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RECREATION DISTRICT NO. 3  
OF THE  
PARISH OF ST. MARY  
STATE OF LOUISIANA

Annual Component Unit Financial Statements  
with Independent Auditors' Report

AND

Independent Auditors' Report on  
Internal Accounting Control and Compliance

FOR THE YEAR ENDED SEPTEMBER 30, 1999

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 MAR 29 2000

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MEMBERS:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

The Board of Commissioners  
Recreation District No. 3  
of the Parish of St. Mary  
State of Louisiana  
P.O. Box 635  
Patterson, LA 70392

We have audited the accompanying general purpose financial statements of Recreation District No. 3 of the Parish of St. Mary, State of Louisiana, a component unit of the St. Mary Parish Council, for the year ended September 30, 1999 (as listed in the financial information section of the foregoing table of contents). These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these 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 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 component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Recreation District No. 3 of the Parish of St. Mary, State of Louisiana as of September 30, 1999 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the component unit combined financial statements taken as a whole. The individual fund financial statements and schedule of insurance in force are presented for purposes of additional analysis and are not a required part of the component unit combined financial statements of the Recreation District No. 3.

Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the component unit combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined component unit financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated January 31, 2000 on our consideration of Recreation District No. 3's compliance and internal control over financial reporting based on an audit of financial statements.

*Adams & Johnson*

ADAMS & JOHNSON  
Certified Public Accountants

Patterson, Louisiana  
January 31, 2000

RECREATION DISTRICT NO. 3  
OF THE  
PARISH OF ST. MARY  
STATE OF LOUISIANA

COMPONENT UNIT GENERAL PURPOSE FINANCIAL STATEMENTS  
ALL FUND TYPES AND ACCOUNT GROUPS

FOR THE YEAR ENDED SEPTEMBER 30, 1999

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
September 30, 1999  
With Comparative Totals for 1998

	<u>Governmental</u>	<u>Fund Type</u>
	<u>General</u>	<u>Debt Service</u>
<u>Assets &amp; Other Debits</u>		
<b>ASSETS</b>		
Cash	\$ 108,723	\$ 107,597
Prepaid expenses	7,941	---
Property, plant and equipment	---	---
<b>OTHER DEBITS</b>		
Amount available for debt retirement	---	---
Funds to be provided for retirement of general long-term debt	---	---
Total Assets and Other Debits	\$ 116,664 =====	\$ 107,597 =====
<u>Liabilities, Equity and Other Credits</u>		
<b>LIABILITIES</b>		
Payroll taxes payable	\$ 2,154	\$ ---
Accounts payable	3,314	---
Due to Waterworks Dist. No.2	---	---
Bonds payable	---	---
Total Liabilities	\$ 5,468	\$ ---
<b>EQUITY AND OTHER CREDITS</b>		
Investments in general		
Fixed assets	\$ ---	\$ ---
Fund balances		
Reserved for debt service	---	107,597
Unreserved/undesignated	111,196	---
Total Equity and Other Credits	111,196	107,597
Total Liabilities, Equity and Other Credits	\$ 116,664	\$ 107,597

**Account Groups**

<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>Totals Memorandum Only</u>	
		<u>1999</u>	<u>1998</u>
\$        --- --- 2,127,579	\$        --- --- ---	\$ 216,320 7,941 2,127,579	\$ 195,063 7,529 2,091,156
--- 107,597	107,597	107,597	77,737
--- <u>          </u>	<u>      1,087,403</u>	<u>      1,087,403</u>	<u>      1,187,263</u>
\$2,127,579 =====	\$1,195,000 =====	\$3,546,840 =====	\$3,558,748 =====
\$        --- --- --- --- <u>          </u>	\$        --- --- --- <u>      1,195,000</u>	\$        2,154 \$        3,314 --- <u>      1,195,000</u>	\$        --- \$        2,174 4,816 <u>      1,265,000</u>
\$        ---	\$1,195,000	\$1,200,468	\$1,271,990
\$2,127,579	\$        ---	\$2,127,579	\$2,091,156
--- ---	--- ---	107,597 <u>      111,196</u>	77,337 <u>      118,265</u>
<u>      2,127,579</u>	<u>          </u>	<u>      2,346,372</u>	<u>      2,286,758</u>
\$2,127,579 =====	\$1,195,000 =====	\$3,546,840 =====	\$3,558,748 =====

