| Culture and recreation: | | | | |
| Personal services | 259,500 | 269,400 | 269,402 | (2) |
| Supplies and materials | 60,500 | 74,500 | 73,518 | 982 |
| Other services and charges | 133,650 | 123,900 | 139,152 | (15,252) |
| Repairs and maintenance | 50,000 | 85,000 | 138,666 | (53,666) |
| Total culture and recreation | 503,650 | 552,800 | 620,738 | (67,938) |
| Debt service: | | | | |
| Principal retirement | 30,000 | 30,000 | 30,000 | - |
| Interest | 5,005 | 5,005 | 5,005 | - |
| Total debt service | 35,005 | 35,005 | 35,005 | - |
| Capital outlay | 250,000 | 132,000 | 42,300 | 89,700 |
| Total expenditures | 822,655 | 754,805 | 732,098 | 22,707 |
| Net change in Fund Balances | (156,835) | (82,105) | (60,509) | 21,596 |
| Fund Balances/Net Assets | | | | |
| Beginning of year | 226,107 | 393,416 | 393,416 | - |
| End of year | \$ 69,272 | \$ 311,311 | \$ 332,907 | \$ 21,596 |

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Terrebonne Parish Recreation District No. 11

December 31, 2003

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Recreation District No. 11 (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 that 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.

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. 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 non-exchange 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 Statément No. 34. 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 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.

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.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

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 recognized 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 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. 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 accounting principles generally accepted in the United States of America 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 budgetary practices include public notice of the proposed budget, public inspection of the proposed budget

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Operating Budgetary Data (Continued)

and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with 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) 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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Capital Assets (Continued)

donation. Capital asset with an estimated historical cost amounted to \$517,475 or 21.67% of total capital assets. 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 | 10 - 40 years |
| Improvements other than building | 5 - 20 years |
| Machinery and equipment | 5 - 20 years |
| Furniture and fixtures | 5 years |
| Vehicles | 5 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.

i) Long-Term Obligation

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

Government-wide Financial Statements:

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Long-Term Obligations (continued)

Fund Financial Statements:

The long-term obligation for the governmental fund is not reported as a liability in the fund financial statements. The obligation proceeds are reported as other financing source and payments of principle and interest reported as expenditures.

j) Vacation and Sick Leave

Accumulated vacation and sick leave are recorded as expenditures of the period in which paid.

Employees 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 carry-forward provisions. Employees earn 56 hours sick leave per year and are permitted to accumulate a maximum of 480 hours. Sick leave does not vest with employees at separation of employment.

There is no material unpaid vacation and sick leave at December 31, 2003.

k) 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, if any.
- 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Fund Equity (continued)

- 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. As of December 31, 2003 and for the year then ended, the District did not have or receive restricted net assets.

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.

Designated fund balance represents the Board of Director’s intention to hold \$211,102 for dedicated emergencies and contingencies.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1), commercial paper of domestic corporations.

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. Obligation of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

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 Statement of Net Assets and Governmental Fund Balance Sheet are as follows:

| | Bank Balances | | | Book Balance |
|-------------------------|------------------|------------|------------------|------------------|
| | Category | | | |
| | 1 | 2 | 3 | |
| Cash | \$ 100,000 | \$ - | \$108,260 | \$ 203,415 |
| Investments: | | | | |
| Certificates of deposit | <u>100,000</u> | <u>-</u> | <u>111,102</u> | <u>211,102</u> |
| Totals | <u>\$200,000</u> | <u>\$-</u> | <u>\$219,362</u> | <u>\$414,517</u> |

At December 31, 2003, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by an unaffiliated bank for 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

Note 3 - PROPERTY TAXES (Continued)

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 \$9.79 per \$1,000 of assessed valuation on property within Recreation District No. 11 for the purpose of constructing, maintaining and operating recreational facilities within the District. 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:

| | |
|---|--------------------------|
| State of Louisiana - State revenue sharing | \$ 31,145 |
| Terrebonne Parish Tax Collector - December, 2003 collections remitted to the District in January, 2004 | |
| Ad valorem taxes | 540,264 |
| State revenue sharing | 15,572 |
| Terrebonne Parish Consolidated Government | <u>26,151</u> |
| Total | <u>\$ 613,132</u> |

