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Financial Report

Terrebonne Parish Recreation District No. 6

Montegut, 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 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 11-1-99

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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. 6,
Montegut, 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, 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. These 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. 6 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 June 24, 1998 on our consideration of the Terrebonne Parish Recreation District No. 6's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, La.,
June 24, 1998.

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

Terrebonne Parish Recreation District No. 6

December 31, 1997

	Governmental Fund Types		Account Group	Total (Memorandum Only)
	General	Special Revenues	General Fixed Assets	
Assets				
Cash	\$ 8,601	\$ 27,812	\$ -	\$ 36,413
Investments	153,957	116,808	-	270,765
Receivables - taxes	218,678	-	-	218,678
State revenue sharing receivable	3,983	-	-	3,983
Miscellaneous receivable	1,623	-	-	1,623
Fixed assets	-	-	897,438	897,438
Total assets	\$ 378,842	\$ 137,932	\$ 897,438	\$ 1,415,284
Liabilities				
Accounts payable and accrued expenditures	\$ 3,435			\$ 3,435
Deferred revenue	120,690			120,690
Due to Terrebonne Parish Consolidated Government	1,042			1,042
Total liabilities	125,127			125,127
Equity and Other Credits				
Investment in general fixed assets	-	\$ -	\$ 897,438	897,438
Fund balances - unreserved				
Designated for subsequent years' expenditures	120,000	-	-	120,000
Undesignated	34,715	157,932	-	192,647
Total equity and other credits	154,715	157,932	897,438	1,190,077
Total liabilities, equity and other credits	\$ 378,842	\$ 357,952	\$ 897,438	\$ 1,415,284

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 6

For the year ended December 31, 1997

	General	Special Revenues	Total (Memorandum Only)
Revenues			
Taxes	\$ 289,787	\$ -	\$ 289,787
Intergovernmental:			
State of Louisiana:			
State revenue sharing	5,938	-	5,938
Charges of services	19,123	-	19,123
Miscellaneous:			
Internal	8,202	5,538	13,740
Other	78	-	78
Total revenues	<u>303,128</u>	<u>5,538</u>	<u>308,666</u>
Expenditures			
Current:			
General Government:			
Ad valorem tax adjustment	1,112		1,112
Ad valorem tax deductions	10,828		10,828
Total general government	<u>11,940</u>		<u>11,940</u>
Culture and Recreation:			
Personnel services	78,114		78,114
Supplies and materials	20,576		20,576
Other services and charges	35,481		35,481
Repairs and maintenance	14,322		14,322
Capital expenditures	23,227		23,227
Total culture and recreation	<u>169,640</u>		<u>169,640</u>
Total expenditures	<u>181,580</u>		<u>181,580</u>
Excess of revenues over expenditures	62,348	5,538	67,886
Other Financing Source			
Proceeds of general fixed assets dispositions	652	-	652
Excess of Revenues and Other Financing Source Over Expenditures	63,000	5,538	68,538
Fund Balances			
Beginning of year	91,715	132,574	224,289
End of year	<u>\$ 154,715</u>	<u>\$ 137,012</u>	<u>\$ 291,727</u>

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 6

For the year ended December 31, 1997

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes	\$ 289,785	\$ 289,787	\$ 2
Intergovernmental:			
State of Louisiana:			
State revenue sharing	5,935	5,938	3
Changes for services	18,200	19,123	3,923
Miscellaneous:			
Interest	8,800	8,202	302
Other	70	78	-
Total revenues	<u>314,990</u>	<u>343,128</u>	<u>3,138</u>
Expenditures			
Current:			
General Government:			
Ad valorem tax adjustment	1,125	1,112	13
Ad valorem tax deductions	10,030	11,820	10
Total general government	<u>11,155</u>	<u>12,932</u>	<u>23</u>
Culture and Recreation:			
Personnel services	84,958	78,134	3,938
Supplies and materials	20,250	20,336	(338)
Other services and charges	14,000	23,401	399
Repairs and maintenance	18,800	14,322	3,678
Capital expenditures	23,800	21,227	(2,277)
Total culture and recreation	<u>178,208</u>	<u>189,040</u>	<u>9,600</u>
Total expenditures	<u>189,453</u>	<u>189,772</u>	<u>3,883</u>
Excess of revenues over expenditures	<u>49,537</u>	<u>62,348</u>	<u>12,811</u>
Other Financing Sources			
Proceeds of general fund assets dispositions	658	652	2
Excess of Revenues and Other Financing Sources Over Expenditures	<u>\$ 50,195</u>	<u>63,000</u>	<u>\$ 12,813</u>
Fund Balances			
Beginning of year		91,715	
End of year		<u>\$ 154,715</u>	

See notes to financial statements.

