

COMMUNICATIONS LETTER



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE 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. 6,
Montegut, Louisiana.

We have audited the general purpose financial statements of Terrebonne Parish Recreation District No. 6 (the District), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated May 3, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

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. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, LLC

Certified Public Accountants

Houma, La.,
May 3, 1997.

1000 Lakeshore Corporate Center, Suite 200
PO Box 5140
Houma, LA 70363-5140
Phone: (504) 836-2014
Fax: (504) 836-7138

Certified Public
Accountants/Chartered
Accountants (CPA/CMA)

14
100 New Center
New Orleans, LA 70112-1000
Phone: (504) 581-8800
Phone: (504) 581-8800
Fax: (504) 581-8800

100 West Square Tower
PO Box 100
Thibodaux, LA 70301-0100
Phone: (504) 887-1111

control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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 structure and its operations that we consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Bougeois Bennett, LLC.

Certified Public Accountants

Monroe, La.,
May 5, 1997.



BOURGEOIS BROSSEAU

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE 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. 6,
Montegut, Louisiana

We have audited the general purpose financial statements of Terrebonne Parish Recreation District No. 6 (the District), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated May 3, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

The management of the District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the District for the year ended December 31, 1996, we obtained an understanding on the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

Note 5 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 1996:

Board Member	Number of Meetings Attended	Per Diem
Rebecca Bellini	3	\$ 30
Rosalie Crochet	9	90
Herbert Deroche	6	60
Montella Guidry	7	70
Wanda LeCompte	9	90
Dennis Ledet	5	50
Shirley Layton	9	90
Patsy Nigam	6	60
Total		<u>\$540</u>

Note 6 - RISK MANAGEMENT

The District participates in Terrebonne Parish's (oversight entity) risk management internal service funds for general liability and workers compensation. The District's premiums for general liability is based on various factors such as operations and maintenance budget, exposure and claims experience. The premiums for workers compensation is based on a fixed percentage of payroll. Terrebonne Parish handles all claims filed against the District. The District does not have any additional exposure unless the claims exceed the Parish's insurance contracts.

Note 2 - CASH AND INVESTMENTS (Continued)

During the year the District's investments consisted solely of certificates of deposit. At December 31, 1996, the District's cash and investments in excess of the FDIC insurance were adequately collateralized by securities held by an unaffiliated bank in the name of the financial institution pledged to the District.

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 revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the list of January 1, 1996. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 1996 was \$8.00 per \$1,000 of assessed valuation on property within Recreation District No. 6 for the purpose of constructing, maintaining and operating recreational facilities within the District. As indicated in Note 1c, taxes levied November 1, 1996 are for budgeted expenditures in 1997 and will be recognized as revenues in 1997.

Note 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January <u>1, 1996</u>	Additions	Deductions	Balance December <u>31, 1996</u>
Land and buildings	\$811,140	\$ -	\$2,350	\$808,790
Machinery and equipment	65,615	2,520	-	68,135
Office furniture, fixtures and equipment	<u>6,740</u>	<u>689</u>	<u>—</u>	<u>7,429</u>
Totals	<u>\$883,504</u>	<u>\$3,189</u>	<u>\$2,350</u>	<u>\$884,343</u>



Bourgeois Bennett

COMMUNICATIONS WITH BOARD OF COMMISSIONERS

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 6,
Montegut, Louisiana.

In fulfilling our responsibility as Terrebonne Parish Recreation District No. 6 auditors for the year ended December 31, 1996, we are required to communicate to the Board of Commissioners certain matters related to the conduct of our audit.

1) AUDITOR'S RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS

Our audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States which require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatements.

As required, separate letters have been issued on the internal control structure and compliance with laws and regulations.

2) SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are described in Note #1 to the general purpose financial statements. No new accounting policies were adopted nor required to be adopted for the year ended December 31, 1996.

3) SIGNIFICANT AUDIT ADJUSTMENT

We did not initiate any significant audit adjustment during our recent audit.

This information is intended solely for the use of the Board of Commissioners and management of Terrebonne Parish Recreation District No. 6 and should not be used for any other purposes.

