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Financial Report

Terrebonne Parish Recreation District No. 11

Houma, Louisiana

For the year ended December 31, 2011

TABLE OF CONTENTS

Terrebonne Parish Recreation District No. 11

For the Year Ended December 31, 2011

TABLE OF CONTENTS
(Continued)

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and the major funds of Terrebonne Parish Recreation District No. 11, State of Louisiana (the District), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Terrebonne Parish Recreation District No. 11 as of December 31, 2011, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated April 25, 2012 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 agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the

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results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Funding Progress for the OPEB Plan on pages 3 through 8 and 31, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required but the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana
April 25, 2012.

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, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District's assets exceeded its liabilities at the close of fiscal year 2011 by $2,386,718 (net assets), which represents a 4.36% increase from last fiscal year.

The District's revenue decreased $8,543 (or .64%) primarily due to decreases in intergovernmental revenue from Terrebonne Parish Consolidated Government.

The District's expenses increased $66,390 (or 5.69%) because of increases in personal services, supplies and materials, other services and charges and repairs and maintenance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The 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 of the 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.

Fund Financial Statements

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

Governmental Funds

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

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Capital Projects Fund, and the Debt Service 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 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, 2011, assets exceeded liabilities by $2,386,718.

Receivables and due from other governmental units total $1,211,086 and primarily represent receivables for ad valorem taxes and state revenue sharing assessed in November 2011 to be collected in 2012.

The liabilities associated with the District are accounts payable, accrued expenditures due to Terrebonne Parish Consolidated Government and long-term obligations. Unearned revenue, related to taxes assessed in 2011, will be recognized as revenue in 2012.

Condensed Statements of Net Assets

	December 31, 2011	December 31, 2010	Dollar Change	Total Percent Change
Current and other assets	$ 1,335,417	$ 1,240,956	$ 94,461	7 61%
Capital assets	2,928,757	3,016,585	(87,828)	-2 91%
Total assets	4,264,174	4,257,541	6,633	0 16%
Current liabilities	1,276,189	1,279,536	(3,347)	-0.26%
Long-term obligations	601,267	691,085	(89,818)	-13 00%
Total liabilities	1,877,456	1,970,621	(93,165)	-4.73%
Net assets (deficit):				
Invested in capital assets	2,383,521	2,373,325	10,196	0.43%
Unrestricted	3,197	(86,405)	89,602	-103 70%
Total net assets	$ 2,386,718	$ 2,286,920	$ 99,798	4.36%

Current and other assets increased as current year revenues exceeded expenses. Capital assets decreased as the District had to restrict capital expenditures to due limited funds. Liabilities decreased mainly because of the District not having as much payables in the current year.

Governmental Activities

Governmental activities increased the District's net assets by $99,798. Key elements of this increase are as follows:

Condensed Changes in Net Assets

	For the Year Ended December 31, 2011	For the Year Ended December 31, 2010	Dollar Change	Total Percent Change
Revenues:				
Ad valorem taxes	$ 1,165,772	$ 1,145,793	$ 19,979	1.74%
Intergovernmental	96,268	142,727	(46,459)	-32.55%
Charges for services	69,377	50,839	18,538	36.46%
Miscellaneous	2,515	3,116	(601)	-19.29%
Total revenues	1,333,932	1,342,475	(8,543)	-0.64%
Expenses:				
General government	46,671	49,937	(3,266)	-6.54%
Culture and recreation	1,173,338	1,103,084	70,254	6 37%
Debt Service	14,125	14,723	(598)	-4.06%
Total expenses	1,234,134	1,167,744	66,390	5.69%
Increase in net assets	99,798	174,731	(74,933)	-42.88%
Net assets beginning of year	2,286,920	2,112,189	174,731	8 27%
Net assets end of year	$ 2,386,718	$ 2,286,920	$ 99,798	4 36%

Ad valorem revenue increased slightly due to increased or new property valuations. Intergovernmental revenues decreased because the District received fewer funds from TPCG and did not receive FEMA revenue. Charges for services revenues increased as the District held more tournaments increasing the availability to sell more concessions in 2011 Culture and recreation expenses increased by $70,254. This increase was primarily due to increases in supplies, materials, and personal services. The increase relates to mainly to the concessions bought for the added tournaments and the personnel to work the tournaments.

