

Financial Report

Terrebonne Parish Recreation District No. 7

Chauvin, Louisiana

December 31, 2001

TABLE OF CONTENTS

Terracehouse Parish Recreation District No. 7

December 31, 2001

	Exhibits	Page Number
Introductory Section		
Title Page		i
Table of Contents		ii - iii
Financial Section		
Independent Auditor's Report		1 - 2
Combined Balance Sheet - Governmental Fund Type and Account Groups	A	3
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund Type - General Fund	B	4
Notes to Financial Statements	C	5 - 13
Schedules		
Supplementary Information Section		
Independent Auditor's Report on Additional Information		14
Schedule of Revenues and Expenditures for the Years Ended December 31, 2000, 2000 and 1999	1	15
Graph of Revenues for the Years Ended December 31, 2000, 2000 and 1999	2	16
Graph of Expenditures for the Years Ended December 31, 2000, 2000 and 1999	3	17

TABLE OF CONTENTS
(Continued)

	Page Number
Special Reports Of Certified Public Accountants	
Report on Compliance and an Internal Control Over Financial Reporting Based on an Audit of General-Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	18 - 19
Schedule of Findings	20 - 21
Reports By Management	
Schedule of Prior Year Findings	22
Management's Correction Action Plan	23

FINANCIAL SECTION



Board of Directors

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 7,
Charvin, Louisiana

We have audited the accompanying general-purpose financial statements of Terrebonne Parish Recreation District No. 7 (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Terrebonne Parish Recreation District No. 7 as of December 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

104 West Esplanade, Suite 401
P. O. Box 1188
Thibodaux, Louisiana 70310
Phone: (504) 885-1100
Fax: (504) 885-1101

Arthur Andersen
Accounting, Taxation,
Assurance, Advisory Services

100 N. 3rd Street
Thibodaux, Louisiana 70310
Thibodaux Plaza, Suite 100
Thibodaux, Louisiana 70310
Phone: (504) 885-1100
Fax: (504) 885-1101

104 West Esplanade, Suite 401
P. O. Box 1188
Thibodaux, Louisiana 70310
Phone: (504) 885-1100

In accordance with Government Auditing Standards, we have also issued our report dated May 18, 2002 in our consideration of Terrebonne Parish Recreation District No. 7'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, LLC

Certified Public Accountants

Houma, La.
May 18, 2002.

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

Troyesboro Parish Recreation District No. 7

December 31, 2004

	Governmental Fund Type	Account Groups		Total (Interfund only)
		General Fund	Capital Long-Term Obligations	
ASSETS AND OTHER DEBITS				
Assets				
Cash	\$ 14,779	\$ -	\$ -	\$ 14,779
Investments	30,000	-	-	30,000
Receivable - taxes	84,856	-	-	84,856
Due from other governmental units	102,940	-	-	102,940
Other	418	-	-	418
Fund assets	-	1,023,140	-	1,023,140
Other Debits				
Amount to be provided for retirement of general long-term obligations	-	-	73,981	73,981
Total assets and other debits	\$ 282,000	\$ 1,023,140	\$ 73,981	\$ 1,379,121
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable and accrued expenditures	\$ 4,960	-	\$ -	\$ 4,960
Deferred revenues	247,402	-	-	247,402
Due to Troyesboro Parish Consolidated Government	2,127	-	76,981	79,111
Total liabilities	254,489	-	76,981	331,470
Equity and Other Credits				
Investment in general fund assets	-	\$ 1,023,140	-	1,023,140
Fund balance - unrestricted	28,711	-	-	28,711
Total equity and other credits	28,711	1,023,140	-	1,051,851
Total liabilities, equity and other credits	\$ 283,200	\$ 1,023,140	\$ 76,981	\$ 1,379,321

See notes to financial statements.

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

Troyesboro Parish Recreation District No. 7

For the year ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 111,750	\$ 203,761	\$ 13
Intergovernmental			
State of Louisiana			
State revenue sharing	14,300	10,341	40
Change in services	14,170	10,216	840
Miscellaneous:			
Interest	4,000	4,200	200
Other	1,200	1,450	250
Total revenues	<u>147,220</u>	<u>229,778</u>	<u>1,053</u>
Expenditures			
Current			
General Government:			
All salaries (no adjustment)	48,800	43,774	436
All salaries (no-deductions)	5,000	5,111	45
Total general government	<u>53,800</u>	<u>48,885</u>	<u>491</u>
Culture and Recreation:			
Personnel services	55,100	50,568	4,532
Supplies and materials	37,800	34,380	3,420
Other services and charges	48,200	71,741	23,541
Supplies and equipment	13,800	10,079	3,721
Capital expenditures	5,800	7,142	(1,342)
Total culture and recreation	<u>159,700</u>	<u>173,906</u>	<u>14,200</u>
Debt Service			
Principal retirement	<u>12,100</u>	<u>11,150</u>	<u>950</u>
Total expenditures	<u>285,600</u>	<u>333,941</u>	<u>48,341</u>
Deficiency of revenues and expenditures	(35,401)	(30,450)	14,943
Other Financing Sources			
Proceeds of general fund assets disposition	_____	20	20
Deficiency of Revenues and Other Financing Sources Over Expenditures	<u>(35,401)</u>	<u>(30,450)</u>	<u>14,943</u>
Fund Balance			
Beginning of year	<u>40,151</u>	<u>40,151</u>	<u>-</u>
End of year	<u>\$ 11,748</u>	<u>\$ 28,701</u>	<u>\$ 16,953</u>
See notes to financial statements			

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Recreation District No. 7**

December 31, 2001

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Recreation District No. 7 (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, 2001.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

Governmental Funds

Governmental Funds are those through which the governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the District:

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

Account Groups

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

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

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

c) Basis of Accounting

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

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All valuation taxes and the related state revenue sharing (Intergovernmental revenues) are recorded as revenues in the period for which levied, thus the 2001 property taxes which are being levied to finance the 2002 budget will be

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Accounting (Continued)

recognized as revenue in 2012. The 2001 tax levy is recorded as deferred revenue in the Director's 2001 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 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 obligations which is recognized when due.

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 these estimates.

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 99:1309, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The Board, as allowed by state law, does not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget twice for 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 OIAP.

f) Accounts Receivable

The financial statements of the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Investments

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

h) Fixed Assets

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

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

Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Fixed assets with an estimated historical cost amounted to approximately \$11,500 or 1% of the total General Fixed Assets Account Group. Donated fixed assets are valued at their estimated fair value on the date donated.

i) Long-Term Obligations

The accounting and reporting treatment applied to the long-term obligations associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are used to present a summary of sources and uses of "available spendable resources" during a period.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Obligations Account Group, not in the governmental funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Long-Term Obligations (Continued)

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

j) Vacation and Sick Leave

Full-time employees receive two weeks vacation. There is no material unpaid vacation at December 31, 2001.

The District does not have a sick leave policy.

k) Encumbrances

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

l) Memorandum Only - Total Column

The total column on the general-purpose financial statements is captioned "Memorandum Only" because it does not represent consolidated financial information and is presented only to facilitate financial analysis. The column does not present information that reflects financial position or results of operations in accordance with accounting principles generally accepted in the United States of America. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - DEPOSITS

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

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the fair value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Note 2 - DEPOSITS (Continued)

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agent but not in the District's name and deposits which are uninsured or uncollateralized.

The year-end balances of deposits are as follows:

	Bank Balances Risk Category			Book Balance
	1	2	3	
Cash	\$17,714	\$-	\$-	\$ 14,779
Investments:				
Certificates of deposit	<u>20,000</u>	-	-	<u>20,000</u>
Totals	<u>\$37,714</u>	<u>\$-</u>	<u>\$-</u>	<u>\$34,779</u>

At December 31, 2001, cash and certificates of deposit were not in excess of the FDIC insurance.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The 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, 2001 was \$7.88 per \$1,000 of assessed valuation on property within Recreation District No. 7 for the purpose of constructing, maintaining and

Note 2 - PROPERTY TAXES (Continued)

operating recreational facilities within the District. As indicated in Note 1c, taxes levied November 1, 2001 are for budgeted expenditures in 2002 and will be recognized as revenues in 2002.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2001 consisted of the following:

State of Louisiana - State revenue sharing	\$ 5,008
Terrebonne Parish Tax Collector - December, 2001 collections remitted to the District in January, 2002:	
Ad valorem taxes	148,034
State revenue sharing	<u>4,328</u>
Total	\$162,246

Note 5 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance January 1, 2001	Additions	Balance December 31, 2001
Land and buildings	\$ 849,431	\$ -	\$ 849,431
Machinery and equipment	118,046	5,760	124,406
Office furniture, fixtures and equipment	<u>47,726</u>	<u>1,382</u>	<u>49,208</u>
Totals	\$1,015,203	\$7,142	\$1,022,345

Note 6 - LONG-TERM OBLIGATIONS

At December 31, 2001, the District had an outstanding interest free loan from the Terrebonne Parish Consolidated Government. The following is a summary of changes in the obligations of the District for the year ended December 31, 2001.

	Payable January 1, 2001	Debt Retirement	Payable December 31, 2001
Terrebonne Parish Consolidated Government	\$86,315	\$12,330	\$73,985

The annual requirements to amortize the obligations outstanding at December 31, 2001 are as follows:

Year	Principal
2002	\$12,330
2003	12,330
2004	12,330
2005	12,330
2006	12,330
2007	<u>12,335</u>
Total	<u>\$73,985</u>

Note 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers compensation, theft, 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 and group insurance. No settlements were made during the year that exceeded the District's insurance coverage. The District pays monthly premiums to the Parish for general liability based on various factors such as its operations and maintenance budget, exposure and claims experience. The premiums for workers' compensation are based on a fixed percentage of payroll. The premiums for group insurance are based on a fixed rate per employee. The 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 on the following page:

Note 7 - RISK MANAGEMENT (Continued)

Policy	Coverage Limits
General Liability	\$5,500,000
Workers' Compensation	Statutory

Coverage for general liability claims in excess of the above stated limits are to be funded first by assets of the Parish's general liability internal service fund, \$1,431,879 at December 31, 2008, 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 2008 was \$7,895,826. 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 claims liabilities are to be funded first by assets of the Parish's group health internal service fund, \$17,928 at December 31, 2008, then secondly by the District or the employee for individual claims in excess of \$1,000,000. At December 31, 2008 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, 2008 totaled \$16,327.

Note 8 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 2008:

Board Members	Number of Meetings Attended	Per Diem
Jay Duglansic	9	\$ 90
Nicky Lincic	9	90
Howard Pellegrin	6	60
Edna Raymond	3	30
Nellie Smith	9	90
Barry Soudelier	8	80
Donald Tison	4	40
Total		\$480

SUPPLEMENTARY INFORMATION SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 7,
Houma, Louisiana.

Our report on our audit of the general-purpose financial statements of Terrebonne Parish Recreation District No. 7 (the District) for the year ended December 31, 2001, appears on page 1. That audit was conducted for the purpose of forming an opinion on such financial statements taken as a whole. The information contained in the schedule of revenues and expenditures and graphs of revenues and expenditures for the year ended December 31, 2001 is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements for the year ended December 31, 2001, 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 balance sheets of Terrebonne Parish Recreation District No. 7 as of December 31, 2000 and 1999, and the related statements of revenues, expenditures and changes in fund balance for each of the two years in the period ended December 31, 2000 (none of which is presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the information presented in the schedule of revenues and expenditures and graphs of revenues and expenditures for the years ended December 31, 2000 and 1999 is fairly stated in all material respects in relation to the general-purpose financial statements from which it has been derived.

Bourgeois Bennett, LLC.

Certified Public Accountants

Houma, La.,
May 10, 2002.

