

**INTERNAL CONTROL
AND
COMPLIANCE REPORTS**

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

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.

We noted one 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.

Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees the District did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the District's elected officials. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana
December 3, 1996

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

Offices:

E. Larry Sikes, CPA
C. Burton Kolder, CPA
Danny P. Frederick, CPA
Chris Rainey, CPA
Clayton E. Darnall, CPA
Eugene H. Darnall, III, CPA
Russell F. Champagne, CPA
Victor R. Slaven, CPA
Conrad O. Chapman, CPA

RETIRED

Eugene H. Darnall, CPA 1990

Lloyd F. Dore, Jr. CPA
Paula D. Bihm, CPA
Christine L. Cousin, CPA
Stephanie M. Higginbotham, CPA
Kathleen T. Darnall, CPA
Jennifer S. Ziegler, CPA
P. Troy Courville, CPA
Stephen R. Dischler, MBA, CPA

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

125 Rue Beaugard
Lafayette, LA 70508
(318) 232-3312

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
(504) 384-6264

408 W. Cotton Street
Ville Platte, LA 70586
(318) 363-2792

113 East Bridge Street
Breaux Bridge, LA 70517
(318) 332-4020

404 Pere Megret
Abbeville, LA 70510
(318) 893-5470

1231 E. Laurel Avenue
Eunice, LA 70535
(318) 457-4146

2011 MacArthur Drive
Building 1
Alexandria, LA 71301
(318) 445-5564

The Board of Supervisors
Sewerage District No. 9
of the Parish of St. Mary,
State of Louisiana

We have audited the general purpose financial statements of the Sewerage District No. 9 of the Parish of St. Mary, State of Louisiana, a component unit of the St. Mary Parish Council as of and for the year ended September 30, 1996, and have issued our report thereon dated December 3, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Sewerage District No. 9 of the Parish of St. Mary, State of Louisiana, 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 Sewerage District's compliance with certain provisions of laws and regulations. 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.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Sewerage District No. 9 of the Parish of St. Mary, State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey
(A Corporation of Certified Public Accountants)

Morgan City, Louisiana
December 3, 1996

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

**OFFICIAL
FILE COPY**

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

RECEIVED
LEGISLATIVE AUDITOR

97 JAN -6 AM 9:17

**SEWERAGE DISTRICT NO. 9
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA**

FINANCIAL STATEMENTS

Year Ended September 30, 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.

Release Date FEB 5 1997

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined balance sheet - all fund types and account group	4
Combined statements of revenues, expenditures, and changes in fund balance - governmental fund types	5
Combined statements of revenues, expenditures and changes in fund balances - budget (GAAP basis) and actual - all governmental fund types	6
Notes to financial statements	7-11
SUPPLEMENTAL INFORMATION	
FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS AND ACCOUNT GROUP	
General Fund:	
Comparative balance sheets	15
Statements of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	16
Capital Projects Fund:	
Comparative balance sheets	18
Statements of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	19
General Fixed Assets Account Group:	
Comparative statements of general fixed assets	21
INTERNAL CONTROL AND COMPLIANCE REPORTS	
Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	23-24
Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	25

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Sewerage District No. 9 of the Parish of St. Mary, State of Louisiana. 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 general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Sewerage District No. 9 of the Parish of St. Mary, State of Louisiana.

Darnall, Sikes, Kolder, Frederick & Rainey

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana
December 3, 1996

SEWERAGE DISTRICT NO. 9
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Combined Balance Sheet - All Fund Types and Account Group
September 30, 1996

	<u>Governmental</u> <u>Fund Types</u>		<u>Account Group</u> <u>General Fixed</u> <u>Assets</u>	<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u>		<u>1996</u>	<u>1995</u>
ASSETS AND OTHER DEBITS					
Cash	\$14,473	\$ 13,265	\$ -	\$ 27,738	\$ 29,367
Interest-bearing deposits	-	356,000	-	356,000	60,000
Interest receivable	-	1,078	-	1,078	206
Due from other governments	-	-	-	-	246
Property, plant and equipment - Sewer system	-	-	<u>297,455</u>	<u>297,455</u>	<u>280,096</u>
Total assets and other debits	<u>\$14,473</u>	<u>\$370,343</u>	<u>\$297,455</u>	<u>\$682,271</u>	<u>\$369,915</u>
	=====	=====	=====	=====	=====
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	<u>\$ 454</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 454</u>	<u>\$ 301</u>
Fund equity:					
Investment in general fixed assets	-	-	297,455	297,455	280,096
Fund balance - Unreserved, undesignated	<u>14,019</u>	<u>370,343</u>	<u>-</u>	<u>384,362</u>	<u>89,518</u>
Total fund equity	<u>14,019</u>	<u>370,343</u>	<u>297,455</u>	<u>681,817</u>	<u>369,614</u>
Total liabilities and fund equity	<u>\$14,473</u>	<u>\$370,343</u>	<u>\$297,455</u>	<u>\$682,271</u>	<u>\$369,915</u>
	=====	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