See the accompanying notes to the financial statements.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES  
For the Year Ended September 30, 1999  
With Comparative Totals for 1998

	Governmental Fund Types	
	<u>General</u>	<u>Debt Service</u>
<b>REVENUE</b>		
Donations	\$ 2,398	---
LA Rural Development Grant	---	---
Ad valorem taxes	62,911	160,587
Grant-Parish Council	65,000	---
Net activity income	25,155	---
Interest income	<u>6,313</u>	<u>5,895</u>
Total Revenues	\$ 161,777	\$ 166,482
<b>EXPENDITURES</b>		
Auto	\$ 1,229	\$ ---
Advertising	1,367	---
Insurance	20,557	---
Bank charges	100	1,684
Per diem / Secretary fees	770	---
Legal & accounting	5,799	---
Supplies & office	9,678	---
Salaries	24,374	---
Leased employees	32,533	---
Repairs	10,884	---
Telephone	1,569	---
Utilities	19,611	---
Payroll taxes	2,027	---
Miscellaneous	400	---
Uniforms	1,525	---
Capital outlay	36,423	---
Bond interest and fees	---	64,538
Bond principal	<u>---</u>	<u>70,000</u>
Total Expenditures	<u>168,846</u>	<u>136,222</u>
Excess of Revenues over <under> Expenditures	\$ (7,069)	\$ 30,260

Totals	
Memorandum Only	
<u>1999</u>	<u>1998</u>
\$ 2,398	\$ ---
---	22,106
223,498	267,848
65,000	89,720
25,155	37,639
<u>12,208</u>	<u>16,782</u>
\$ 328,259	\$ 434,095
\$ 1,229	\$ 1,635
1,367	1,730
20,557	15,170
1,784	1,595
770	1,230
5,799	3,920
9,678	13,653
24,374	---
32,533	61,502
10,884	11,781
1,569	1,482
19,611	20,159
2,027	---
400	380
1,525	---
36,423	72,984
64,538	52,082
<u>70,000</u>	<u>85,000</u>
<u>305,068</u>	<u>344,303</u>
\$ 23,191	\$ 89,792

See the accompanying notes to the financial statements.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES  
(Continued)

For the Year Ended September 30, 1999  
With Comparative Totals for 1998

	Governmental Fund Types	
	<u>General</u>	<u>Debt Service</u>
Other financing sources (uses)		
Payment to refunded bond escrow	\$ ---	\$ ---
Proceeds of refunding bonds	<u>---</u>	<u>---</u>
Total financing (uses)	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues over other financing (uses)	\$ (7,069)	\$ 30,260
Fund Balance- Beginning Year	<u>118,265</u>	<u>77,337</u>
End of Year	\$111,196 =====	\$ 107,597 =====

Totals	
<u>Memorandum Only</u>	
<u>1999</u>	<u>1998</u>
\$        ---	\$ (1,187,500)
<u>          ---</u>	<u>1,085,000</u>
<u>          ---</u>	<u>(102,500)</u>
\$    23,191	\$    (12,708)
<u>      195,602</u>	<u>      208,310</u>
\$    218,793	\$    195,602
=====	=====

See the accompanying notes to the financial statements.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
September 30, 1999

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

Recreation District No. 3 of the Parish of St. Mary, State of Louisiana, was created by Ordinance No. 1109 of the St. Mary Parish Council on June 13, 1990. The District encompasses Ward Eight of the Parish of St. Mary, State of Louisiana, less and except that territory contained within the corporate limits of the Town of Berwick, as said corporate limits are presently constituted, and a portion of Ward Five of the Parish of St. Mary, State of Louisiana. The purpose of the District is to provide for cultural and recreational activities in that portion of the Parish.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517, and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A) **REPORTING ENTITY**

GASB Statement No. 14, Governmental Reporting Entity, established criteria for determining which organizations should be included in a governmental financial reporting entity. The focal point for defining the financial reporting entity is the primary government. Recreation District No. 3 of the Parish of St. Mary, State of Louisiana is a component unit of the St. Mary Parish Council (primary government) and, as such, these financial reports may be included in the CAFR of the Council for the year ended December 31, 1999. Recreation District No. 3 has followed GASB-14 guidance to determine that there are no financial statements of other organizations that should be combined with their statements to form a financial reporting entity.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
September 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B) FUND ACCOUNTING

The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the District:

Governmental Fund Types

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General 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 debt principal, interest and related costs.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
September 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Account Groups

General Fixed Assets - Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.

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

General Long-Term Debt - Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

Investments - Investments are stated at cost.

Comparative Data - The total column on the Combined Balance Sheet is captioned Memorandum Only to indicate it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operation, or changes in financial position 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.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
September 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is followed by the governmental fund types. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues and expenditures are accounted for as follows:

Revenues

Ad valorem taxes (which are based on population and homesteads in the District) are recorded in the year the tax assessments are mailed to the taxpayers.

Interest income on investments is recorded when the investments have matured and the income is available.

Substantially all other revenues are recorded when received.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
September 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except principal and interest on general long-term debt which is not recognized until due.

Other Financing Sources (Uses)

Transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses).

D) BUDGETS

The District is required by state law to legally adopt an annual budget for the General Fund. This budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles (GAAP).

Annual operating budgets are plans of current expenditures and the proposed means of financing them. Budgets are the primary means by which the acquisition, spending and service delivery activities of a government are legally controlled.

NOTE 2 - CASH AND CASH EQUIVALENTS

For financial statement purposes, cash and cash equivalents include demand deposits and certificates of deposit which have a maturity of three months or less. Cash and cash equivalents are stated at cost, which approximates market.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
September 30, 1999

**NOTE 3 - CASH AND INVESTMENTS**

The Recreation District No. 3 may invest in time deposits or certificate of deposits of state banks or savings and loan associations or savings banks organized under Louisiana law and national banks having principal offices in Louisiana. State law requires that deposits be fully collateralized at all times. Acceptable collateralization includes the \$100,000 FDIC/FSLIC insurance and the market value of securities purchased and pledged. 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 District or with an unaffiliated bank or trust company for the account of the District.

The District's cash and investments are categorized to give an indication of the level of risk assumed by the District at September 30, 1999:

- Category 1 - Insured or collateralized with securities held by the District or by its agent in the District's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- Category 3 - Uncollateralized or securities uninsured or unregistered and held by the counter party ( this includes GNMA Pool investments and mutual fund shares held in "book-entry only" form by brokerage firms)

Cash and investments (including restricted assets) stated at cost consist of the following

Checking and money market accounts	\$ 2,095
Certificate of deposit	118,852
Government Securities	40,000
Mutual fund money market	<u>55,373</u>
Total cash and investments	\$ 216,320
	=====

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
September 30, 1999

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Cash and investments categorized by level of risk are:

	<u>Cost</u>	<u>Market Value</u>
Category 1 -	\$ 160,947	\$ 160,334
Category 2 -	---	---
Category 3 -	<u>55,373</u>	<u>55,373</u>
Total cash and investments	\$ 216,320 =====	\$ 215,707 =====

**NOTE 4 - TAXES**

The District's property tax is levied in October of each year on the assessed value of property within the District's taxing area. Taxes are due and payable by December 31 and an enforceable lien attaches to the property on January 1. The taxes are collected on behalf of the District by the Sheriff and then remitted to the District. The District receives most of the ad valorem taxes in January and February.

**NOTE 5 - PROPERTY, PLANT AND EQUIPMENT**

A summary of changes in general fixed assets for the year ended September 30, 1999 follows:

	<u>Balance 9-30-98</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 9-30-99</u>
Buildings & Improvements	\$1,743,165	\$ 29,717	\$ ---	\$1,772,882
Land	268,607	---	---	268,607
Equipment	63,692	5,680	---	69,372
Furniture	<u>15,692</u>	<u>1,026</u>	<u>---</u>	<u>16,718</u>
Total	\$2,091,156 =====	\$ 36,423 =====	\$ --- =====	\$2,127,579 =====

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
September 30, 1999

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in general long-term debt for the year ended September 30, 1999:

Balance September 30, 1998	\$1,265,000
Additions	---
Reductions	<u>&lt;70,000&gt;</u>
Balance September 30, 1999	\$1,195,000 =====

Bonds payable at September 30, 1999 are comprised of the following issues:

\$1,085,000 General Obligation Refunding Bonds, Series 1998, due in annual installments of \$60,542 to \$136,125 through March 1, 2011, interest fixed at 5% payable from ad valorem taxes of the District. These bonds were issued for the advance refunding of \$1,075,000 of the Series 1991 bonds. \$1,055,000

\$1,580,000 General Obligations Bond, Series 1991 issued on September 1, 1992 with interest ranging from 6.7% to 9.0% for the purpose of purchasing and acquiring lands and to construct recreational facilities. This issue was refunded in the amount of \$1,075,000 leaving \$265,000 in debt by the issue of above Series 1998. \$ 140,000

Bonds payable at September 30, 1999 \$ 1,195,000  
=====

The District is subject to certain affirmative and negative covenants pursuant to its bond and debt agreements. The covenants include but are not limited to:

- 1) Establishment and funding of a certain debt service fund.
- 2) Restriction as to additional debt issuance.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
September 30, 1999

NOTE - 6 **LONG-TERM DEBT (Continued)**

The following is an approximation of future debt requirements at September 30, 1999:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	75,000	59,747	134,747
2001	75,000	54,755	129,755
2002	85,000	50,125	135,125
2003	90,000	45,750	135,750
2004	95,000	41,125	136,125
2005-2009	525,000	130,625	655,625
2010-2011	<u>250,000</u>	<u>12,500</u>	<u>262,500</u>
	\$1,195,000	\$ 394,627	\$1,589,627
	=====	=====	=====

During the year ended September 30, 1998 the District defeased \$1,075,000 the Series 1991 Bonds leaving \$265,000 still outstanding of the original issue. They accomplished this by issuing the Series 1998 Bonds for \$1,085,000 and placing the proceeds of the new bonds and \$102,000 from a transfer from the District's Debt Service Fund in an irrevocable trust to provide for all future debt payments on the old bonds. Accordingly, the trust accounts assets and liabilities for the defeased bonds are not included in the District's financial statements. On September 30, 1999, \$1,075,000 of the defeased Series 1991 Bonds are still outstanding.

NOTE 7 - **RELATED PARTY/LEASES**

The District did not have any long-term noncancellable lease commitments as of September 30, 1999 and September 30, 1998. The District leases property adjacent to their facility from the Hospital Service District No. 3, also a component unit of the St. Mary Parish Council, at no cost. The District has constructed ballparks on this leased property. This lease agreement shall be binding on both parties until both parties agree to terminate or the property is needed by Hospital Service District No. 3 for a good and valid purpose, at which time the Hospital Service District No. 3 shall give written notice to the Recreation District No. 3 to vacate the property within six months.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
September 30, 1999

**NOTE 7 - RELATED PARTY/LEASES (Continued)**

Recreation District No. 3 leases part of its complex to Waterworks District No. 2 which is also a component unit of the St. Mary Parish Council.

**NOTE 8 - OTHER NOTES TO THE FINANCIAL STATEMENTS**

Due to the restricted nature of certain notes to the financial statements, additional notes have been included in those sections of this report presenting the financial statements of those funds to which these restricted notes apply.

SUPPLEMENTARY INFORMATION

RECREATION DISTRICT NO. 3  
OF THE  
PARISH OF ST. MARY  
STATE OF LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS  
GENERAL FUND - OPERATIONS AND MAINTENANCE

FOR THE YEAR ENDED SEPTEMBER 30, 1999

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

BALANCE SHEET  
GENERAL FUND - OPERATIONS AND MAINTENANCE  
September 30, 1999  
With Comparative Totals for 1998

	1999	1998
<b>ASSETS</b>		
Cash	\$ 108,723	\$ 117,726
Prepaid expenses	7,941	7,529
Total Assets	\$ 116,664 =====	\$ 125,255 =====
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Payroll taxes payable	\$ 2,154	---
Accounts payable	\$ 3,314	\$ 2,174
Due to Waterworks District No. 2	---	4,816
Total Liabilities	\$ 5,468	\$ 6,990
 <b>FUND BALANCE</b>		
Unreserved/undesignated	111,196	118,265
Total liabilities and fund balance	\$ 116,664 =====	\$ 125,255 =====

See the accompanying notes to the financial statements.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND - OPERATIONS AND MAINTENANCE  
For the Year Ended September 30, 1999  
With Comparative Totals for 1998

	<u>Budget</u>	<u>1999 Actual</u>	Variance- Favorable <Unfavorable>	<u>1998 Actual</u>
<b>REVENUE</b>				
Ad valorem taxes	\$ 56,000	\$ 62,911	\$ 6,911	\$ 56,086
LA Rural Dev. Grant	---	---	---	22,106
Grant- Parish Council	75,000	65,000	(10,000)	89,720
Donations other	6,150	2,398	(3,752)	---
Net activity income	22,525	25,155	2,630	37,639
Interest income	<u>8,200</u>	<u>6,313</u>	<u>(1,887)</u>	<u>7,403</u>
 Total Revenues	 \$ 167,875	 \$ 161,777	 \$ (6,098)	 \$ 212,954
 <b>EXPENDITURES</b>				
Auto	\$ 1,600	\$ 1,229	\$ 371	\$ 1,635
Advertising	1,100	1,367	(267)	1,730
Insurance	15,250	20,557	(5,307)	15,170
Per diem / Secretary	1,560	770	790	1,230
Legal & accounting	5,000	5,799	(799)	3,920
Office supplies	11,600	9,678	1,922	3,320
Bank Charges	225	100	125	545
Salaries	---	24,374	(24,374)	---
Leased employees	62,140	32,533	29,607	61,502
Payroll taxes	400	2,027	(1,627)	---
Repairs	10,000	10,884	(884)	11,781
Telephone	1,150	1,569	(419)	1,482
Utilities	18,080	19,611	(1,531)	20,159
Miscellaneous	8,100	400	7,700	380
Capital outlay	52,000	36,423	15,577	72,984
Uniforms	<u>900</u>	<u>1,525</u>	<u>(625)</u>	<u>10,333</u>
 Total Expenditures	 <u>189,105</u>	 <u>168,846</u>	 <u>20,259</u>	 <u>206,171</u>
 Excess of Revenues over <under> Expenditures	 \$ ( 21,230)	 \$ (7,069)	 \$ 14,161	 \$ 6,783
 Fund Balance Begining Year	 <u>118,265</u>	 <u>118,265</u>	 <u>---</u>	 <u>111,482</u>
 End of Year	 \$ 97,035 =====	 \$ 111,196 =====	 \$ 14,161 =====	 \$ 118,265 =====

See the accompanying notes to the financial statements.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
GENERAL FUND - OPERATIONS AND MAINTENANCE  
September 30, 1999

NOTE 1 - GENERAL FUND

The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The District has the authority to and has levied a property tax millage for the years ended September 30, 1999 of 2.91 and September 30, 1998 of 2.91 mills to provide funds for operations and maintenance.