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, unrestricted 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 an ending balance of $59,089, an increase of $99,284 in comparison with the prior year.

General Fund Budgetary Highlights

The budget was amended once 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

- Increased taxes by $59,900 to approximate cash received.
- Increased charges for services by $12,100 to reflect increased concession sales

Expenditures

- Decreased capital outlay by $5,500 to adjust for projects not worked on in 2011.
- Supplies and materials Increased by $5,800 due to the increased need for concession supplies
- Other services and charges decreased by $16,890 primarily due to decreased utility charges.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets for its governmental activities as of December 31, 2011, amounts to $2,928,757 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than building, machinery and equipment, furniture and fixtures and vehicles (see table below).

	2011	2010
Land	$ 175,021	$ 176,676
Construction in progress	34,554	881,045
Buildings	2,395,882	2,356,843
Improvements other than buildings	1,981,765	1,087,513
Machinery and equipment	546,905	614,544
Furniture and fixtures	21,521	26,039
Vehicles	59,366	59,366
Totals	$ 5,215,014	$ 5,202,026

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

- Completed interior renovations of gyms.
- Began architectural and electrical drawings of Mechanicville press box
- Began measurements and project scope on Dumas baseball park lights

Construction-in-progress consists of and professional fees for the press box and baseball park lights. Additional information on the District's capital assets can be found in Note 5, Exhibit F of this report.

Long-term Obligations

At December 31, 2011, the District had $601,267 in long-term obligations. This includes Certificates of Indebtedness, Series 2009 that were issued in 2010 for $650,000 and reduced for $100,000 principal payments to an outstanding balance of $550,000 More detailed information about the District's long-term debt is presented in Note 6, Exhibit F of this report. The District has also recognized an obligation of $51,267 for other postemployment benefits, see further explanation of this obligation in Note 7.

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 is the estimated amount of the November 2011 tax assessment, which the District will receive, for the most part, in January 2012.

- Interest revenues are budgeted with an anticipation of a decrease in interest rates due to investing in the LAMP fund and with the expenditure of several large-dollar items in 2012 which can result in fewer funds available for investing purposes.
- Expenditures have been budgeted carefully to include the bare necessity of operating costs i.e., utilities, repairs, employee wages, etc. and are basically anticipated to remain in line with 2011 with the exception of capital expenditures
- Capital expenditures include the amount of $200,000 which includes construction projects slated for completion during the year ending December 31, 2012. Also included are funds which can be designated by the Board for specific items/projects.

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, 2011

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Exhibit B)	Statement of Net Assets
Assets						
Cash	$ 26,157			$ 26,157		$ 26,157
Investments	93,410			93,410		93,410
Receivables						
Taxes	117,215			117,215		117,215
Due from other governmental units	1,093,871			1,093,871		1,093,871
Deferred debt issuance cost	-			-	$ 4,764	4,764
Capital assets						
Non-depreciable	-			-	209,575	209,575
Depreciable, net of accumulated depreciation	-			-	2,719,182	2,719,182
Total assets	$ 1,330,653	$ -	$ -	$ 1,330,653	2,933,521	4,264,174
Liabilities						
Accounts payable and accrued expenditures	$ 7,485			$ 7,485	4,625	12,110
Due to Terrebonne Parish Consolidated Government	10,294			10,294	-	10,294
Unearned revenue	1,253,785			1,253,785	-	1,253,785
Long Term Obligations						
Due within one year	-			-	100,000	100,000
Due in more than one year	-			-	501,267	501,267
Total liabilities	1,271,564			1,271,564	605,892	1,877,456
Fund Balance/Net Assets						
Fund Balance						
Unassigned	59,089			59,089	(59,089)	-
Total liabilities and fund balance	$ 1,330,653	$ -	$ -	$ 1,330,653		
Net assets						
Invested in capital assets, net of related debt					2,383,521	2,383,521
Unrestricted					3,197	3,197
Total net assets					$ 2,386,718	$ 2,386,718