Bourgeois Bennett, LLC.

Certified Public Accountants.

Houma, La.,
May 5, 1997.

MEMBER American Institute of Certified Public Accountants
MEMBER Louisiana Institute of Certified Public Accountants
MEMBER National Society of Accountants
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MEMBER National Society of Auditors
MEMBER National Society of Accountants
MEMBER National Society of Accountants
MEMBER National Society of Accountants
MEMBER National Society of Accountants

Certified Public Accountants
2100 North Highway 101
Houma, Louisiana 70301

Certified Public Accountants
2100 North Highway 101
Houma, Louisiana 70301
Phone: (847) 231-1111
Fax: (847) 231-1112

MEMBER American Institute of Certified Public Accountants
MEMBER Louisiana Institute of Certified Public Accountants
MEMBER National Society of Accountants
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Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Operating Budgetary Data

As required by Louisiana Revised Statute 19:1503, the Board of Commissioners (the Board) adopted a budget for the District's General Fund and Special Revenue 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 once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund and Special Revenue Fund budgets are adopted on a basis materially consistent with generally accepted accounting principles.

e) Bad Debts

The financial statements for the District contain no allowance for bad debts. Uncollectible amounts due for all 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.

f) Investments

Investments are stated at cost, which approximates market.

g) General Fixed Assets

Fixed assets used in governmental fund type operations (general 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") general fixed assets consisting of certain improvements other than buildings including roads, bridges, canals and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

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.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes.

Account Group

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in 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 valuer's taxes for the 1996 tax roll become due on November 15, 1996 and become delinquent on December 31st. These taxes are levied to finance the budget for the 1997 year and will be recorded in 1997 as 1997 revenue.

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 valuer's taxes and the related state revenue sharing (Intergovernmental revenues) are recorded as revenue in the period for which levied, that is the 1996 property taxes which are being levied to finance the 1997 budget are recorded as revenue for the 1997 fiscal year. The 1996 tax levy is recorded as deferred revenue in the District's 1996 Financial Statements. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Recreation District No. 6**

December 31, 1996

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Terrebonne Parish Recreation District No. 6 (the District) conform to generally accepted accounting principles as applicable to governments. The following is a summary of certain significant accounting policies:

a) Reporting Entity

The District is a component unit of the Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 1996.

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.

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 are the Governmental Funds of the District:

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL⁽¹⁾
GOVERNMENTAL FUND TYPES**

Terrebonne Parish Recreation District No. 6

For the year ended December 31, 1996

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes	\$ 207,625	\$ 207,628	\$ 3
Intergovernmental:			
State of Louisiana:			
State revenue sharing	5,650	5,664	14
Charges for services	16,825	19,470	2,645
Miscellaneous:			
Interest	3,500	4,045	545
Other	80	95	15
Total revenues	<u>253,680</u>	<u>276,902</u>	<u>2,222</u>
Expenditures			
Current:			
General Government:			
Ad valorem tax adjustment	825	811	14
Ad valorem tax deductions	80,025	80,000	25
Total general government	<u>80,850</u>	<u>80,816</u>	<u>34</u>
Culture and Recreation:			
Personal services	83,700	83,028	672
Supplies and materials	21,540	19,429	2,111
Other services and charges	38,340	35,636	2,704
Repairs and maintenance	28,800	28,654	1,146
Capital expenditures	3,000	3,189	1,811
Total culture and recreation	<u>175,200</u>	<u>169,936</u>	<u>5,264</u>
Total expenditures	<u>180,050</u>	<u>180,752</u>	<u>7,508</u>
Excess of Revenues Over Expenditures	<u>\$ 44,630</u>	<u>56,150</u>	<u>\$ 11,520</u>
Fund Balances			
Beginning of year		35,945	
End of year		<u>\$ 91,715</u>	

See notes to financial statements.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES FUND BALANCES - GOVERNMENTAL FUND TYPES**