Special Revenue		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	"	-
-	"	-
5,300	5,558	258
-	"	-
<u>5,300</u>	<u>5,558</u>	<u>258</u>

<u>\$ 5,300</u>	5,558	<u>\$ 258</u>
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<u>132,274</u>
<u>\$ 137,602</u>

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

December 31, 1997

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Terrebonne Parish Recreation District No. 6 (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 are the Governmental Funds of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for 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 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. Charges for services are recorded when earned since they are measurable and 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)

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

d) 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.

e) Operating Budgetary Data

As required by Louisiana Revised Statute 39:1383, 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 General Fund and Special Revenue Fund budgets several times 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.

f) 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.

g) 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 fixed assets. No depreciation has been provided on fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Fixed assets with an estimated historical cost amounted to approximately \$383,500 or 43% of the total General Fixed Assets Account Group.

i) Vacation and Sick Leave

Employees of the District earn two weeks of vacation after one year of service without carryover provisions. 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, 1997.

j) Encumbrances

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

k) Fund Equity

Designated fund balance represents tentative plans to use \$60,000 of financial resources for major pool repairs and \$60,000 of financial resources for the replacement of the gym roof.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Memorandum Only - Total Columns

The total columns on the general-purpose statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do 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 also requires that deposits (cash and certificates of deposits) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. In accordance with state law all cash and deposits were collateralized.

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

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 agent but not in the District's name and deposits which are uninsured or uncollateralized.

Note 2 - DEPOSITS (Continued)

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

	Bank Balances			Bank Balance
	1	2	3	
Cash	\$ 36,593	\$ -	\$ -	\$ 36,593
Investments:				
Certificates of deposit	<u>200,000</u>	<u>-</u>	<u>63,957</u>	<u>263,957</u>
Totals	<u>\$256,593</u>	<u>\$-</u>	<u>\$63,957</u>	<u>\$320,550</u>

At December 31, 1997, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the District. 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 59:1229 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 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, 1995. 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 \$1.00 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, 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 <u>1, 1997</u>	Additions	Deletions	Balance December <u>31, 1997</u>
Land and buildings	\$808,750	\$ -	\$ -	\$808,750
Machinery and equipment	68,135	18,967	10,840	77,682
Office furniture, fixtures and equipment	<u>3,418</u>	<u>4,368</u>	<u>-</u>	<u>11,678</u>
Totals	<u>\$884,303</u>	<u>\$23,335</u>	<u>\$10,840</u>	<u>\$907,429</u>

Note 5 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 1997:

Board Members	Number of Meetings Attended	Per Diem
Rebecca Billet	5	\$ 50
Ronald Crocket	8	80
Herbert Deroche	7	70
Monella Guidry	5	50
Wanda LaCompte	10	70 *
Shirley Lewson	10	100
Patry Nagain	6	60
Marcia Treclair	2	<u>20</u>
Total		<u>\$500</u>

* Wanda LaCompte donated her per diem to the District for three meetings.

Note 6 - RISK MANAGEMENT

The District participates in the Parish's risk management internal service funds for general liability, workers' compensation, group insurance and auto liability. The District's premiums for general liability are based on various factors such as operations and maintenance budget,

Note 8 - RISK MANAGEMENT (Continued)

exposure and claims experience. The District pays monthly premiums to the Parish for workers' compensation based on a fixed percentage of payroll. The premiums for group insurance is based on fixed rates per employee. The premium for auto liability is based on claims experience, vehicle type and mileage. The Parish handles all claims filed against the District. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

<u>Policy</u>	<u>Coverage Limits</u>
General Liability	\$5,500,000
Workers' Compensation	Statutory
Group	\$1,125,000
Auto	\$5,250,000

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, \$2,483,697 for general liability, worker's compensation and auto insurance and \$3,603,662 for group insurance at December 31, 1996, 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 Benness

**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. 6,
Monroegut, Louisiana.

We have audited the general-purpose financial statements of the 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, 1997, and have issued our report thereon dated June 24, 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 those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Bossier, La.,
June 24, 1998.

SCHEDULE OF FINDINGS

Terrebonne Parish Recreation District No. 6

For the 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 no
- Reportable condition(s) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

b) Federal Awards

Terrebonne Parish Recreation District No. 6 did not receive federal awards during the year ended December 31, 1997.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 1997.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Terrebonne Parish Recreation District No. 6

For the year ended December 31, 1997

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

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 1996.
No reportable conditions were noted during the audit for the year ended December 31, 1996.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 1996.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 6 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. 6

For the year ended December 31, 1997

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

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 1997.

No reportable conditions were noted during the audit for the year ended December 31, 1997.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 1997.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 6 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



State of Louisiana

COMMUNICATIONS WITH BOARD OF COMMISSIONERS

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) for the year ended December 31, 1997, and have issued our report thereon dated June 24, 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 was not changed during 1997. We noted no transactions entered into by the District

2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

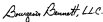
3) ACCOUNTING ESTIMATES

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 estimated historical cost of fixed assets, collectibility of accounts receivable and valuation of accrued expenditures. 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.

4) SIGNIFICANT AUDIT ADJUSTMENTS

We did not initiate any significant audit adjustments 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 purpose. However, this report is a matter of public record, and its distribution is not limited.



Certified Public Accountants