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, 2011

Fund Balance - Governmental Fund		$ 59,089
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	$ 5,215,014	
Less accumulated depreciation	(2,286,257)	2,928,757
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Deferred debt issuance costs	6,740	
Less current year amortization	(1,976)	4,764
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.		
Certificates of indebtedness payable	(550,000)	
Accrued interest payable	(4,625)	
Other postemployment benefit obligations	(51,267)	(605,892)
Net Assets of Governmental Activities		$ 2,386,718

See notes to financial statements

Exhibit C

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, 2011

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Exhibit D)	Statement of Activities
Revenues						
Taxes	$ 1,165,772			$ 1,165,772		$ 1,165,772
Intergovernmental						
State of Louisiana						
State revenue sharing	44,040			44,040		44,040
Terrebonne Parish Consolidated Government	52,228			52,228		52,228
Charges for services	69,377			69,377		69,377
Miscellaneous						
Interest	2,429			2,429		2,429
Other	86			86		86
Total revenues	1,333,932			1,333,932		1,333,932
Expenditures/Expenses						
Current						
General government						
Ad valorem tax adjustment	5,853			5,853		5,853
Ad valorem tax deductions	40,818			40,818		40,818
Total general government	46,671			46,671		46,671
Culture and recreation						
Personal services	383 957			383,957	$ 10,182	394,139
Supplies and materials	57,709			57,709	-	57,709
Other services and charges	219,493			219,493	52,668	272,161
Repairs and maintenance	268,117			268,117	-	268,117
Depreciation and amortization	-			-	181,212	181,212
Total culture and recreation	929,276			929,276	244,062	1,173,338
Debt Service						
Principal Retirement	-	$ 100,000		100,000	(100,000)	-
Interest and fiscal charges	-	14,625		14,625	(500)	14,125
Total debt service	-	114,625		114,625	(100,500)	14,125
Capital outlay	129,404	-	$ 14,672	144,076	(144,076)	-
Total expenditures/expenses	1,105,351	114,625	14,672	1,234,648	(514)	1,234,134
Excess (deficiency) of revenues over expenditures	228,581	(114,625)	(14,672)	99,284	(99,284)	-
Other Financing Sources (Uses)						
Transfers in	-	114,625	14,672	129,297	(129,297)	-
Transfers out	(129,297)	-	-	(129,297)	129,297	-
Total other financing sources (uses)	(129,297)	114,625	14,672	-	-	-
Excess of Revenues and Other Financing Sources Over Expenditures	99,284	-	-	99,284	(99,284)	-
Change in Net Assets	-	-	-	-	99,798	99,798
Fund Balance (Deficit)/Net Assets						
Beginning of year	(40,195)	-	-	(40,195)	2,327,115	2,286,920
End of year	$ 59,089	$ -	$ -	$ 59,089	$ 2 327 629	$ 2,386,718

See notes to financial statements

Exhibit D

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, 2011

Net Change in Fund Balance - Governmental Fund		$ 99,284
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	$ 144,076	
Depreciation expense	(179,236)	
Loss on disposal of assets	(52,668)	(87,828)
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 payment	100,000	
Amortization of deferred debt issuance costs	(1,976)	98,024
Some expenditures reported in the statement of activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Derease in accrued interest payable		500
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund		
Other postemployment benefit obligations		(10,182)
Change in Net Assets of Governmental Activities		$ 99,798

See notes to financial statements

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

Terrebonne Parish Recreation District No. 11

For the year ended December 31, 2011

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	$ 1,092,700	$ 1,152,600	$ 1,165,772	$ 13,172
Intergovernmental				
State of Louisiana:				
State revenue sharing	46,000	44,000	44,040	40
Terrebonne Parish Consolidated Government	29,000	31,000	52,228	21,228
Charges for services	57,400	69,500	69,377	(123)
Miscellaneous				
Interest	1,100	550	2,429	1,879
Other	100	100	86	(14)
Total revenues	1,226,300	1,297,750	1,333,932	36,182
Expenditures				
Current				
General government:				
Ad valorem tax adjustment	10,000	10,000	5,853	4,147
Ad valorem tax deductions	15,000	15,000	40,818	(25,818)
Total general government	25,000	25,000	46,671	(21,671)
Culture and recreation				
Personal services	384,300	378,150	383,957	(5,807)
Supplies and materials	48,200	54,000	57,709	(3,709)
Other services and charges	240,500	223,610	219,493	4,117
Repairs and maintenance	181,000	265,108	268,117	(3,009)
Total culture and recreation	854,000	920,868	929,276	(8,408)
Capital outlay	200,000	194,500	129,404	65,096
Total expenditures	1,079,000	1,140,368	1,105,351	35,017
Excess of revenues over expenditures	147,300	157,382	228,581	71,199
Other Financing Uses				
Transfers out	(114,625)	(114,625)	(129,297)	14,672
Excess of Revenues Over Expenditures and Other Financing Uses	32,675	42,757	99,284	56,527
Fund Balances (Deficit)				
Beginning of year	(40,195)	(40,195)	(40,195)	-
End of year	$ (7,520)	$ 2,562	$ 59,089	$ 56,527

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS

Terrebonne Parish Recreation District No. 11

December 31, 2011

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, 2011.

GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units- an amendment of GASB Statement No. 14* established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.

2. Whether the governing authority appoints a majority of the board members of the potential component unit.

3. Fiscal interdependency between the District and the potential component unit.

4. Imposition of will by the District on the potential component unit.

5. Financial benefit/burden relationship between the District and the potential component unit.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (continued)

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 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.

Fund Financial Statements:

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

General Fund - The General Fund is the general operating fund of the District. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund is always a major fund.

Debt Service Fund - The Debt Service Fund is used to account for and report the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs. The Debt Service Fund is reported as a major fund.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition, construction, and renovation of major capital facilities. The Capital Projects Fund is reported as a major fund.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 2011 property taxes which are being levied to finance the 2012 budget will be recognized as revenue in 2012. The 2011 tax levy is recorded as unearned revenue in the District's 2011 financial statements. Charges for services are recorded when earned since they are measurable and available. Management has determined interest income earned in the current period is susceptible to the accrual method. Other 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from on function to another or increases in expenditure 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 financial statements.

The original General Fund budget resulted in a budgeted deficit fund balance at December 31, 2011.

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 during the year consisted of investments in Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7allows SEC – registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 donation. Capital assets with an estimated historical cost amounted to approximately $515,275 or 9.88% 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 buildings	5 - 20 years
Machinery and equipment	5 - 20 years
Furniture and fixtures	5 - 10 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 Obligations

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Government-wide Financial Statements:

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consists of Certificates of Indebtedness and other postemployment benefit obligations.

Fund Financial Statements:

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

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, 2011.

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.

b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Fund Equity (continued)

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, 2011 and for the year then ended, the District had no restricted net assets.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

a. Non-spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.

b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

c. Committed – amounts that can be used for specific purposes determined by a formal action of the District's Board of Commissioners. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the District's Board of Commissioners.

d. Assigned – amounts that do not meet the criteria to be classified or either restricted or committed but that are intended to be used for specific purposes.

e Unassigned – all other spendable amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available. The District's fund balance was classified as unassigned as of December 31, 2011.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I) New GASB Statements

During the year ending December 31,2011, the District implemented the following GASB Statement:

Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions.*" The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications there can be more consistently applied and by clarifying the existing governmental fund type definitions

Note 2 - DEPOSITS AND INVESTMENTS

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. 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.

