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Financial Report
Lafourche Parish Recreation District No. 11
Bayou Blue, Louisiana
December 31, 1995

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9-9-96

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December 31, 1995

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Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Lafourche Parish Recreation District No. 11,
Bayou Blue, Louisiana.

We have audited the accompanying general purpose financial statements of the Lafourche Parish Recreation District No. 11 (the District), a component unit of the Lafourche Parish Council, as of December 31, 1995 and 1994, and for the years ended December 31, 1995 and 1994 as listed in the foregoing 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 financial statements based on our audits.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. 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 opinion.

The District did not adopt an annual budget for the General Fund for the years ended December 31, 1995 and 1994 as required by Louisiana Revised Statutes. Thus, statements of revenues, expenditures and changes in fund balances - budget and actual for this fund are not presented for the years ended December 31, 1995 and 1994.

In our opinion, except for the omission of the statements of revenues, expenditures and changes in fund balances - budget and actual results in an incomplete presentation as explained in the preceding paragraph, the general purpose financial statements referred to in the first paragraph present fairly, in all material aspects, the financial position of the Lafourche Parish Recreation District No. 11 as of December 31, 1995 and 1994, and the results of its operations for the years ended December 31, 1995 and 1994 in conformity with generally accepted accounting principles.

Bourgeois Bennett, L.L.C.
Certified Public Accountants

Houma, La.,
June 20, 1996.

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

Lafourche Parish Recreation District No. 11

December 31, 1995

	Governmental		Account Groups		Total (Memorandum Only)
	Fund Types		General	General	
	General	Debt Service	Fund Assets	Long-Term Obligations	
ASSETS					
Cash	\$ 10,671	\$ 96,733	\$ -	\$ -	\$ 107,403
Receivables - taxes	1,532	7,283	-	-	8,815
Due from other governmental units	14,035	62,609	-	-	76,644
Due from other funds	31,336	4,328	-	-	35,664
Amount available in Debt Service Fund	-	-	-	139,416	139,416
Amount to be provided for long-term obligations	-	-	-	325,584	325,584
Fixed assets	-	-	723,078	-	723,078
Totals	\$ 57,574	\$ 170,952	\$ 723,078	\$ 465,000	\$ 1,416,604
LIABILITIES					
Accounts payable	\$ 5,394	\$ -	-	\$ -	\$ 5,394
Due to Lafourche Parish Council	7,206	-	-	-	7,206
Due to other funds	4,328	31,336	-	-	35,664
Bonds payable	-	-	-	465,000	465,000
Total liabilities	16,928	31,336	-	465,000	513,264
FUND EQUITY					
Investments in general fund assets	-	-	\$ 723,078	-	723,078
Fund balances - unreserved	41,146	139,416	-	-	180,562
Total fund equity	41,146	139,416	723,078	-	903,640
Totals	\$ 57,574	\$ 170,952	\$ 723,078	\$ 465,000	\$ 1,416,604

See notes to financial statements.

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

Lafourche Parish Recreation District No. 11

For the year ended December 31, 1995

	General	Debt Service	Total (Interfund Only)
Revenues			
Ad valorem taxes	\$ 16,179	\$ 72,083	\$ 88,264
Use of money and property -			
Interest earned	165	1,432	1,598
Miscellaneous	2,454	156	2,610
Total revenues	<u>18,799</u>	<u>73,673</u>	<u>92,472</u>
Expenditures			
General Government:			
Intergovernmental			
Ad valorem tax deductions	492	3,193	3,685
Ad valorem tax adjustments	331	1,479	1,810
Total general government	<u>823</u>	<u>4,672</u>	<u>5,495</u>
Culture and recreation:			
Personal services	13,708	-	13,708
Repairs and maintenance	7,291	-	7,291
Supplies and materials	8,270	-	8,270
Other services and charges	5,482	392	5,874
Capital expenditures	6,998	-	6,998
Total culture and recreation	<u>43,749</u>	<u>392</u>	<u>44,141</u>
Debt service:			
Principal retirement		20,000	20,000
Interest and fiscal charges		36,885	36,885
Total debt service		<u>56,885</u>	<u>56,885</u>
Total expenditures	<u>44,572</u>	<u>60,909</u>	<u>105,481</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(25,773)</u>	<u>12,764</u>	<u>(13,009)</u>
Fund Balances			
Beginning of year	66,919	126,652	193,571
End of year	\$ 41,146	\$ 139,416	\$ 180,562

See notes to financial statements.

