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*Financial Report*  
*Terrebonne Parish Recreation District No. 23*  
*Houma, Louisiana*  
*December 31, 1997*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the clerk of court, and, if needed, entry is to be made in the public officials' file showing the date for public inspection to the Baton Rouge office of the Legislative Auditor and, where applicable, at the office of the parish clerk of court.

Release Date Jan 03 1998

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December 31, 1997

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Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 2/3,  
Houma, Louisiana.

We have audited the accompanying general purpose financial statements of Terrebonne Parish Recreation District No. 2/3 (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1997, 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 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 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. 2/3 as of December 31, 1997, 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 our report dated March 3, 1998 on our consideration of Terrebonne Parish Recreation District No. 2/3's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Bourgeois Bennett, LLC.*

Certified Public Accountants

Houma, La.,  
March 3, 1998.

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

**Trevilock Parish Recreation District No. 10**

December 31, 1997

	Governmental Fund Type General	Account Groups		Total (Microcomputer Only)
		General Fund Assets	General Long-Term Obligations	
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets</b>				
Cash	\$ 61,084	\$ -	\$ -	\$ 61,084
Investments	155,000	-	-	155,000
Receivables - taxes	218,883	-	-	218,883
State revenue sharing receivable	11,121	-	-	11,121
Other	648	-	-	648
Flood assets	-	1,016,973	-	1,016,973
<b>Other Debits</b>				
Amounts to be provided for retirement of general long-term obligations	-	-	30,000	30,000
<b>Total assets and other debits</b>	<b>\$ 446,736</b>	<b>\$ 1,016,973</b>	<b>\$ 30,000</b>	<b>\$ 1,513,709</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenditures	\$ 1,251	\$ -	\$ -	\$ 1,251
Deferred revenues	245,943	-	-	245,943
Due to Sewerage Parish Consolidated Government	1,491	-	-	1,491
Notes payable	-	-	30,000	30,000
<b>Total liabilities</b>	<b>248,685</b>	<b>-</b>	<b>30,000</b>	<b>278,685</b>
<b>Equity and Other Credits</b>				
Investment in general fixed assets	-	\$ 1,016,973	-	1,016,973
Fund balance - measured:				
Designated for subsequent year's expenditures	170,000	-	-	170,000
Undesignated	14,889	-	-	14,889
<b>Total equity and other credits</b>	<b>184,889</b>	<b>1,016,973</b>	<b>-</b>	<b>1,201,862</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 433,574</b>	<b>\$ 1,016,973</b>	<b>\$ 30,000</b>	<b>\$ 1,513,547</b>

See notes to financial statements.

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

**Terrebonne Parish Recreation District No. 20**

For the year ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Taxes	\$ 225,975	\$ 225,979	\$ 4
Intergovernmental:			
State of Louisiana:			
State revenue sharing	19,698	19,698	-
Miscellaneous:			
Interest	11,699	11,733	333
Other	2,000	1,995	(5)
	<u>258,673</u>	<u>259,424</u>	<u>752</u>
<b>Expenditures</b>			
Current:			
General Government:			
Ad valorem tax adjustment	1,500	1,460	40
Ad valorem deductions	10,859	10,700	159
	<u>12,359</u>	<u>12,160</u>	<u>199</u>
Culture and Recreation:			
Personnel services	63,300	61,539	1,761
Supplies and materials	23,400	19,638	3,762
Office services and charges	31,900	27,130	4,768
Repairs and maintenance	22,000	17,554	4,446
Capital expenditures	60,000	25,227	34,773
	<u>200,600</u>	<u>147,090</u>	<u>53,510</u>
Debt Service:			
Principal retirement	25,000	25,000	-
	<u>257,959</u>	<u>184,252</u>	<u>53,648</u>
<b>Excess of Revenues Over Expenditures</b>	<u>\$ 30,713</u>	<u>75,173</u>	<u>\$ 54,400</u>
<b>Fund Balance</b>			
Beginning of year		<u>114,716</u>	
End of year		<u>\$ 189,889</u>	

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Terrebonne Parish Recreation District No. 203**

December 31, 1997

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Terrebonne Parish Recreation District No. 203 (the District) conform to generally accepted accounting principles (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 the Terrebonne Parish Consolidated Government (the Parish) and as such, these component unit financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 1997.

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

**b) Fund Accounting**

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

Governmental Funds

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

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

Account Groups

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in proprietary or trust funds. The General Long-Term Obligations Account Group is used to account for general long-term obligations and certain other liabilities that are not specific liabilities of proprietary or trust funds.

c) Basis of Accounting

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

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenues) are recorded as revenue in the period for which levied, thus the 1997 property taxes which are being levied to finance the 1998 budget are recorded as revenue for the 1998 fiscal year. The 1997 tax levy is recorded as deferred revenue in the District's 1997 financial statements. 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)

e) *Basis of Accounting (Continued)*

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term obligations which is recognized when due.

f) *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

g) *Operating Budgetary Data*

As required by the Louisiana Revised Statutes 19:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The Board, as allowed by state law, does not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget for 1997. 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 generally accepted accounting principles.

h) *Bad Debts*

The financial statements of 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 operation of the General Fund.

i) *Investments*

Investments are stated at cost, which approximates market.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h) Fixed Assets**

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

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

All fixed assets are valued at historical cost.

Certain general fixed assets (land and building) are recorded in the General Fixed Assets Account Group of the Terrebonne Parish Consolidated Government.

**i) Long-Term Obligations**

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

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

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

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j) Vacation and Sick Leave**

The District's employees earn vacation and sick leave on the same basis as the Parish. However, vacation and sick leave can not be carried forward. There is no material unpaid vacation and sick leave at December 31, 1997.

**k) Encumbrances**

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

**l) Fund Equity**

Designated fund balance represents tentative plans for future use of financial resources.

**m) Memorandum Only - Total Column**

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

**Note 2 - DEPOSITS**

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

State law 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.

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

**Note 2 - DEPOSITS (Continued)**

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

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

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

The year-end bank balances of deposits and the carrying amounts as shown on the combined balance sheet are as follows:

	Bank Balances			Book Balance
	Category			
	1	2	3	
Cash	\$ 66,261	\$ -	\$ -	\$ 63,004
Investments:				
Certificates of deposit	<u>79,751</u>	<u>-</u>	<u>75,289</u>	<u>155,000</u>
Totals	<u>\$146,012</u>	<u>\$-</u>	<u>\$75,289</u>	<u>\$218,004</u>

As December 31, 1997, certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the depositor. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Note 3 - PROPERTY TAXES**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State

**Note 3 - PROPERTY TAXES (Continued)**

Tax Commissions 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, 1997 was \$5.00 per \$1,000 of assessed valuation on property within Recreation District No. 27 for the purpose of maintaining, constructing and operating recreational facilities within the District. As indicated in Note 1a, taxes levied November 1, 1997 are for budgeted expenditures in 1998 and will be recognized as revenue in 1998.

**Note 4 - CHANGES IN FIXED ASSETS**

A summary of changes in fixed assets follows:

	Balance January 1, 1997	Additions	Adjustments	Balance December 31, 1997
Buildings	\$ 116,320	\$ -	\$ -	\$ 116,320
Land	285,555	-	-	285,555
Improvements other than buildings	431,319	19,979	-	451,298
Equipment and furniture	<u>160,650</u>	<u>5,248</u>	<u>(2,099)</u>	<u>163,800</u>
<b>Totals</b>	<b><u>\$993,844</u></b>	<b><u>\$25,227</u></b>	<b><u>\$(2,099)</u></b>	<b><u>\$1,016,972</u></b>

**Note 5 - LONG-TERM OBLIGATIONS**

On March 8, 1995, the District purchased land to be used as a playground and ballpark for \$150,000. Under the terms of the purchase the District paid a \$50,000 down payment and will finance the remaining \$100,000 in a noninterest bearing note over four years. The note is secured by a mortgage on the land and payment is due March 10th of each year.

**Note 5 - LONG-TERM OBLIGATIONS (Continued)**

The following is a summary of changes in the long-term obligations of the District for the year ended December 31, 1997:

Notes payable at January 1, 1997	\$75,000
Principal retirement	<u>25,000</u>
 Notes payable at December 31, 1997	 <u>\$50,000</u>

The annual requirements to amortize the note outstanding at December 31, 1997 are as follows:

Year	Principal
1998	\$25,000
1999	<u>25,000</u>
 Total	 <u>\$50,000</u>

**Note 6 - COMPENSATION OF BOARD MEMBERS**

The District did not pay per diem to any of its Board members.