Note 5 - CHANGES IN CAPITAL ASSETS

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

| | <u>Balance January 1, 2003</u> | <u>Additions</u> | <u>Balance December 31, 2003</u> * |
|--|--|--------------------|--|
| Capital assets not being depreciated: | | | |
| Land | \$ 176,676 | \$ - | \$ 176,676 |
| Capital assets being depreciated: | | | |
| Buildings | 1,570,098 | - | 1,570,098 |
| Improvements other than building | 164,934 | 32,821 | 197,755 |
| Machinery and equipment | 352,192 | 9,479 | 361,671 |
| Furniture and fixtures | 23,623 | - | 23,623 |
| Vehicles | 58,205 | - | 58,205 |
| Total capital assets being depreciated | <u>2,169,052</u> | <u>42,300</u> | <u>2,211,352</u> |
| Less accumulated depreciation for: | | | |
| Buildings | (1,033,139) | (58,197) | (1,091,336) |
| Improvements other than building | (37,280) | (13,895) | (51,175) |
| Equipment | (122,539) | (29,758) | (152,297) |
| Furniture and Fixtures | (21,095) | (929) | (22,024) |
| Vehicles | (43,154) | (6,946) | (50,100) |
| Total accumulated depreciation | <u>(1,257,207)</u> | <u>(109,725)</u> | <u>(1,366,932)</u> |
| Total capital assets being depreciated, net | <u>911,845</u> | <u>(67,425)</u> | <u>844,420</u> |
| Total capital assets, net | <u>\$ 1,088,521</u> | <u>\$ (67,425)</u> | <u>\$ 1,021,096</u> |

Note 6 - LONG-TERM OBLIGATIONS

At December 31, 2003, the District had outstanding certificates of indebtedness totaling \$95,000. The certificates bear interest at 4.55% and are payable through March 1, 2006. The certificates are secured by a pledge and dedication of the excess of annual revenues above statutory, necessary and usual charges in each of the fiscal years during which the certificates are outstanding.

Note 6 - 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, 2003:

| | |
|---|------------------|
| Certificates of indebtedness payable at January 1, 2003 | \$125,000 |
| Certificates of indebtedness retired | <u>30,000</u> |
| Certificates of indebtedness payable at December 31, 2002 | <u>\$ 95,000</u> |

The requirements to amortize certificates of indebtedness outstanding at December 31, 2003 are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------|-----------------|------------------|
| 2004 | \$ 30,000 | 3,640 | 33,640 |
| 2005 | 30,000 | 2,275 | 32,275 |
| 2006 | <u>35,000</u> | <u>796</u> | <u>35,796</u> |
| Totals | <u>\$95,000</u> | <u>\$ 6,711</u> | <u>\$101,711</u> |

Note 7 - DEFINED BENEFIT PENSION PLAN

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

Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy - Plan members are required to contribute 3.00% of their annual covered salary less \$100 per month and the District is required to contribute at an actuarially determined rate. The current rate is 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 \$4,140, \$2,474 and \$2,735, respectively, equal to the required contributions for each year.

Note 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters and group health benefits for which the District 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 such factors as its operations and maintenance budget, exposure and claims experience. The Premiums for workers' compensation based on a fixed percentage of payroll. The District's premiums for group health insurance are based on a fixed rate per employee. The premiums for auto liability are based on the claims experience, vehicle type and mileage. The premiums for property are based on the District's property value to the total of all the 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 below:

| <u>Policy</u> | <u>Coverage Limits</u> |
|-----------------------|----------------------------|
| General Liability | \$6,500,000 |
| Workers' Compensation | Statutory |
| Property | \$100,100,000 |
| Auto Liability | \$6,500,000 |

Note 8 - RISK MANAGEMENT (Continued)

Coverage for general liability claims in excess of the stated limits above 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. The aggregate deductible of all group claims for 2002 was \$8,550,420. Insurance contracts cover 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 on individual claims. At December 31, 2003, the District had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverage during the year ended December 31, 2003 totaled \$94,838.