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

Lafourche Parish Recreation District No. 11

December 31, 1994

	Governmental Fund Types		Account Groups		Total (Memorandum Only)
	General	Debt Service	General Assets	General Long-Term Liabilities	
ASSETS					
Cash	\$ 91,553	\$ 99,982	\$ -	\$ -	\$ 191,535
Receivables - taxes	1,303	5,814	-	-	7,117
Due from other governmental units	14,337	63,959	-	-	78,296
Due from other funds	37,123	20	-	-	37,143
Amount available in Debt Service Fund	-	-	-	126,652	126,652
Amount to be provided for long-term obligations	-	-	-	358,348	358,348
Fixed assets	-	-	716,080	-	716,080
Totals	\$ 174,316	\$ 169,775	\$ 716,080	\$ 485,000	\$ 1,439,171
LIABILITIES					
Accounts payable	\$ 273	\$ -	-	\$ -	\$ 273
Due to Lafourche Parish Council	7,894	-	-	-	7,894
Due to other funds	20	37,123	-	-	37,343
Bonds payable	-	-	-	485,000	485,000
Total liabilities	8,187	37,123	-	485,000	529,320
FUND EQUITY					
Investments in general fixed assets	-	-	\$ 716,080	-	716,080
Fund balances - unreserved	66,719	126,652	-	-	193,371
Total fund equity	66,719	126,652	716,080	-	909,451
Totals	\$ 174,316	\$ 169,775	\$ 716,080	\$ 485,000	\$ 1,439,171

See notes to financial statements.

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

Lafourche Parish Recreation District No. 51

For the year ended December 31, 1994

	General	Debt Service	Capital Projects	Total (Memorandum Only)
Revenues				
Ad valorem taxes	\$ 16,137	\$ 71,986	\$ -	\$ 88,123
Use of money and property - Interest earned	202	-	4	206
Miscellaneous	300	-	-	300
Total revenues	<u>16,639</u>	<u>71,986</u>	<u>4</u>	<u>88,629</u>
Expenditures				
General Government:				
Intergovernmental				2,708
Ad valorem tax deductions	498	3,212		3,710
Ad valorem tax adjustments	412	1,878		2,290
Total general government	<u>910</u>	<u>4,090</u>		<u>4,998</u>
Culture and recreation:				
Personnel services	19,821	-	-	19,821
Repairs and maintenance	788	-	-	788
Supplies and materials	1,465	-	-	1,465
Other services and charges	9,245	562	-	9,807
Capital expenditures	3,299	-	29,341	32,640
Total culture and recreation	<u>34,568</u>	<u>562</u>	<u>29,341</u>	<u>64,471</u>
Debt service:				
Principal retirement		15,000		15,000
Interest and fiscal charges		38,548		38,548
Total debt service		<u>53,548</u>		<u>53,548</u>
Total expenditures	<u>35,476</u>	<u>58,600</u>	<u>29,341</u>	<u>123,417</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(18,837)</u>	<u>13,386</u>	<u>(29,337)</u>	<u>(34,788)</u>
Fund Balances				
Beginning of year	85,754	112,866	29,337	227,957
End of year	\$ 66,917	\$ 126,652	\$ -	\$ 193,569

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Lafourche Parish Recreation District No. 11

December 31, 1985

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Lafourche Parish Recreation District No. 11 (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 was created on October 28, 1986, by ordinance 17-19 of the Lafourche Parish Council.

The District is a component unit of the Lafourche Parish Council.

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 government 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 most 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:

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.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term obligations principal, interest, and related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for all revenues and expenditures in connection with capital improvements to the District.

Account Groups

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

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the District.

General Long-Term Obligations Account Group - This account group is used to account for all long-term obligations of the District.

c) Basis of Accounting

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

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All valuation taxes and the related state revenue sharing (intergovernmental revenue) are considered "measurable" at the time of levy. Fees and charges for services are recorded when earned since they are measurable and available. Interest income on investments is recorded as revenue when the investments have matured and the income is available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) **Basis of Accounting (Continued)**

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

d) **Operating Budgetary Data**

The District did not adopt a budget for the General Fund for the years ended December 31, 1993 and 1994, which is a violation of Louisiana Revised Statute 39:1303.

e) **Bad Debts**

The financial statements for the District contain no allowance for bad debts. 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.

f) **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, curbs 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.

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 market value on the date donated.

g) **Vacation and Sick Leave**

The District does not grant vacation and sick leave to its part-time employees.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Encumbrances

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

l) Total Columns on Combined Statements - Overview

The total columns on the combined statements - overview are captioned memorandum 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 are 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 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.

During the years ended December 31, 1993 and 1994, the District's cash was adequately secured by FDIC insurance and securities pledged to the District.

Note 3 - PROPERTY TAXES

Property taxes are levied each December 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 LaFayette 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 on January 1, 1992. Taxes are due and payable

Note 3 - PROPERTY TAXES (Continued)

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 rates for the year ended December 31, 1995 were \$2.69 and \$12.00 and for the year ended December 31, 1994 were \$2.64 and \$12.00 for operations and debt retirement, respectively, per \$1,000 of assessed valuation on property within Recreation District No. 11.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 1995 and 1994 consisted of the following:

	<u>December 31, 1995</u>		<u>December 31, 1994</u>	
	Debt		Debt	
	<u>General Fund</u>	<u>Service Fund</u>	<u>General Fund</u>	<u>Service Fund</u>
Lafourche Parish Tax Collector - December collections remitted to the District in January of the following year	<u>\$14,035</u>	<u>\$62,609</u>	<u>\$14,332</u>	<u>\$62,938</u>

Note 5 - GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1994	Additions	Completed Construction	Balance December 31, 1995	Additions	Balance December 31, 1995
Building	\$668,215	\$ -	\$ 29,341	\$697,556	\$6,998	\$704,554
Equipment	15,275	3,249	-	18,524	-	18,524
Construction in progress	-	29,341	(29,341)	-	-	-
Totals	\$683,490	\$32,590	\$ -	\$716,080	\$6,998	\$723,078

Note 6 - LONG-TERM OBLIGATIONS

During the years ended December 31, 1995 and 1994, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance January 1, 1994		Balance December 31, 1994		Balance December 31, 1995	
		Reduction		Reduction		
General Obligation Bonds	<u>\$500,000</u>	<u>\$15,000</u>	<u>\$485,000</u>	<u>\$20,000</u>	<u>\$465,000</u>	

The District issued general obligation bonds dated February 1, 1988 totaling \$550,000 bearing interest from 10.8% to 7.5%, which are payable through February 1, 2008. The bonds are secured by ad valorem tax revenues.

The annual requirements to amortize all long-term obligations outstanding at December 31, 1995 are as follows:

Year	Principal	Interest	Total
1996	\$ 20,000	\$ 35,060	\$ 55,060
1997	20,000	33,475	53,475
1998	25,000	31,865	56,865
1999	25,000	30,083	55,083
2000	30,000	28,030	58,030
2001-2008	<u>345,000</u>	<u>121,750</u>	<u>466,750</u>
Totals	<u>\$465,000</u>	<u>\$280,203</u>	<u>\$745,203</u>

Note 7 - COMPENSATION OF BOARD MEMBERS

The District did not pay per diem to any of its Board Members during the years ended December 31, 1995 and 1994.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Georgiana Bennett

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,
Lafourche Parish Recreation District No. 11,
Bayou Blue, Louisiana.

We have audited the general purpose financial statements of Lafourche Parish Recreation District No. 11 (the District), a component unit of the Lafourche Parish Council, State of Louisiana, as of December 31, 1993 and 1994, and for the years ended December 31, 1993 and 1994, and have issued our report thereon dated June 20, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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.

In planning and performing our audit of the financial statements of the District for the years ended December 31, 1993 and 1994, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

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 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.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories: cash receipts, cash disbursements, and capital assets.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters, described in Schedule I, involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unit financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the specific 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 component unit 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted item I in Schedule I (involving the internal control structure and its operation that we consider to be a material weakness as defined above. This was considered in determining the nature, timing and extent of the procedures to be performed in our audit of financial statements of the District for the years ended December 31, 1993 and 1994.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of Lafourche Parish Recreation District No. 11 in a separate letter dated June 28, 1996.

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, L.L.C.

Certified Public Accountants

Houma, La.,
June 28, 1996

**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,
Lafourche Parish Recreation District No. 11,
Bayou Blue, Louisiana.

We have audited the general purpose financial statements of Lafourche Parish Recreation District No. 11 (the District), a component unit of the Lafourche Parish Council, State of Louisiana, as of December 31, 1993 and 1994, and for the years ended December 31, 1993 and 1994, and have issued our report thereon dated June 30, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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.

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 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 financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions contained in statutes, regulations, contracts, or grants that cause us to conclude that the aggregation of the misstatements resulting from these failures or violations is material to the District's financial statements. The results of our tests of compliance disclosed an instance of material noncompliance which is described in Schedule 1, item 2.

We considered this instance of noncompliance in forming our opinion on whether the District's financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The matter pertaining to budgets not being prepared as described in Schedule 1, item 2, resulted in a modification to our opinion on the District's financial statements for the year ended December 31, 1993 and 1994.

Except as described above, the results of our tests of compliance indicate that, with respect to the items tested, the District complied, in all material respects, with the provisions referred to in the third paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the District, had not complied, in all material respects, with those provisions.

The results of our tests disclosed immaterial instances of noncompliance with the above requirements, which we have communicated to the management of Lafourche Parish Recreation District No. 11 in a separate letter dated June 20, 1996.

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.

Bouguier Bennett, LLC

Certified Public Accountants

Houma, La.,
 June 20, 1996.

SCHEDULE OF REPORTABLE CONDITIONS

Lafourche Parish Recreation District No. 11

For the twenty-four month period ended December 31, 1995

1. **Condition** - The District is unable to locate invoices and other supporting documentation for some cash disbursements of the general fund for the year ended December 31, 1994. Cancelled checks for the period have been retained.

Recommendation - We recommend that the District retain all invoices and supporting documentation for all transactions.

Response - The invoices were misplaced as a result of a change in key positions on the District's Board. All invoices and other supporting documentation have been retained for the year ended December 31, 1995.

2. **Condition** - The District has not prepared a budget for years ended December 31, 1995 and 1994. Louisiana Revised Statutes require all political subdivisions to prepare budgets for their general fund and all special revenue funds. The budget document setting forth the proposed financial plan must include the following:

- A budget message signed by the budget preparer which shall include a summary description of the proposed financial plan, policies, and objectives of the District.
- A consolidated statement showing the estimate fund balance at the beginning of the year, estimates of all receipts and revenues to be received, expenditures itemized by function, and estimated fund balance at the end of the fiscal year.

The budget must be accompanied by a proposed budget adoption instrument. The adoption instrument shall define the authority of the chief executive and administrative officers of the political subdivision to make changes within various budget classifications without approval by the governing authority, as well as those powers reserved solely to the governing authority.