The year-end balances of deposits are as follows·

	Bank Balances	Reported Amount
Cash	$ 66,919	$ 26,157

Custodial credit risk is the risk that in the event of a bank failure, the District' deposits may not be returned to it. The District has a written policy for custodial credit risk. As of December 31, 2011, none of the District's bank balance of $66,919 was exposed to custodial credit risk.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

During the year ended December 31, 2011, deposits were adequately collateralized in accordance with state law by FDIC insurance.

Investments:

State statutes authorizes the Board to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP)

As a means of limiting its exposure to fair value losses arising from interest rates, the District's investment policy emphasized maintaining liquidity to match specific cash flows.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy requires the application of the prudent-person rule. This policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of principal secondly to maintain liquidity to meet operating requirements and finally to obtain the most favorable rate of return*. The District's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAm.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP at December 31, 2011, amounted to $93,410

A reconciliation of deposits and investments as shown on the Statement of Net Assets is as follows:

Reported amounts of deposits	$	26,157
Reported amount of investments - LAMP		93,410
Total	$	119,567
Cash	$	26,157
Investments		93,410
Total	$	119,567

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, 2008. 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, 2011 was $10.00 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, 2011 are for budgeted expenditures in 2012 and will be recognized as revenues in 2012.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2011 consisted of the following:

State of Louisiana - State revenue sharing	$	28,828
Terrebonne Parish Tax Collector - December, 2011 collections remitted to the District in January, 2012		
Ad valorem taxes		1,050,629
State revenue sharing		14,414
Total	$	1,093,871

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
Capital assets not being depreciated:				
Land	$ 176,676		$ (1,655)	$ 175,021
Construction in progress	881,045	$ 34,554	(881,045)	34,554
Total capital assets not being depreciated	1,057,721	34,554	(882,700)	209,575
Capital assets being depreciated				
Buildings	2,356,843	39,039	-	2,395,882
Improvements other than buildings	1,087,513	938,487	(44,235)	1,981,765
Machinery and equipment	614,544	13,041	(80,680)	546,905
Furniture and fixtures	26,039	-	(4,518)	21,521
Vehicles	59,366	-	-	59,366
Total capital assets being depreciated	4,144,305	990,567	(129,433)	5,005,439
Less accumulated depreciation for				
Buildings	(1,513,914)	(50,252)	-	(1,564,166)
Improvements other than buildings	(294,698)	(85,660)	14,558	(365,800)
Equipment	(302,618)	(41,065)	59,344	(284,339)
Furniture and fixtures	(16,496)	(1,739)	4,518	(13,717)
Vehicles	(57,715)	(520)	-	(58,235)
Total accumulated depreciation	(2,185,441)	(179,236)	78,420	(2,286,257)
Total capital assets being depreciated, net	1,958,864	811,331	(51,013)	2,719,182
Total capital assets, net	$ 3,016,585	$ 845,885	$ (933,713)	$ 2,928,757

At December 31, 2011, construction in progress consisted of architectural and engineering fees for the Dumas baseball field lights and the Mechanicville press box projects.

Note 6 - LONG-TERM OBLIGATIONS

At December 31, 2011, the District had outstanding Certificates of Indebtedness (Series 2009) totaling $550,000 bearing interest of 2.58% which are repayable semiannually through March 1, 2016. The debt is payable primarily from ad valorem tax revenues.

The District was obligated in the amount of $51,267 for other postemployment benefits as further described in Note 7.

The following is a summary of the bond transactions of the District for the year ended December 31, 2011:

	Payable January 1, 2011	Issuances	Obligations Retired	Payable December 31, 2011	Due Within One year
Certificates of Indebtedness					
Series 2009	$ 650,000	$ -	$ 100,000	$ 550,000	$ 100,000
Other postemployment benefits	41,085	10,182	-	51,267	-
Total	$ 691,085	$ 10,182	$ 100,000	$ 601,267	$ 100,000

The annual requirements to amortize the outstanding Certificates of Indebtedness at December 31, 2011 are as follows:

Year	Principal	Interest	Total
2012	100,000	12,875	112,875
2013	105,000	10,694	115,694
2014	110,000	8,138	118,138
2015	115,000	5,181	120,181
2016	120,000	1,800	121,800
Totals	$ 550,000	$ 38,688	$ 588,688

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The District administers a single employer defined benefit healthcare plan (the Plan). The Plan provides for the payment of medical, dental and life insurance premiums for eligible employees, retirees and their dependents as approved by the Board of Commissioners. The District funds the entire premium for all benefits on all employees For employees retiring before January 1, 2005 the District funded the premiums for employees retiring with at least ten years of service upon retiring from the formal retirement systems and will participate in the cost at the applicable single rates. District employees retiring with at least ten years of permanent full-time creditable service with the District shall be eligible to participate in the Plan approved by the Board of Commissioners under the following vesting schedule as adopted for retirements on or after January 1, 2005: 11 to 15 years of service, 2 75% per year; 16 to 20 years of service, 41.25% plus 3.75% per year of service between 16 and 20, 21 years or more of service, 60% plus 5% per year of service over 20, limited to 85% of the premium. A retired employee may provide dependent hospitalization coverage at applicable dependent rates. To be eligible for coverage after retirement, retired employees must be eligible for retirement under the Parochial Employees' Retirement System, see Note 8. The District does not issue a publicly available financial report on the Plan.

Funding Policy

The District fully funds required premiums based on pay-as-you-go financing requirements. For fiscal year 2011 the District did not pay any premiums for the retirees.

Annual OPEB Cost and Net OPEB Obligation

In fiscal year 2011 the District recognized a net other postemployment benefit (OPEB) obligation for the covered postemployment healthcare benefits in accordance with the provisions of GASB Statement No. 45, *Accounting for Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45). GASB 45 was implemented prospectively with zero net obligation at the required implementation date, see note 1i). The District's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB costs for the year, the premiums actually paid and the District's net OPEB obligation.

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Annual required contribution (ARC)	$	10,010
Interest on net OPEB obligation		1,849
Adjustment to ARC		(1,677)
Annual OPEB cost		10,182
Contributions made		-
Increase in net OPEB obligation		10,182
Beginning of year		41,085
End of the year	$	51,267

The District's annual OPEB cost, the percentage of annual OPEB premiums paid, and the net OPEB obligation as of December 31, 2011, and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
12/31/2009	8,900	0 0%	35,528
12/31/2010	5,557	0.0%	41,085
12/31/2011	10,182	0 0%	51,267

Funded Status and Funding Progress

As of January 1, 2010, the most recent actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was $141,460. Covered payroll for eligible employees was $162,497 and the total UAAL represents 87.1 percent of covered payroll.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and eligible employees and retirees) and include the types of benefits provided at the time of each valuation and on the historical pattern of sharing benefit costs between the employer and eligible employees and retirees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

In the January 1, 2010, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return and an annual medical cost trend rate of 9.5 percent initially, reduced by decrements to an ultimate rate of 5.5 percent after nine years. The dental cost trend was initially 5.5 percent, reduced by decrements to an ultimate rate of 3.5 percent after five years. Zero trends were assumed for valuing life insurance. Other assumptions include (1) expenses per participant per month are expected to increase with inflation at 3 percent per annum, (2) 65 percent of employees will choose to continue basic life insurance benefits, (3) family coverage includes a spouse and no children, and (4) male spouses are three years older than females. The UAAL is being amortized over an open 30 year period using the level percent of payroll method with an assumption that payroll increases by 3 percent per year. The remaining amortization period at January 1, 2010 was 27 years.

Note 8 - DEFINED BENEFIT PENSION PLAN

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

Funding Policy - Plan members are required to contribute 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 10% 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, 2011, 2010, and 2009, were $19,739, $18,311, and $11,138 respectively, equal to the required contributions for each year.