SEWERAGE DISTRICT NO. 9
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Combined Statements of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund Types
Years Ended September 30, 1996 and 1995

	<u>General</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>	
			<u>1996</u>	<u>1995</u>
Revenues:				
Grant from St. Mary Parish Government	\$18,234	\$180,000	\$198,234	\$ 35,955
Grant from Chitimacha Tribe	-	116,000	116,000	64,000
Interest income	410	9,249	9,659	1,703
Total revenues	<u>18,644</u>	<u>305,249</u>	<u>323,893</u>	<u>101,658</u>
Expenditures:				
Current -				
General government:				
Advertising	405	-	405	350
Meeting expense	2,695	-	2,695	2,303
Professional fees	7,963	-	7,963	7,315
Office supplies	627	-	627	600
Capital Outlay	<u>17,359</u>	<u>-</u>	<u>17,359</u>	<u>33,614</u>
Total expenditures	<u>29,049</u>	<u>-</u>	<u>29,049</u>	<u>44,182</u>
Excess (deficiency) of revenues over expenditures	(10,405)	305,249	294,844	57,476
Fund balance, beginning	<u>24,424</u>	<u>65,094</u>	<u>89,518</u>	<u>32,042</u>
Fund balance, ending	<u>\$14,019</u>	<u>\$370,343</u>	<u>\$384,362</u>	<u>\$ 89,518</u>

The accompanying notes are an integral part of this statement.

SEWERAGE DISTRICT NO. 9
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Combined Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual -
All Governmental Fund Types
Year Ended September 30, 1996

	General Fund			Capital Projects		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Grant St. Mary Parish Government	\$18,234	\$18,234	\$ -	\$180,000	\$180,000	\$ -
Grant from Chitimacha Tribe	-	-	-	116,000	116,000	-
Interest income	410	410	-	8,394	9,249	855
Total revenues	<u>18,644</u>	<u>18,644</u>	<u>-</u>	<u>304,394</u>	<u>305,249</u>	<u>855</u>
Expenditures:						
Current -						
General government:						
Advertising	403	405	(2)	-	-	-
Meeting expenses	3,038	2,695	343	-	-	-
Professional fees	7,100	7,963	(863)	-	-	-
Office supplies	627	627	-	-	-	-
Capital outlay	17,584	17,359	225	-	-	-
Total expenditures	<u>28,752</u>	<u>29,049</u>	<u>(297)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiencies) of revenues over expenditures	(10,108)	(10,405)	(297)	304,394	305,249	855
Fund balances, beginning	<u>24,424</u>	<u>24,424</u>	<u>-</u>	<u>65,094</u>	<u>65,094</u>	<u>-</u>
Fund balances, ending	<u>\$14,316</u>	<u>\$14,019</u>	<u>\$ (297)</u>	<u>\$369,488</u>	<u>\$370,343</u>	<u>\$ 855</u>
	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

SEWERAGE DISTRICT NO. 9
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Sewerage District No. 9 of the Parish of St. Mary (District), which is a component unit of the St. Mary Parish Council, was created by an ordinance dated August 8, 1984 of the St. Mary Parish Council (formerly Police Jury). The District operates under a Board of Supervisors. The purpose of the District is to provide sewerage treatment services to citizens residing within Sewerage District No. 9.

The accounting and reporting policies of the Sewerage District No. 9 of the Parish of St. Mary, State of Louisiana conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the District's executive and legislative branches (the Board of Supervisors). Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

The District is a component unit of the Parish of St. Mary.

B. Fund Accounting

The accounts of the District are organized on the basis of funds and 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, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Funds -

General fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources of the District.

SEWERAGE DISTRICT NO. 9
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Notes to Financial Statements (Continued)

Capital projects fund

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Account Group -

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations. All fixed assets are valued at historical costs. No depreciation is recorded on general fixed assets.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds 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 used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

D. Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

1. The District Treasurer prepares a proposed budget and submits it to the Board of Supervisors no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

SEWERAGE DISTRICT NO. 9
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Notes to Financial Statements (Continued)

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenue exceeding amounts estimated require the approval of the Board of Supervisors.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Supervisors. Such amendments were not material in relation to the original appropriations.

E. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District as an extension of formal budgetary integration in the funds.

G. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

SEWERAGE DISTRICT NO. 9
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Notes to Financial Statements (Continued)

H. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present 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.

(2) Compensation of Board Members

Meetings expense paid to the Board of Supervisors for the year ended September 30, 1996, is as follows:

Toby Darden	\$ 539
Clifton Charpentier	588
Charles Dapremont	588
Willie Scott	539
Anthony Darden	<u>441</u>
	<u>\$2,695</u>

(3) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 1996, the District has cash and interest-bearing deposits (book balances) totaling \$383,738, as follows:

Demand deposits	\$ 27,738
Time deposits	<u>356,000</u>
 Total	 <u>\$383,738</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

Offices

E. Larry Sikes, CPA
C. Burton Kolder, CPA
Danny P. Frederick, CPA
Chris Rainey, CPA
Clayton E. Darnall, CPA
Eugene H. Darnall, III, CPA
Russell F. Champagne, CPA
Victor R. Slaven, CPA
Conrad O. Chapman, CPA

RETIRED

Eugene H. Darnall, CPA 1990

Lloyd F. Dore, Jr. CPA
Paula D. Birm, CPA
Christine L. Cousin, CPA
Stephanie M. Higginbotham, CPA
Kathleen T. Darnall, CPA
Jennifer S. Ziegler, CPA
P. Troy Courville, CPA
Stephen R. Dischler, MBA, CPA

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

125 Rue Beauregard
Lafayette, LA 70508
(318) 232-3312

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
(504) 384-6264

408 W. Cotton Street
Ville Platte, LA 70586
(318) 363-2792

113 East Bridge Street
Breaux Bridge, LA 70517
(318) 332-4020

404 Pere Megret
Abbeville, LA 70510
(318) 893-5470

1231 E. Laurel Avenue
Eunice, LA 70535
(318) 457-4146

2011 MacArthur Drive
Building 1
Alexandria, LA 71301
(318) 445-5564

The Board of Supervisors
Sewerage District No. 9
of the Parish of St. Mary,
State of Louisiana

We have audited the general purpose financial statements of the Sewerage District No. 9 of the Parish of St. Mary, State of Louisiana, a component unit of the St. Mary Parish Council as of and for the year ended September 30, 1996, and have issued our report thereon dated December 3, 1996.

We have 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 Board of Supervisors of the Sewerage District No. 9 of the Parish of St. Mary, State of Louisiana are responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements 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 Sewerage District No. 9 of the Parish of St. Mary, State of Louisiana for the year ended September 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

Offices

E. Larry Sikes, CPA
C. Burton Kolder, CPA
Danny P. Frederick, CPA
Chris Rainey, CPA
Clayton E. Darnall, CPA
Eugene H. Darnall, III, CPA
Russell F. Champagne, CPA
Victor R. Staven, CPA
Conrad O. Chapman, CPA

RETIRED

Eugene H. Darnall, CPA 1990

Lloyd F. Dore, Jr., CPA
Paula D. Bihm, CPA
Christine L. Cousin, CPA
Stephanie M. Higginbotham, CPA
Kathleen T. Darnall, CPA
Jennifer S. Ziegler, CPA
P. Troy Courville, CPA
Stephen R. Dischler, MBA, CPA

INDEPENDENT AUDITOR'S REPORT

125 Rue Beauregard
Lafayette, LA 70508
(318) 232-3312

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
(504) 384-6264

408 W. Cotton Street
Ville Platte, LA 70586
(318) 363-2792

113 East Bridge Street
Breaux Bridge, LA 70517
(318) 332-4020

404 Pere Megret
Abbeville, LA 70510
(318) 893-5470

1231 E. Laurel Avenue
Eunice, LA 70535
(318) 457-4146

2011 MacArthur Drive
Building 1
Alexandria, LA 71301
(318) 445-5564

The Board of Supervisors
Sewerage District No. 9
of the Parish of St. Mary,
State of Louisiana

We have audited the accompanying general purpose financial statements of the Sewerage District No. 9 of the Parish of St. Mary, State of Louisiana, a component unit of St. Mary Parish, as of and for the year ended September 30, 1996. These financial statements are the responsibility of the District's officials. 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.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Sewerage District No. 9 of the Parish of St. Mary, State of Louisiana, as of September 30, 1996, 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 a report dated December 3, 1996 on our consideration of the District's internal control structure and a report dated December 3, 1996 on its compliance with laws and regulations.

SEWERAGE DISTRICT NO. 9
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Notes to Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at September 30, 1996, are secured as follows:

Bank balances	\$383,787
	=====
Federal deposit insurance	\$100,000
Pledged securities (Category 2)	<u>287,997</u>
 Total	 \$387,997
	=====
 Excess of federal insurance and securities pledged	 \$ 4,210
	=====

Pledged securities in Category 2 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent in the District's name.

(4) Changes in Fixed Assets

The following is a summary of changes in general fixed assets for the fiscal year:

	Balance <u>October 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>September 30, 1996</u>
Sewer System	\$280,096	\$17,359	\$ -	\$297,455
	-----	-----	-----	-----

(5) Pending Litigation

The District is presently not involved in any litigation.

SEWERAGE DISTRICT NO. 9
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Comparative Statements of General Fixed Assets
September 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
General fixed assets at cost:		
Preliminary costs prior to bidding sewer project	\$297,455	\$280,096
Investment in general fixed assets	\$297,455	\$280,096

SEWERAGE DISTRICT NO. 9
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA
CAPITAL PROJECTS FUND

Statements of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended September 30, 1996
With Comparative Totals for September 30, 1995

	1996		Variance -	1995
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Grant from St. Mary Parish Government	\$180,000	\$180,000	\$ -	\$ -
Grant from Chitimacha Tribe	116,000	116,000	-	64,000
Interest income	8,394	9,249	855	1,094
Total revenues	304,394	305,249	855	65,094
Expenditures:	-	-	-	-
Excess of revenues over expenditures	304,394	305,249	855	65,094
Fund balance, beginning	65,094	65,094	-	-
Fund balance, ending	\$369,488	\$370,343	\$ 855	\$65,094

SEWERAGE DISTRICT NO. 9
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA
CAPITAL PROJECTS FUND

Comparative Balance Sheet
September 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash	\$ 13,265	\$ 4,888
Interest-bearing deposits	356,000	60,000
Interest receivable	<u>1,078</u>	<u>206</u>
Total assets	<u>\$370,343</u>	<u>\$65,094</u>
LIABILITIES AND FUND BALANCE		
Fund balance:		
Unreserved, undesignated	<u>\$370,343</u>	<u>\$65,094</u>
Total liabilities and fund balance	<u>\$370,343</u>	<u>\$65,094</u>

CAPITAL PROJECTS FUND

To account for construction of Sewerage facilities for Sewerage District No. 9 using grant proceeds from the Chitimacha Tribe and from the St. Mary Parish Government.

SEWERAGE DISTRICT NO. 9
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA
GENERAL FUND

Statements of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended September 30, 1996
With Comparative Actual Amounts for Year Ended September 30, 1995

	1996		Variance - Favorable	1995
	Budget	Actual	(Unfavorable)	Actual
Revenues:				
Grant from St. Mary Parish Government	\$ 18,234	\$ 18,234	\$ -	\$35,955
Interest income	410	410	-	609
Total revenues	18,644	18,644	-	36,564
Expenditures:				
Current -				
General government:				
Advertising	403	405	(2)	350
Meeting expenses	3,038	2,695	343	2,303
Professional fees	7,100	7,963	(863)	7,315
Office Supplies	627	627	-	600
Capital outlay	17,584	17,359	225	33,614
Total expenditures	28,752	29,049	(297)	44,182
Excess (deficiency) of revenues over expenditures	(10,108)	(10,405)	(297)	(7,618)
Fund balance, beginning	24,424	24,424	-	32,042
Fund balance, ending	\$ 14,316	\$ 14,019	\$(297)	\$24,424

SEWERAGE DISTRICT NO. 9
 OF THE PARISH OF ST. MARY,
 STATE OF LOUISIANA
 GENERAL FUND

Comparative Balance Sheets
 September 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash	\$14,473	\$24,479
Interest-bearing deposits	<u>-</u>	<u>246</u>
Total assets	<u>\$14,473</u>	<u>\$24,725</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ <u>454</u>	\$ <u>301</u>
Fund balance:		
Unreserved, undesignated	<u>14,019</u>	<u>24,424</u>
Total liabilities and fund balance	<u>\$14,473</u>	<u>\$24,725</u>

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

**FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS
AND
ACCOUNT GROUPS**

**SUPPLEMENTAL
INFORMATION**