The total of proposed expenditures must not exceed the total of estimated funds available for the ensuing fiscal year.

The proposed budget must be completed and submitted to the governing authority no later than fifteen days prior to the beginning of each fiscal year. All actions necessary to adopt and finalize the budget for the ensuing fiscal year must be taken in an open meeting and completed prior to the end of the fiscal year in progress. The adopted budget must contain the same information as that required for the proposed budget.

2. (Continued)

The administrative officer must advise the governing authority when actual revenues are less than budgeted revenues by five percent or more, and actual expenditures exceed budgeted expenditures by five percent or more. The governing authority should adopt budget amendments in an open meeting to reduce these variances.

Recommendation - We recommend that the District comply with these provisions of state law.

Response - The District will comply with state law.

3. Condition - All accounting functions of the District are performed by the Treasurer.

Recommendation - We recommend a second board member, be appointed to sign checks, obtain the bank statements directly from the bank and review all cash transactions.

Response - The Board will continue its significant involvement in the financial affairs of the District.

4. Condition - Cash receipts and disbursements are recorded in the records of cash activity based on the activity in the bank statements.

Recommendation - We recommend all cash activity be entered into the accounting records on a timely basis.

Response - The Board will see to it that all cash activity is recorded in the period the transaction originates.

MANAGEMENT LETTER



BOURGENIS BANNER

June 20, 1996

To the Board of Commissioners,
Lafourche Parish Recreation District No. 11,
Bayou Blue, Louisiana.

In connection with our audit of the general purpose financial statements of the Lafourche Parish Recreation District No. 11 (the District), as of December 31, 1995 and 1994 and for the years ended December 1995 and 1994, the following items were noted which we feel deserve your attention.

INVESTMENT POLICY

The District does not have a written investment policy as required by Louisiana Revised Statute 11:2955. As a result of House Bill No. 872 Act 1126 of the 1995 Legislative Session, all political subdivisions, shall develop and adopt an investment policy that details and clarifies investment objectives and the procedures and constraints necessary to reach those objectives.

We recommend the District develop and adopt an investment policy. The policy should:

- Reflect the mandate to manage public funds prudently.
- Place appropriate emphasis on the goals of safety of principal first, liquidity second, and yield third.
- Establish internal controls for any derivatives in use to ensure that the risks inherent in derivatives are adequately managed.

PUBLICATIONS

Minutes, ordinances, resolutions, budgets, and other official proceedings of the governing authority were not published in the official journal. We recommend the above be published for all public meetings to comply with R.S. 43:171-177 and A.G. 82-383.

We would like to thank the District for the help extended to us during our audit. We shall be glad to answer any questions you may have concerning the above recommendations and work with you towards their implementation.

Very truly yours,

Edward R. Boutin

For the firm.

COMMUNICATIONS LETTER



COMMUNICATIONS WITH BOARD OF COMMISSIONERS

To the Board of Commissioners,
Lafayette Parish Recreation District No. 11,
Bayou Blue, Louisiana.

In fulfilling our responsibility as Lafayette Parish Recreation District No. 11 auditors for the years ended December 31, 1993 and 1994, 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.

The District did not adopt an annual budget for the General Fund for the years ended December 31, 1993 and 1994 as required by Louisiana Revised Statutes. Thus, statements of revenues, expenditures and changes in fund balances - budget and actual for this fund are not presented for the years ended December 31, 1993 and 1994. Our opinion was qualified for this lack of presentation.

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

2) SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted nor required to be adopted for the years ended December 31, 1993 and 1994.

3) MANAGEMENT JUDGEMENTS AND ACCOUNTING ESTIMATES

The most significant estimates reflected in the financial statements relate to the collectibility of accounts receivable and claims and judgments incurred. Management has provided us with representations concerning these matters.

4. SIGNIFICANT AUDIT ADJUSTMENTS

We did not initiate any significant audit adjustments during our recent audit. Year end adjustments and closing entries were prepared.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
June 20, 1996.