Terrebonne Parish Recreation District No. 6

For the year ended December 31, 1996

	<u>General</u>	<u>Special Revenue</u>	<u>Total (Minority Only)</u>
Revenues			
Taxes	\$ 207,628	\$ -	\$ 207,628
Intergovernmental:			
State of Louisiana:			
State revenue sharing	5,664	-	5,664
Charges of services	19,470	-	19,470
Miscellaneous:			
Interest	4,845	5,552	9,397
Other	95	-	95
Total revenues	<u>236,902</u>	<u>5,552</u>	<u>242,454</u>
Expenditures			
Current:			
General Government:			
Ad valorem tax adjustment	811		811
Ad valorem tax deductions	<u>10,005</u>		<u>10,005</u>
Total general government	<u>10,816</u>		<u>10,816</u>
Culture and Recreation:			
Personal services	83,028		83,028
Supplies and materials	19,429		19,429
Other services and charges	35,636		35,636
Repairs and maintenance	28,664		28,664
Capital expenditures	<u>3,189</u>		<u>3,189</u>
Total culture and recreation	<u>169,946</u>		<u>169,946</u>
Total expenditures	<u>180,762</u>		<u>180,762</u>
Excess of Revenues Over Expenditures	56,150	5,552	61,702
Fund Balances			
Beginning of year	<u>35,565</u>	<u>126,822</u>	<u>162,387</u>
End of year	<u>\$ 91,715</u>	<u>\$ 132,374</u>	<u>\$ 224,089</u>

See notes to financial statements.

**COMBINED BALANCE SHEET -
GOVERNMENTAL FUND TYPES AND ACCOUNT GROUP**

Terrebonne Parish Recreation District No. 6

December 31, 1996

	Governmental Fund Types		Account Group	Total (Memorandum Only)
	General	Special Revenue	General Fixed Assets	
Assets				
Cash	\$ 34,789	\$ 22,374	\$ -	\$ 57,163
Investments	61,410	110,000	-	171,410
Receivables - taxes	209,398	-	-	209,398
State revenue sharing receivable	3,958	-	-	3,958
Miscellaneous receivable	980	-	-	980
Fixed assets	-	-	884,303	884,303
Totals	\$ 310,935	\$ 132,374	\$ 884,303	\$ 1,327,582
Liabilities				
Accounts payable and accrued expenditures	\$ 3,037	-	-	\$ 3,037
Deferred revenue	215,715	-	-	215,715
Due to Terrebonne Parish Consolidated Government	538	-	-	538
Total liabilities	219,190	-	-	219,190
Fund Equity and Other Credits				
Investment in general fixed assets	-	\$ -	\$ 884,303	884,303
Fund balances - unreserved	91,715	132,374	-	224,089
Total fund equity and other credits	91,715	132,374	884,303	1,108,392
Totals	\$ 310,935	\$ 132,374	\$ 884,303	\$ 1,327,582

See notes to financial statements.



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 6,
Mongiat, Louisiana.

We have audited the accompanying general purpose financial statements of Terrebonne Parish Recreation District No. 6 (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Terrebonne Parish Recreation District No. 6 as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated May 3, 1997 as our consideration of the Terrebonne Parish Recreation District No. 6's internal control structure and a report dated May 5, 1997 on its compliance with laws and regulations.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, La.,
May 5, 1997.

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December 31, 1996

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Financial Report
Terrebonne Parish Recreation District No. 6
Montegut, Louisiana
December 31, 1996

JUN 04 1996

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) General Fixed Assets (Continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

h) Vacation and Sick Leave

Employees of the District earn two weeks of vacation after one year of service. Vacation is recorded as an expense of the period in which paid. The District does not pay employees during sick leave. There were no material amounts of unpaid vacation at December 31, 1996.

i) Encumbrances

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

j) Total Columns on Combined Statements - Overview

The total columns on the combined statements - overview are captioned "non-random only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - CASH AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the 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.

		Special Revenue	
Budget	Actual	Variance Favorable (Unfavorable)	
\$ -	\$ -	\$ -	
-	-	-	
-	-	-	
5,500	5,552	52	
<u>5,500</u>	<u>5,552</u>	<u>52</u>	

\$ 5,500 5,552 \$ 52

126,822

\$ 132,374