Note 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; 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:

Policy	Coverage Limits
General Liability	$6,250,000
Workers' Compensation	Statutory
Property	$75,000,000
Auto Liability	$6,500,000

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, $563,349 for general liability, worker's compensation, and property insurance at December 31, 2010, then secondly by the District. The Parish is self-insured for the first $50,000 of each claim relating to group health. The aggregate deductible of all group claims relating to group insurance for 2010 was $18,178,279. Insurance contracts cover excess liability, up to $1,000,000 on individual claims. Coverage for group health claim liabilities are to be funded first by the assets of the Parish's group health internal services fund, $4,985,948 at December 31, 2010, then secondly by the District or the employee for individual claims in excess of $1,000,000. At December 31, 2011, 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, 2011 totaled $131,383.

Note 10 - 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	$359,038
Supplies and materials	30,264
Other services and charges	1,221
Repairs and maintenance	2,283
Total	$392,806

Note 11 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 2011:

Board Members	Number of Meeting Attended	Per Diem
Chuck Weaver	*	*
Charles Bass	4	$ 100
Vincent Fusilier	9	225
Randy Galliano	11	275
Carl Harding	12	300
Amos Mosely	11	275
Sidney Smith	11	275
Joseph Thompson Jr.	12	300
Total		$ 1,750

* Chuck Weaver declined his per diems.
Charles Bass resigned from the Board in April 2011

Note 12 - SUBSQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through April 25, 2012, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit G

SCHEDULE OF FUNDING PROGRESS FOR THE OPEB PLAN

Terrebonne Parish Recreation District 11

December 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2007	-	$ 216,484	$ 216,484	0 00%	$ 137,259	157.7%
1/1/2008	-	191,507	191,507	0 00%	174,262	109.9%
1/1/2010	-	141,460	141,460	0 00%	162,497	87 1%

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF 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 financial statements of the governmental activities, the General Fund of Terrebonne Parish Recreation District No. 11, State of Louisiana (the District) a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2011, which collectively comprise District's financial statements and have issued our report thereon dated April 25, 2012. 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.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Commissioners, management, the Legislative Auditor for the State of Louisiana and others within the entity 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 25, 2012.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne Parish Recreation District No. 11

For the year ended December 31, 2011

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
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ yes	_X_ none reported
Noncompliance material to financial statements noted?	____ yes	_X_ no

b) Federal Awards

Terrebonne Parish Recreation District No. 11 did not expend federal awards in excess of $500,000 during the year ended December 31, 2011.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 2011.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Terrebonne Parish Recreation District No. 11

For the year ended December 31, 2011

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2010. No significant deficiencies were reported during the audit for the year ended December 31, 2010.

Compliance

No compliance findings material to the basic financial statements were noted during the audit for the year ended December 31, 2010.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 11 did not expend federal awards in excess of $500,000 during the year ended December 31, 2010.

Section III Management Letter

10-01 Recommendation – We recommend that management adhere to Louisiana Revised Statute 33:4564 governing per diem payments to board members and make a maximum of twelve monthly payments to each board member per annum.

Management's Corrective Action – The District will ensure compliance with State law governing board member per diem and will pay a maximum of twelve monthly payments per annum. Additionally, the District will reduce 2011 per diem by the proper amount to compensate for overpayment in 2010. Resolved.

10-02 Recommendation – We suggest the District cut proposed expenditures or increase revenues to provide revenues in excess of expenditures in the amount of $40,195 in order to cover the fund balance deficit at the beginning of 2011. The amended budget prepared for 2011 should reflect these actual fiscal measures to the extent the District will complete 2011 with an operating surplus.

Management's Corrective Action – The District will amend the 2011 budget to cover the currently budgeted fund balance deficit. Resolved

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Recreation District No. 11

For the year ended December 31, 2011

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2011
No significant deficiencies were reported during the audit for the year ended December 31, 2011.

Compliance

No compliance findings material to the basic financial statements were noted during the audit for the year ended December 31, 2011.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 11 did not expend federal awards exceeding $500,000 during the year ended December 31, 2011.

Section III Management Letter

A management letter was not issued for the year ended December 31, 2011.