Note 9 - RELATED PARTY FEES AND EXPENDITURES

In addition to the placement of various insurances, the District utilizes the Parish for the processing of payroll and purchasing of operating expenditures. The following is a summary of expenditures (including insurance) the District paid the Parish as reimbursement of costs:

| | |
|----------------------------|------------------|
| Personal services | \$267,233 |
| Supplies and materials | 11,649 |
| Other services and charges | 9,180 |
| Repairs and maintenance | <u>1,542</u> |
| Total | <u>\$289,604</u> |

Note 10 - 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> |
|----------------------|--|-----------------|
| Kirby Bonvillain | 21 | \$120 |
| Gwendolyn Chapman | 14 | 120 |
| Tony Fazio | 6 | 40 |
| Keith Gallicio | 21 | 120 |
| Amos Mosely | 18 | 120 |
| Sidney Smith | 23 | 120 |
| C.J. Soufflet | 18 | 120 |
| Joseph Thompson, Jr. | 18 | <u>120</u> |
| Total | | <u>\$880</u> |

SUPPLEMENTARY INFORMATION SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 11,
Houma, Louisiana.

Our report on our audit of the basic financial statements of Terrebonne Parish Recreation District No. 11 (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. 11 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 15, 2004.

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Houma, LA 70361-2168
Phone (985) 868-0139
Fax (985) 879-1949

Certified Public Accountants | P.O. Box 60600
| New Orleans, LA 70160-0600
A Limited Liability Company | Heritage Plaza, 17th Floor
| Phone (504) 831-4949
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507-d St. Philip Street
P.O. Box 1205
Thibodaux, LA 70302-1205
Phone (985) 447-5243

SCHEDULE OF GOVERNMENTAL FUND REVENUES AND EXPENDITURES**Terrebonne Parish Recreation District No. 11**

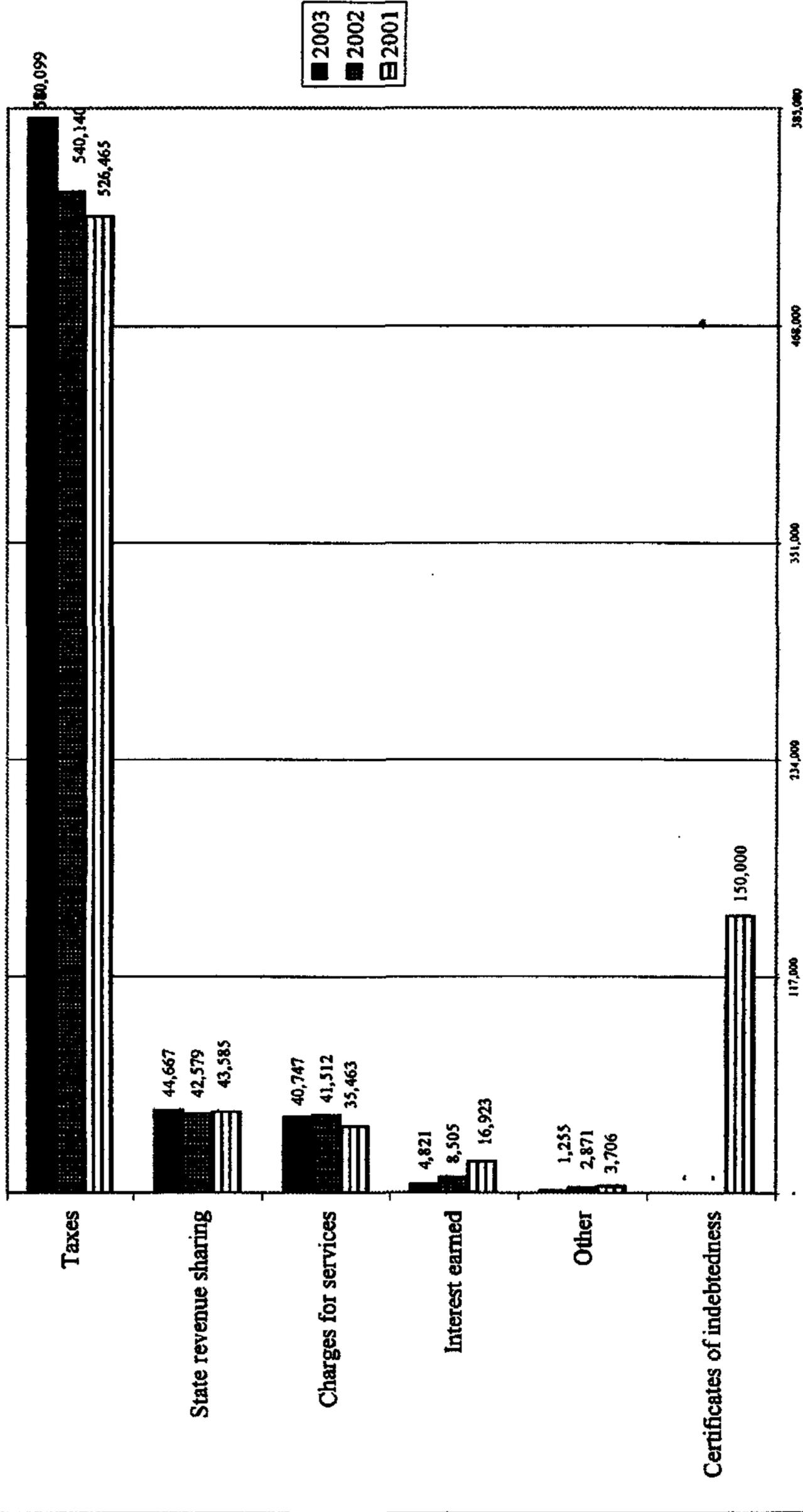
For the years ended December 31, 2003, 2002 and 2001

| | <u>2003</u> | <u>2002</u> | <u>2001</u> |
|------------------------------|--------------------------|--------------------------|--------------------------|
| Revenues | | | |
| Taxes | \$ 580,099 | \$ 540,140 | \$ 526,465 |
| State revenue sharing | 44,667 | 42,579 | 43,585 |
| Charges for services | 40,747 | 41,512 | 35,463 |
| Interest earned | 4,821 | 8,505 | 16,923 |
| Other | 1,255 | 2,871 | 3,706 |
| Certificates of indebtedness | - | - | 150,000 |
| Total revenues | <u>\$ 671,589</u> | <u>\$ 635,607</u> | <u>\$ 776,142</u> |
| Expenditures | | | |
| General government | 34,055 | 27,034 | 51,995 |
| Personal services | 269,402 | 233,746 | 216,049 |
| Supplies and materials | 73,518 | 59,875 | 82,479 |
| Other services and charges | 139,152 | 103,334 | 114,944 |
| Repairs and maintenance | 138,666 | 66,625 | 104,334 |
| Debt service | 35,005 | 33,550 | - |
| Capital outlay | 42,300 | 30,573 | 178,585 |
| Total expenditures | <u>\$ 732,098</u> | <u>\$ 554,737</u> | <u>\$ 748,386</u> |