**Note 7 - RISK MANAGEMENT**

The District participates in Terrebonne Parish's (oversight entity) risk management internal service funds for general liability, workers' compensation, group insurance, property and auto liability. The District's premium for general liability is based on various factors such as its operations and maintenance budget, exposure and claims experience. The premiums for workers compensation is based on a fixed percentage of payroll. The premium for group insurance is based on a fixed rate per employee. The premium for auto liability is based on claims experience, vehicle type and mileage. The premium for property is based on the District's percentage of property value to the total of all the Parish's property value covered. 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 as described on the following page:

Note 7 - RISK MANAGEMENT (Continued)

Policy	Coverage <u>Limits</u>
General Liability	\$6,500,000
Workers' Compensation	Statutory
Group	\$1,125,000
Property	\$82,000,000
Auto	\$6,250,000

Coverage for claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, \$2,481,697 for general liability, workers' compensation and property and \$3,603,662 for group insurance at December 31, 1998, then secondly by the District and other participating funds and agencies. At December 31, 1997, the District had no claims in excess of the above coverage limits.

**SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**



**Bourgeois Bennett**

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

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 2/3,  
Houma, Louisiana.

We have audited the general purpose financial statements of the Terrebonne Parish Recreation District No. 2/3 (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1997, and have issued our report thereon dated March 3, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited.



may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its 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.

*Burgess Bennett, LLC*

Certified Public Accountants

Monroe, La.,  
March 3, 1998.

## SCHEDULE OF FINDINGS

### Terrebonne Parish Recreation District No. 2/3

Year ended December 31, 1997

#### Section I Summary of Auditor's Results

##### a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?        yes      X   no

##### b) Federal Awards

Terrebonne Parish Recreation District No. 2/3 did not receive federal awards during the year ended December 31, 1997.

#### Section II Financial Statement Findings

No financial statement findings were reported during the 1997 audit.

#### Section III Federal Award Findings and Questioned Costs

Not applicable.

**REPORTS BY MANAGEMENT**

## SCHEDULE OF PRIOR YEAR FINDINGS

### **Terrebonne Parish Recreation District No. 23**

For the Year ended December 31, 1997

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

##### **Internal Control**

**1996-1 Condition -** A lack of segregation of duties exists in the area of cash disbursements. One employee is responsible for purchasing goods and services, verifying the receipt of the goods and services, signing checks and receiving bank statements. Cash disbursements were made to an unincorporated individual without obtaining the necessary federal identification number or social security number.

**Response -** Resolved, a member of the Board signs all checks relating to the purchase of goods and services. The Chairman receives all bank statements unopened and reviews the contents of all bank statements.

##### **Compliance**

**1996-1 Condition -** Louisiana Revised Statutes 38:2211-2225, requires phone quotes or facsimile quotes to be obtained and kept as a part of the purchase file for all purchase of materials and supplies between \$5,000 and \$10,000. We noted one purchase which was within the scope of phone or facsimile quotes for which proper quote documentation and proper Internal Revenue Service filing was incomplete. Furthermore, all significant controls of this transactions were executed by the same employee.

**Response -** Resolved, quotes will be obtained and kept as a part of the purchase file or all purchases of materials and supplies bid low limits.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Recreation District No. 23 did not receive federal awards during the year ended December 31, 1996.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 1996.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

### **Terrebonne Parish Recreation District No. 20**

*For the Year ended December 31, 1997*

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

No findings on internal control and compliance material to the general purpose financial statements were reported during the 1997 audit.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Recreation District No. 20 did not receive federal awards during the year ended December 31, 1997.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 1997.

**COMMUNICATIONS LETTER**



Bourgeois Bennett

## COMMUNICATIONS WITH BOARD OF COMMISSIONERS

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 2/3,  
Houma, Louisiana.

We have audited the general purpose financial statements of Terrebonne Parish Recreation District No. 2/3 (the District) for the year ended December 31, 1997, and have issued our report thereon dated March 3, 1998. Professional standards require that we provide you with the following information related to our audit.

### 1) OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the general purpose financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

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 tests was not to provide an opinion on compliance with such provisions.

### 2) SIGNIFICANT ACCOUNTING POLICIES

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted and the application of existing policies

**E) SIGNIFICANT ACCOUNTING POLICIES (Continued)**

was not changed during 1997. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

**F) ACCOUNTING ESTIMATES**

Accounting estimates are an integral part of the general purpose financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the general purpose financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements relate to collectibility of accounts receivable, valuation of accrued expenditures and claims and judgments incurred. We evaluated the key factors and assumptions used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole. Management has provided us with representations concerning estimates.

This information is intended solely for the use of the Board of Commissioners and management of Terrebonne Parish Recreation District No. 27 and should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

*Bougein Bennett, LLC.*

Certified Public Accountants

Houma, La.,  
March 3, 1998.