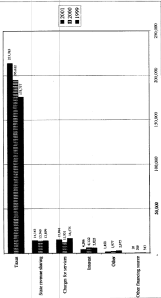
SCHEDULE OF REVENUES AND EXPENDITURES**Terrebonne Parish Recreation District No. 7**

For the years ended December 31, 2001, 2000 and 1999

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Revenues			
Taxes	\$ 213,760	\$ 185,023	\$ 173,757
State revenue sharing	14,145	13,560	13,899
Charges for services	13,600	11,951	16,375
Interest	4,206	8,022	3,825
Other	1,450	1,977	2,675
Other financing source	20	200	343
	<u>\$ 248,181</u>	<u>\$ 224,833</u>	<u>\$ 213,074</u>
Expenditures			
General government	\$ 51,705	\$ 4,850	\$ 16,686
Personal services	90,988	87,359	81,112
Supplies and materials	36,780	32,251	24,028
Other services and charges	57,941	34,772	62,423
Repairs and maintenance	10,974	3,403	9,006
Capital expenditures	7,342	18,081	25,347
Debt service	10,339	13,370	10,338
	<u>\$ 269,049</u>	<u>\$ 218,116</u>	<u>\$ 231,543</u>

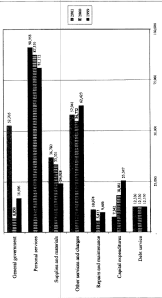
REVENUES**Terrebonne Parish Recreation District No. 7**

For the years ended December 31, 2001, 2000 and 1999



EXPENDITURES**Terrebonne Parish Recreation District No. 7**

For the year ended December 31, 2001, 2000 and 1999



SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



McGraw-Hill Business

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

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 7,
Chauvin, Louisiana.

We have audited the general-purpose financial statements of Terrebonne Parish Recreation District No. 7 (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2001, and have issued our report thereon dated May 10, 2002. 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 general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards, which is described in the accompanying schedule of findings as 81-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might

be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation 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.

Bouvier Bennett, LLC

Certified Public Accountants

Monroe, La.,
May 18, 2003.

SCHEDULE OF FINDINGS

Terrebonne Parish Recreation District No. 7

For the year ended December 31, 2001

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? X yes ___ no

b) Federal Awards

Terrebonne Parish Recreation District No. 7 did not receive federal awards during the year ended December 31, 2001.

Section II Financial Statement Findings

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 2001.
No reportable conditions were noted during the audit for the year ended December 31, 2001.

Compliance

- 01-1 **Criteria** - Louisiana Revised Statute 33:346 requires that surety bond coverage be maintained for all persons receiving or disbursing funds, and all other responsible persons.

SCHEDULE OF FINDINGS

(Continued)

Terrebonne Parish Recreation District No. 7

For the year ended December 31, 2001

Section II Financial Statement Findings (Continued)

69-1 (Continued)

Condition - The District failed to obtain the proper surety bond coverage during the year.

Questioned Cost - None

Context - Not applicable.

Effect - The District's assets were not insured for misuse of public funds.

Cause - The District made an oversight of this state law.

Recommendation - The District should obtain the necessary surety bond coverage required by state law immediately.

Views of Responsible Officials of the Auditor when there is Disagreement with the Finding, to the Extent Practical - None

Section III Federal Award Findings and Questioned Costs

No applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Terrebonne Parish Recreation District No. 7

For the Year ended December 31, 2001

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

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2000.
No reportable conditions were reported during the audit for the year ended December 31, 2000.

Compliance

00-1 **Recommendation** - The District should obtain the necessary surety bond coverage required by state law immediately.

Management's Response - Efforts are currently underway to obtain surety bond coverage for the appropriate periods. Unresolved, see finding 00-1.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 7 did not receive federal awards during the year ended December 31, 2000.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2000.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Recreation District No. 7

For the year ended December 31, 2001

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

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2001. No reportable conditions were reported during the audit for the year ended December 31, 2001.

Compliance

01-1 **Recommendation** - The District should obtain the necessary surety bond coverage required by state law immediately.

Management's Response - Efforts are currently underway to obtain surety bond coverage for the appropriate persons.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 7 did not receive federal awards during the year ended December 31, 2001.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2001.