GOVERNMENTAL FUND REVENUES

Terrebonne Parish Recreation District No. 11

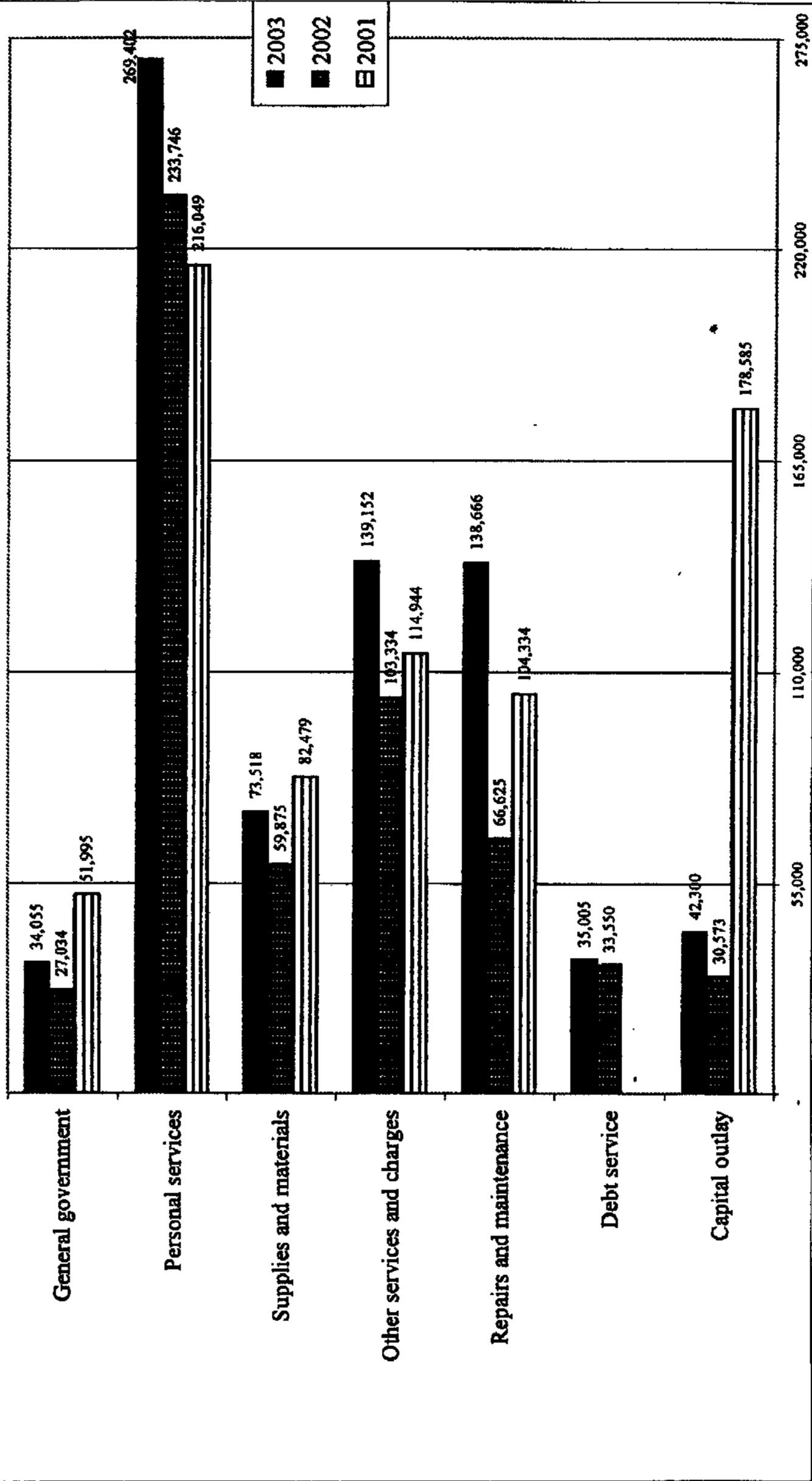
For the years ended December 31, 2003, 2002 and 2001



GOVERNMENTAL FUND EXPENDITURES

Terrebonne Parish Recreation District No. 11

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. 11,
Houma, Louisiana

We have audited the basic financial statements of Terrebonne Parish Recreation District No. 11 (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 15, 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, 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. 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 15, 2004.

SCHEDULE OF FINDINGS

Terrebonne Parish Recreation District No. 11

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. 11 did not receive federal awards 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. 11

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 ending December 31, 2002.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 11 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. 11

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, 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. 11 did not receive federal awards during the year ended December 31, 2003.

Section III Management Letter

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