NOTE 2 - NET ACTIVITY INCOME

Net activity income was derived from the following revenues and expenditures:

<u>September 30, 1999</u>	
Rental	\$27,769
Concession	13,743
Aerobics	<u>1,523</u>
Total Revenue	\$43,035
Less Direct Cost	<u>&lt;17,880&gt;</u>
Net Activity Income	\$25,155 =====

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
GENERAL FUND - OPERATIONS AND MAINTENANCE  
September 30, 1999

**NOTE 3 - COMPENSATION OF BOARD MEMBERS AND SECRETARY**

The board members received the following per diems for the period ended September 30, 1999:

<u>Name</u>	<u>Meetings Attended</u>	<u>Per Diem Received</u>
Wilbur Lawrence	11	\$ 110
George Dodgen	4	40
Don Ryan	5	50
Stan Robison	12	120
Chris Dehart	4	40
Jerry Donahoe	12	120
Flo Tisdale	11	<u>110</u>
Total per diem		\$ 590
Secretary fees		<u>180</u>
Total per diem/secretary		\$ 770 =====

**NOTE 4 - LEASED EMPLOYEES**

Recreation District No. 3 leased its staff from Waterworks District No. 2 for which the employees were actually employed. The Waterworks District No. 2 payed all the wages, taxes and benefits and invoiced the Recreation District No. 3 for these costs. During the year ended September 30, 1999 & 1998, the employee lease expense totaled \$32,533 and \$61,502. On July 1, 1999 the Recreation District No. 3 began employment of its own employees and no longer leased its employees through Waterworks District No 2.

**NOTE 5 - RURAL DEVELOPMENT GRANT**

During the year ended September 30, 1998, the District received a \$22,106 Rural Development Grant from the State of Louisiana to be utilized to build a third baseball field. The construction of the baseball field was completed during the year ended September 30, 1998.

RECREATION DISTRICT NO. 3  
OF THE  
PARISH OF ST. MARY  
STATE OF LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS  
DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 1999

RECREATION DISTRICT NO. 3  
 OF THE PARISH OF ST. MARY  
 STATE OF LOUISIANA

BALANCE SHEET  
 DEBT SERVICE FUND  
 September 30, 1999  
 With Comparative Totals for 1998

	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>		
Cash Restricted	\$ <u>107,597</u>	\$ <u>77,337</u>
Total Assets	\$ 107,597 =====	\$ 77,337 =====
<b>FUND BALANCE</b>		
Designated for Debt Service	\$ <u>107,597</u>	\$ <u>77,337</u>
Total liabilities and fund balance	\$ 107,597 =====	\$ 77,337 =====

See the accompanying notes to the financial statements.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
DEBT SERVICE FUND  
For the Year Ended September 30, 1999  
With Comparative Totals for 1998

	<u>1999</u>	<u>1998</u>
<b>REVENUE</b>		
Ad valorem taxes	\$ 160,587	\$ 211,762
Interest income	<u>5,895</u>	<u>9,379</u>
Total Revenues	\$ 166,482	\$ 221,141
<b>EXPENDITURES</b>		
Bond interest and fees	\$ 66,222	\$ 53,132
Bond principal	<u>70,000</u>	<u>85,000</u>
Total Expenditures	<u>136,222</u>	<u>138,132</u>
Excess of Revenues over Expenditures	\$ 30,260	\$ 83,009
Other financing sources (uses)		
Payment to refunded bond escrow	---	(1,187,500)
Proceeds of refunding bonds	<u>---</u>	<u>1,085,000</u>
Total financing (uses)	---	(102,500)
Excess (deficiency) of revenues over other financing (uses)	30,260	(19,491)
<b>Fund Balance -</b>		
Beginning of Year	<u>77,337</u>	<u>96,828</u>
End of Year	\$ 107,597 =====	\$ 77,337 =====

See the accompanying notes to the financial statements.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
DEBT SERVICE FUND  
September 30, 1999

**NOTE 1 - RESTRICTED CASH**

The cash in the debt service fund is restricted for use of bond payments, bond fees and interest cost only.

**NOTE 2 - DEBT SERVICE FUND**

The District has the authority to and has established a property tax millage for the years ended September 30, 1999 & 1998 of 7.50 & 8.50 mills to provide for the payment of the General Obligation Bonds principal and interest payments. For the year ended September 30, 1999, \$160,587 was collected and for the year ended September 30, 1998, \$211,762 was collected.

RECREATION DISTRICT NO. 3  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

SCHEDULE OF INSURANCE IN FORCE  
For the Year Ended September 30, 1999  
(Unaudited)

<u>Insurer</u>	<u>Type of Insurance</u>	<u>Coverage</u>		<u>Exp. Date</u>
Titan Indemnity Ins. Co.	Comprehensive General Liability	Occurance	\$ 2,000,000	4-1-00
		Aggregate	\$ 4,000,000	
Titan Indemnity Ins. Co.	Directors & Officers	Aggregate	\$ 2,000,000	4-1-00
		Occurance	2,000,000	
Titan Indemnity Ins. Co.	Property	Total Coverage	\$ 1,272,000	4-1-00
Titan Indemnity Ins. Co.	Auto	Occurance	\$ 2,000,000	4-1-00

RECREATION DISTRICT NO. 3  
OF THE  
PARISH OF ST. MARY  
STATE OF LOUISIANA

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

FOR THE YEAR ENDED SEPTEMBER 30, 1999

# ADAMS & JOHNSON

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners  
Recreation District No. 3  
of the Parish of St. Mary  
State of Louisiana  
P.O. Box 635  
Patterson LA, 70392

We have audited the basic financial statements of the Recreation District No. 3 for the year ended September 30, 1999, and have issued our report thereon dated January 31, 2000. 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 Recreation District No.3's basic 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 the objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under Government Auditing Standards.

### **Prior Year Finding:**

Final expenditures exceeded final budgeted expenditures by more than 5%. The Recreation District No. 3 should have amended their final budget according to Louisiana R.S. 39:1309.

**Status:** During the current year ending September 30, 1999 the Recreation District No. 3 complied with all of the provisions of the budget law.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered Recreation District No. 3's internal control over financial reporting in order to determine our auditing procedures for the purposes of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving internal control over financial reporting and its operation that we consider to be reportable conditions.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect Recreation District No 3's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements.

### **Finding:**

Our examination disclosed that there is not any segregation of duties within the District's accounting function, (especially in the areas of cash receipts). This weakness is due to the fact that the District employs only one person in the bookkeeping function. Due to the lack of segregation of duties, possible errors or irregularities could occur in the accounting records and not be detected. Understandably, due to the limited number of accounting personnel, the most ideal system of internal control or the most desirable accounting system may not be practicable. Also the cost of hiring employees to handle the accounting function might exceed any benefits gained. The management of the District is well aware of the loss of internal control that results due to its limited staff and are constantly on watch for any problems that would occur.

### **Recommendation:**

Based upon the cost-benefit of hiring accounting personnel, it may not be feasible to achieve complete segregation of duties. We recommend management continue to closely monitor all records and transactions.

### **Management Response:**

No response is considered necessary.

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 function.

Our consideration of the internal control over financial reporting 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 not a material weakness.

This report is intended solely for the use of management of the District, the St. Mary Parish Council, and the Louisiana Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by Recreation District No. 3 is a matter of public record.

*Adams & Johnson*

ADAMS & JOHNSON  
Certified Public Accountants

Patterson, Louisiana  
January 31, 2000