



Bourgeois Bennett

**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. 8,
Donner and Gibson, Louisiana.

We have audited the general purpose financial statements of Terrebonne Parish Recreation District No. 8 (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 March 24, 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. Those 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 of 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 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.

Note 4 - COMPENSATION OF BOARD MEMBERS

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

<u>Number of Board Members</u>	<u>Meetings Attended</u>	<u>Per Diem</u>
Sue Adams	7	\$ 70
Darrell Hebert	8	80
Olga LeBoeuf	8	80
Johnny Marks	8	80
Pamala Norman	8	<u>80</u>
Total		<u>\$390</u>

Note 5 - 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 factor 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

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.

All cash and investments of the District are in a single financial institution. During the year the District's investments consisted solely of certificates of deposit. The District's cash and investments in excess of the FDIC insurance are 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 reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 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 \$5.50 per \$1,000 of assessed valuation on property within Recreation District No. 8 for the purpose of 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 revenue in 1997.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Operating Budgetary Data (Continued)

The General Fund budget is 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 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) Investments

Investments are stated at cost, which approximates market.

g) General Fixed Assets

The District does not maintain accounting records for its General Fixed Assets and, accordingly, the financial statements do not contain a statement of General Fixed Assets, as required by generally accepted accounting principles.

h) Vacation and Sick Leave

The District has no full-time employees. There is no accumulated unpaid vacation and sick leave at December 31, 1996.

i) Encumbrances

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

j) Total Column on Combined Statement - Overview

The total column on the combined statement - overview is captioned memorandum only to indicate that it is presented only to facilitate financial analysis. Data in this column does 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 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.

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.

Ad valorem 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. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenue) are recorded as revenue of the period for which levied, thus 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. Charges for services are recorded when earned since they are measurable and available.

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

d) Operating Budgetary Data

As required by Louisiana Revised Statute 39:1303, 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 twice during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

NOTES TO FINANCIAL STATEMENTS

Terrebonne Parish Recreation District No. 8

December 31, 1996

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Terrebonne Parish Recreation District No. 8 (the District) conform to generally accepted accounting principles as applicable to governments. 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 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 is the Governmental Fund of the District:

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

Terrebonne Parish Recreation District No. 8

For the year ended December 31, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 113,675	\$ 113,694	\$ 19
Intergovernmental:			
State of Louisiana:			
State revenue sharing	2,775	2,799	24
Charges for services	3,350	4,395	1,045
Miscellaneous - interest earned	8,000	8,114	114
Total revenues	<u>127,800</u>	<u>129,002</u>	<u>1,202</u>
Expenditures			
Current:			
General Government:			
Ad valorem tax adjustment	500	476	24
Ad valorem tax deductions	5,500	5,479	21
Total general government	<u>6,000</u>	<u>5,955</u>	<u>45</u>
Culture and Recreation:			
Personal services	27,000	24,750	2,250
Supplies and materials	5,750	5,167	583
Other services and charges	36,700	34,712	1,988
Repairs and maintenance	33,000	22,400	10,600
Capital expenditures	7,000	5,248	1,752
Total culture and recreation	<u>109,450</u>	<u>92,277</u>	<u>17,173</u>
Total expenditures	<u>115,450</u>	<u>98,232</u>	<u>17,218</u>
Excess of Revenues Over Expenditures	<u>\$ 12,350</u>	30,770	<u>\$ 18,420</u>
Fund Balance			
Beginning of year		<u>128,010</u>	
End of year		<u>\$ 158,780</u>	

See notes to financial statements.

BALANCE SHEET - GOVERNMENTAL FUND TYPE - GENERAL FUND**Terrebonne Parish Recreation District No. 8**

December 31, 1996

ASSETS

Cash	\$ 36,525
Investments	125,000
Receivable - taxes	122,854
State revenue sharing receivable	<u>1,828</u>
Total	<u>\$ 286,207</u>

LIABILITIES

Accounts payable and accrued expenditures	\$ 1,504
Due to Terrebonne Parish Consolidated Government	288
Deferred revenue	<u>125,635</u>
Total liabilities	127,427

FUND BALANCE

Unreserved	<u>158,780</u>
Total	<u>\$ 286,207</u>

See notes to financial statements.

In accordance with Government Auditing Standards, we have also issued a report dated March 24, 1997 on our consideration of the Terrebonne Parish Recreation District No. 8's internal control structure and a report dated March 24, 1997 on its compliance with laws and regulations.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
March 24, 1997.



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 8,
Donner and Gibson, Louisiana.

We have audited the accompanying general purpose financial statements of Terrebonne Parish Recreation District No. 8, (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. Those 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements referred to above do not include a statement of the General Fixed Assets Account Group, which should be included to conform with generally accepted accounting principles. The amount that should be recorded in the General Fixed Assets Account Group is not known.

In our opinion, except for the effect on the general purpose financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Terrebonne Parish Recreation District No. 8 as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

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Financial Report

Terrebonne Parish Recreation District No. 8

Donner and Gibson, Louisiana

December 31, 1996

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

JUN 04 1997

Release Date _____



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. 8,
Donner and Gibson, Louisiana.

We have audited the general purpose financial statements of Terrebonne Parish Recreation District No. 8 (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 March 24, 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. Those 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.

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 those failures or violations is material to the general purpose financial statements. The results of our tests of compliance disclosed the following *material instance of noncompliance, that might be material to the general purpose financial statements but for which the ultimate resolution cannot presently be determined.*

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition 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 general purpose financial statements.

Condition - The District does not maintain accounting records for its general fixed assets.

Recommendation - We recommend the District accumulate the information necessary to report general fixed assets in its annual component unit financial statements.

Response - The District is currently attempting to compile a fixed asset listing.

A material weakness is a reportable condition in which the design or operation 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 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.

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 believe the reportable condition described above, is a material weakness.

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.,
March 24, 1997.

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December 31, 1996

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COMMUNICATIONS LETTER



Bourgeois Bennett

COMMUNICATIONS WITH BOARD OF COMMISSIONERS

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 8,
Donner and Gibson, Louisiana.

In fulfilling our responsibility as Terrebonne Parish Recreation District No. 8 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 internal control 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.

This information is intended solely for the use of the Board of Commissioners and management of Terrebonne Parish Recreation District No. 8 and should not be used for any other purposes.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
March 24, 1997.

1340 West Tunnel Blvd., Suite 430
P.O. Box 2168
Houma, LA 70361-2168
Phone (504) 868-0139
Fax (504) 879-1945

Certified Public
Accountants & Consultants
A Limited Liability Company

P.O. Box 60600
New Orleans, LA 70160-0600
Heritage Plaza, Suite 800
Phone (504) 831-4949
Fax (504) 833-9093

504 West Second Street
P.O. Box 1205
Thibodaux, LA 70302-1205
Phone (504) 447-5241

Finding - The District does not maintain accounting records for its general fixed assets. The Louisiana Revised Statutes 24:513 require all public entities to maintain "a current itemized list of all property and equipment purchased or otherwise obtained on or after January 1, 1975, for which such entity is accountable".

Recommendation - We recommend the District accumulate this information necessary to comply with state law.

Response - The District is currently attempting to compile a fixed asset listing.

We considered this material instance of noncompliance in forming our opinion on whether the general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not effect our report dated March 24, 1997 on those general purpose financial statements.

Except as described above, the results of our tests disclosed no other instances of noncompliance that are required to be reported herein under Government Auditing Standard.

This report is intended for the information of the Board of Directors, 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.,
March 24, 1997.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS